

# DRIVERS OF GEN Z's INTENTION TO SUBSCRIBE TO TAKAFUL TRAVEL: EVIDENCE FROM MALAYSIAN UNDERGRADUATES

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**Abstract:** This study investigates the determinants influencing Malaysian Generation Z undergraduates' intention to subscribe to Travel Takaful, a Shariah-compliance alternative to conventional travel insurance. Grounded in the Theory of Planned Behavior (TPB), the research examines the predictive roles of attitude, subjective norms and perceived behavioural control, while incorporating religiosity and awareness as extended constructs to enhance contextual relevance. A quantitative approach was employed, utilizing a structured questionnaire distributed to 301 university student across Malaysia. The findings reveal that attitude and perceived beavioral control significantly and positively influence the intention to subscribe, whereas subjective norms exert a moderate effect. Additionally, religiosity and awareness indirectly shape behavioural intention through their impact on attitude formation. There results underscore the importance of ethical alignment, digital accessibility, and informational outreach in promoting Travel Takaful among younger Muslim consumers. The study contributed to the literature on Islamic financial behaviour and offers practical insights for Takaful providers seeking to engage the Gen Z market segment through value-driven and user-centric strategies.

**Keywords:** Generation Z, Takaful Travel, Islamic Finance, Consumer Behavior, Theory of Planned Behavior (TPB)

## 1. Introduction

The global tourism industry has witnessed a rapid transformation in recent years, driven largely by the evolving preferences of younger generations. Among them, Generation Z broadly defined as individuals born between the mid-1990s and early 2010s, has emerged as a significant demographic cohort, accounting for nearly 30% of the world's population. As digital natives who have grown up in an era defined by technological advancement, global interconnectivity, and socio-economic uncertainty, Gen Z consumers exhibit unique behavioral patterns that set them apart from previous generations. In the context of travel and tourism, this generation demonstrates heightened financial awareness, a strong emphasis on personal and social responsibility, and a growing demand for products and services that align with their values, particularly those relating to safety, ethics, and sustainability (Karnadipa et al. 2022)

In Muslim-majority nations such as Malaysia, where Islamic principles play an integral role in shaping financial behavior and consumer choices, the emergence of Shariah-compliant financial products such as *Takaful* presents an opportunity to meet the evolving needs of this market segment. *Takaful*, an Islamic alternative to conventional insurance, operates on the principles of mutual cooperation, shared responsibility, and risk-sharing in accordance with Islamic jurisprudence. While there has been considerable growth in the awareness and uptake of general *Takaful* products in Malaysia, the specific domain of *Travel Takaful* remains relatively underexplored, particularly among younger Muslim consumers such as university students. Despite Gen Z's increased mobility and participation in both domestic and international travel, their engagement with *Takaful*-based travel protection mechanisms has yet to be sufficiently understood or leveraged (Nasir & Rahman. 2022).

To address this gap, the present study investigates the factors that influence Malaysian Generation Z undergraduates' intention to subscribe to *Travel Takaful*, using the *Theory of Planned Behavior* (TPB) as the theoretical framework. TPB, developed by Ajzen (1991), has been widely employed in the study of consumer behavior due to its robust predictive capability. The model posits that behavioral intention is primarily shaped by three psychological constructs: (i) attitude toward the behavior, (ii) subjective norms, or perceived social pressure, and (iii) perceived behavioral control, or the perceived ease or difficulty of performing the behavior. These constructs collectively inform an individual's likelihood of engaging in a particular behavior, making TPB a suitable framework for analyzing the intention to adopt financial services such as *Takaful*.

In addition to the core TPB variables, this study incorporates two extended constructs which are religiosity and awareness, in order to provide a more comprehensive understanding of Gen Z's decision-making process. Religiosity has been consistently identified as a salient predictor of Islamic financial behavior, influencing both attitudes and preferences toward Shariah-compliant products. Similarly, product awareness is crucial in shaping informed consumer attitudes, especially in contexts where knowledge gaps and misconceptions may hinder adoption. By examining these factors in relation to TPB components, this study aims to capture the interplay between religious values, informational exposure, and behavioral intention among a segment of young, educated Muslim consumers.

Data for the study were collected through a structured questionnaire distributed to a sample of 301 university students across various institutions in Malaysia. The findings indicate that both attitude and perceived behavioral control exert a strong positive influence on the intention to subscribe to *Travel Takaful*, while subjective norms show a moderate but statistically significant effect. Furthermore, religiosity and awareness were found to indirectly influence behavioral intention through their impact on attitude formation, underscoring the importance of value alignment and informational outreach in promoting *Takaful* adoption.

