



Determinant of demand for Takaful Cash Waqf in Malaysia

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ABSTRACT

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The study investigates the relationships between consumer behavior, consumer awareness and religiosity influence on intention to demand for Takaful cash Waqf. The respondents of the study comprise 100 individual contribute as a participant in Takaful/insurance. The result of the study shows that there is a positive relationship between consumer behaviors and religiosity influence on intention to demand for Takaful cash Waqf. The study found that consumer awareness is relatively not significance with determinant demand for Takaful, while consumer behavior and religiosity is strong relationship. The implication from this study shows that there is a need for sharing more information about cash Waqf if Takaful really want to implement Takaful cash Waqf as a product. The study proposes that Takaful should educate the public to increase the awareness of Takaful Cash Waqf.

Keywords:

Takaful, Cash Waqf, Consumer awareness, Consumer behaviour, Religiosity

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1. Introduction

One of the potential solutions to the necessity of sufficient fund for public needs is Waqf fund from people's donation. People donate their money as cash Waqf through Waqf institutions. The gathered fund will be then invested in various investment portfolio and the profit of which can be spent for the public necessities. The gained profit will also be used for funding poverty alleviation programs, while the principal of funds will be reinvested in various highly profitable investment opportunities. Therefore, it is important to recognize the possibility that this type of distribution can accomplish the objective of the Waqf in reducing the gap between the poor and rich people; thus, attaining the social economic justice. In addition, poverty attracts the poor to moral decay whereupon short cuts influenced by criminal behavior and moral decay are taken. Most cases of

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robbery, murder drug trafficking etc. are inherited by the younger generation who are jobless and unqualified *Muslim* youths.

Takaful endowment is intended to provide a form of savings to facilitate each individual Muslim raise money gradually to left as the right to practice charity endowment . Policies for takaful products waqf contributed sums of money during the period assigned to the company for storage . Once the policy reaches maturity, the result will either be directed to Islamic charities or depend on the choice of the donor. In this situation , scholars Muhammad Taqi Usmani argues that the endowment model is actually more in line with the basic concept that describes Takaful protection plan based on the relationship of human brotherhood , mutual responsibility and mutual cooperation among the participants. This is so, because the endowment funds are grouped based on initial contribution of capital participants to help Muslims in need. He considers this Waqf fund model as a legal entity in law while Takaful fund certainly has the status of a legal entity. The contribution of nonprofit funds but managed to take care with which contributors are willing to give to members of the community who are less fortunate. Based on previous studies , it was found that the cash endowments managed by the Takaful company made a huge impact on the participants, as the benefits are when the participant dies. Accordingly , the study identified the factors that cause Takaful Waqf received no response and the factors that influence the demand for Takaful products.

The objectives of this study is to examine the relationship between cash Waqf and a demand for Takaful and also to identify factors influencing determinant demand for Takaful. In fulfilling the aims and objectives of this research. The following research questions were developed:

1. What are the purpose of Takaful company implement the Takaful Waqf?
2. Do the Takaful company apply the Waqf model in Takaful plan?
3. How the Takaful Waqf plan (cash waqf) can be attractive to the customer to buy the product of Takaful company?
4. How customer awareness, consumer behavior and religiosity influence the demand for Takaful products?
5. What are the barriers, that may arise in implementing the Takaful Waqf plan?

The researchers hope that the study of this research would throw more light in the understanding of the Takaful and its practice in Malaysia. In order to complete this research helps much in the sense of understanding regarding challenges of the business activities in the real world. This study gave a lot of experience to the researcher especially in the process of primary and secondary data collection to gain information related to this study. The researcher also gains better knowledge of Takaful and getting excellent cooperation and participation from Takaful users in completing this study.

The finding of this study would be of interest to the non-financial institutions, financial institution and academician in Islamic banking area. Since Takaful is one of the most popular mechanism of Islamic banking in Malaysia nowadays, it is timely that this research is made to determine whether Takaful in Malaysia needs a revisited to fulfill the market demand. Further, with the globalization and internationalization of the Islamic financial system, our Islamic Banking and Finance in Malaysia, especially Takaful have to open up to the global market and comply with the international Shari'ah standards for Islamic Banking and Financial practices. It may require us to review our current practice and operation of Takaful for more acceptable practice in view of Shariah compliance issues such as Cash waqf. Thus, this research is also conducted to find the lack in Takaful practices to further improvement in the future.

2. Literature Review

A study by [21] state that Waqf is a form of continuous charity (sadaqah jariyah). The rewards for this type of charity continue even after the donor's death—for as long as people continue to benefit from the waqf. Waqf refers to gift of money, property or other items of charity, which have been held and preserved for the confined benefit of certain philanthropy. The waqf property is prohibited from being used or disposed of outside of the specific purpose for which it is held. Since the definition of waqf implies a perpetual nature, waqf applies to nonperishable property whose benefit can be extracted without consuming the property itself. This type of properties include real estate, stocks, cash money, books, and chattel. A study by [1] seen the commitment from the authority, scholars and people could increase the capacity of the cash waqf in developing the ummah (society).

2.1 Waqf

Waqf is an important vehicle to run the socio economic development. The word waqf (plural awqaf) or in Malaysia the term waqf is spelt as wakaf literally means 'to stop, to prevent, to restrain'. In English is known as Islamic endowment. All these terms gave the same meaning, which holding and preservation of a certain philanthropy (charity). According to [2] waqf asset cannot be disposed, its ownership cannot be transferred, only its benefits are to be used for the specific purpose(s), which is (are) mainly charitable in nature, and It is a voluntary charity characterized by perpetuity. According to Imam Abu Hanifa, the legal meaning of "philanthropic" waqf is "in charity of the poor or other good objects."

Most research show there are no legal references on specific verses in the Al-Quran that mentioning waqf in specific. Muslims are relying on the Sunnah of Prophet Muhammad (pbuh) and the actions of his companions in practicing waqf. However, there is a verse on charity which carries the practicing of waqf in the following Quran verse:

"Never will you attain the good(reward) until you spend (in the way of Allah) from that which you love. And whatever you spend – indeed, Allah is knowing of it" (Surah Al-'Imran, 3:92)

This verse had been