This study contributes to the growing literature on Islamic consumer behavior by contextualizing the adoption of *Takaful* products within the behavioral patterns of Generation

Z. It offers theoretical enrichment to the TPB framework through the inclusion of culturally relevant constructs and provides practical insights for industry stakeholders. Specifically, the findings highlight the need for Takaful providers to enhance digital accessibility, awareness campaigns, and value-driven marketing strategies that resonate with the ethical and religious sensibilities of younger Muslim consumers. As the Takaful sector continues to expand, understanding the preferences and behavioral drivers of emerging demographics such as Gen Z will be essential for sustaining growth and fostering financial inclusion in a Shariah-compliant framework.

## 2. Literature Review

Within the Theory of Planned Behavior (TPB), *intention* is recognized as the most immediate antecedent of behavior, including financial and insurance-related decisions. In the context of Travel Takaful, intention reflects a Gen Z consumer's deliberate willingness or motivational plan to subscribe to a Shariah-compliant travel protection plan in anticipation of travel (Ajzen. 1991). Given that travel typically involves risk, uncertainty, and financial cost, the decision to adopt a risk-mitigation product like Travel Takaful is not made impulsively but is instead a product of considered intention influenced by psychological, cultural, and contextual factors.

Travel Takaful, as an Islamic insurance product, offers coverage for travel-related contingencies such as trip cancellations, medical emergencies abroad, or loss of belongings while adhering to Islamic principles such as mutual cooperation (*ta'awun*) and the prohibition of interest (*riba*) and excessive uncertainty (*gharar*). However, despite its alignment with Islamic values, uptake among younger Muslim consumers remains limited, suggesting the presence of behavioral and perceptual barriers that affect intention (Nasir & Rahman. 2022)

Several studies in Islamic finance and consumer behavior literature suggest that attitudes toward Takaful, social influence, and perceived ability to access or understand the product all contribute significantly to intention formation (Qazi & Md Husin. 2024). For instance, a favorable attitude toward the ethical and risk-sharing nature of Takaful may positively influence intention to subscribe. Likewise, if peers, family members, or religious leaders encourage the use of Shariah-compliant financial products, these subjective norms can strengthen one's intention to adopt Travel Takaful (Zainordin et al. 2022).

Moreover, Ajzen and Fishbein said perceived behavioural control, such as ease of online subscription, clarity of policy terms, and affordability, can significantly impact whether intention translates into actual behaviour. This is particularly relevant for Generation Z, who are digitally savvy and highly responsive to convenience and user experience in digital financial services. If young consumers believe they are capable of purchasing and benefiting from Travel Takaful with minimal friction, their intention to subscribe is more likely to be high.

Additional constructs such as religiosity (Aziz et. al., 2019) and awareness (Hasan et al. 2018) further mediate this relationship by shaping the underlying attitudes that lead to behavioural

intention especially in Takaful subscription. For instance, a consumer who is more religiously observant may perceive Travel Takaful not only as a financial product but also as a religiously responsible choice, thereby increasing their intention to subscribe. Likewise, higher awareness of the product's benefits and Shariah compliance could foster more favourable attitudes, indirectly boosting intention.

In short, intention in the TPB framework serves as a critical predictor of whether or not Malaysian Gen Z consumers will subscribe to Travel Takaful. It is shaped by both internal evaluations (attitude), external pressures (subjective norms), and perceived capacity (behavioural control), and is further influenced by culturally relevant factors like religiosity and product awareness. Understanding this intention is vital for Takaful providers seeking to develop strategies that resonate with the values, needs, and digital expectations of a young, increasingly mobile Muslim population.

### 3. Methodology

This study adopts a quantitative approach to examine the factors influencing Malaysian Generation Z's intention to subscribe to Travel Takaful, using the Theory of Planned Behavior (TPB) as the theoretical framework. The TPB constructs attitude, subjective norms, and perceived behavioral control are expanded with religiosity and awareness, which are believed to affect Takaful adoption. A structured online questionnaire was distributed to 301 undergraduate students across various Malaysian universities. The survey assessed respondents' attitudes, subjective norms, perceived control, religiosity, and awareness of Travel Takaful using a 5-point Likert scale. Descriptive statistics were used to summarize demographic data, while correlation and multiple regression analyses were conducted to examine relationships between TPB constructs and the intention to subscribe to Travel Takaful. Participants were informed about the study's purpose, assured of anonymity, and their participation was voluntary. The study's cross-sectional design and reliance on university students may limit the generalizability of the findings to the wider Gen Z population.

### 4. Result

#### 4.1 Demography

Table 1. Demography of Respondents

Category	Subcategory	Frequency	Percent	Valid Percent
Age	18-22	139	69.2	69.2
	23-28	62	30.8	30.8
	Total	201	100.0	100.0
Gender	Male	72	35.8	35.8
	Female	129	64.2	64.2
	Total	201	100.0	100.0
Level of study	Diploma/Asasi/STPM/STAM	25	12.4	12.4
	Degree	175	87.1	87.1

Category	Subcategory	Frequency	Percent	Valid Percent
	Master	1	0.5	0.5
	Total	201	100.0	100.0
Frequency of travel	1-5 Times	183	91.0	91.0
	5-10 Times	9	4.5	4.5
	> 10	9	4.5	4.5
	Total	201	100.0	100.0
Previous experience with takaful product	Yes	75	37.3	37.3
	No	126	62.7	62.7
	Total	201	100.0	100.0

Table 1 shows the demography of respondents. Based to the survey findings, the majority of respondents are young, with 69.2% between the ages of 18 and 22, and they are mostly female (64.2%). Most participants (87.1%) are pursuing a degree, with only a few at the diploma (12.4%) or master's level (0.5%). In terms of travel experience, 91% have traveled overseas one to five times, with a small fraction (4.5%) having traveled ten or more times. Furthermore, 62.7% of respondents have no past experience with Takaful products, showing that this insurance alternative is not well known or understood. These data indicate that the sample is primarily composed of young, undergraduate ladies with moderate overseas travel experience and little acquaintance with Takaful.

#### 4.2 Analysis of Descriptive Statistics on the Intention to Subscribe to Takaful Travel

Table 2: Descriptive Statistics Intention to Subscribe

Item (Variable) Intention to subscribe	N	Minimum	Maximum	Mean	Std. Deviation
I will consider Takaful travel plans when planning my next trips	201	2	5	4.00	.822
I intend to explore Takaful travel options before I travel	201	1	5	3.94	.864
I intend to subscribe to Travel Takaful in the future.	201	2	5	3.99	.840
I am likely to recommend Takaful travel to others.	201	1	5	4.00	.877
I plan to learn more about Takaful travel offerings	201	2	5	4.00	.857
Valid N (listwise)	201				

Table 2 provides the descriptive statistics for the survey items, with responses measured on a Likert scale from 1 to 5. The data shows the respondents' average ratings (means), range of responses, and standard deviations for each of the items related to their intention to subscribe to Takaful travel.

The mean values for each item range from 3.94 to 4.00, indicating a generally positive disposition towards Takaful travel. The highest mean score of 4.00 was recorded for two items: "I will consider Takaful travel plans when planning my next trips" and "I am likely to recommend Takaful travel to others." These high scores suggest that respondents are inclined to consider and recommend Takaful travel products, reflecting a positive intention to engage with this financial offering.

The item "I intend to explore Takaful travel options before I travel" received the lowest mean score of 3.94, which still indicates a positive response but slightly lower than the other items. This may suggest that while respondents are open to Takaful travel, there is a mild hesitation in proactively seeking out information before their travels.

The standard deviations for the items range from 0.822 to 0.877, reflecting a low level of variability in responses. This suggests that the participants' opinions are fairly consistent across the survey items, with little disagreement about their intention to subscribe to Takaful travel products.

The findings suggest that consumers generally have a favorable view of Takaful travel, with most respondents indicating that they would consider or recommend such services. The relatively high mean scores, particularly for the items on recommending and considering Takaful, demonstrate the growing inclination towards ethical financial products in the travel insurance sector.

However, the lower mean score for exploring Takaful options before traveling could point to a gap in consumer knowledge or a lack of motivation to actively research Takaful travel offerings. This suggests that while there is interest in Takaful, the awareness and knowledge necessary for proactive engagement may need to be enhanced.

The increasing interest in Takaful travel is aligned with the broader trend of consumers seeking financial products that are consistent with their ethical values. As a form of Islamic insurance, Takaful is seen as an attractive option for Muslims who wish to comply with religious principles while ensuring financial security during their travels. This trend is further supported by recent studies which suggest that millennials and younger generations are particularly drawn to socially responsible and Sharia-compliant products (Zainudin & Abdul Majid, 2022).

The relatively high level of recommendation observed in the survey is also significant. Word-of-mouth plays a critical role in the adoption of financial products, and the likelihood of recommending Takaful suggests that respondents are not only willing to engage with the product themselves but are also willing to advocate for it to others (Hassan & Ahmed, 2021). Despite the positive responses, the lower score for exploring Takaful options before traveling may reflect challenges in consumer education or the convenience of conventional insurance

options. This gap indicates that financial institutions offering Takaful travel insurance need to focus on raising awareness and simplifying access to information about their products. Additionally, enhancing the user experience to make it as easy and seamless as conventional travel insurance could help bridge this gap.

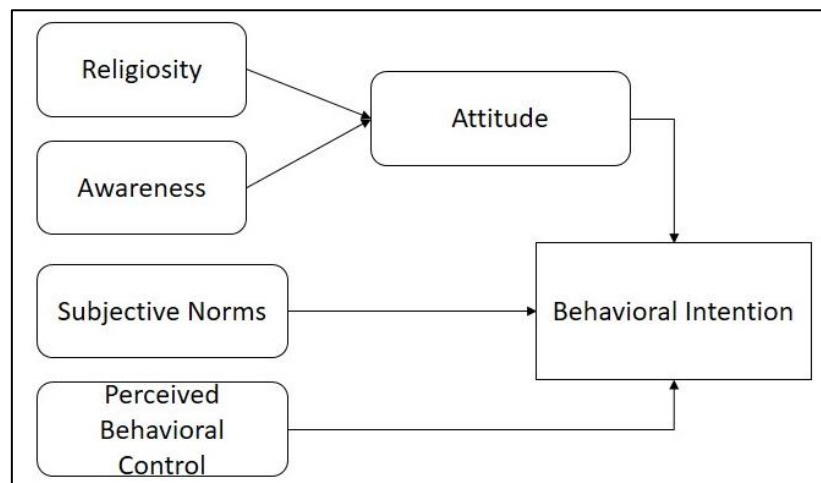


Figure 1: Framework of Behavioral Intention to Subscribe Travel Takaful among Gen Z

In conclusion, the analysis of the intention to subscribe to Takaful travel insurance reveals that consumers are generally favorable towards this Sharia-compliant financial product. The respondents indicated strong intentions to consider, subscribe to, and recommend Takaful travel options. However, the relatively lower score on exploring Takaful before travel suggests a need for further engagement and consumer education. As the demand for ethical financial products continues to rise, institutions offering Takaful services should focus on increasing awareness and improving the ease of access to these products, particularly for younger, socially conscious consumers.

## 5. Discussion

This study aimed to explore the factors influencing Malaysian Generation Z's intention to subscribe to Travel Takaful. The findings indicate that both attitude and perceived behavioral control have a strong positive influence on the intention to subscribe, while subjective norms exerted a moderate effect. These results align with recent research on consumer behavior, which highlights that attitudes toward financial products, especially those aligning with ethical and religious values, are significant predictors of intention (Zainudin & Abdul Majid, 2022). Generation Z's positive attitude toward Travel Takaful is likely due to its alignment with Shariah-compliant financial practices, which resonate with their growing interest in ethical consumption.

Awareness of Takaful products was found to indirectly influence the intention to subscribe. As noted by recent studies, greater awareness and knowledge of Shariah-compliant financial

products increase the likelihood of their adoption, especially when the product's benefits are well-understood (Mishra et al., 2020). This suggests that raising awareness and simplifying access to information about Travel Takaful could be key strategies for providers aiming to increase subscriptions among Generation Z.

In conclusion, the intention to subscribe to Travel Takaful among Malaysian Gen Z is primarily influenced by positive attitudes and perceived control, with awareness also playing an important role. To encourage greater adoption, Takaful providers should focus on enhancing product awareness and ensuring a user-friendly, digital experience, which aligns with the preferences and behaviors of younger consumers.

## 6. Conclusion

This study reveals that Malaysian Generation Z's intention to subscribe to Travel Takaful is primarily influenced by positive attitudes and perceived behavioral control. The findings suggest that Gen Z values the ethical and religious alignment of Travel Takaful products, alongside the ease of access and convenience associated with digital platforms. While subjective norms exert a moderate effect, individual attitudes and perceived control play a more dominant role in shaping their intention to adopt this financial product. These results highlight the growing importance of ethical financial products, particularly among younger, digitally savvy consumers who seek both religious compliance and ease of use in their financial decisions.

To enhance the adoption of Travel Takaful among Generation Z, Takaful providers should focus on increasing product awareness and improving the digital experience. Marketing strategies should emphasize the ethical, Shariah-compliant nature of Takaful, aligning with the values of younger consumers. Additionally, simplifying the subscription process and ensuring accessibility through user-friendly online platforms will likely increase consumer engagement. Future efforts should also consider educational campaigns to bridge the knowledge gap and encourage proactive exploration of Travel Takaful options, ultimately fostering greater trust and understanding of the product.

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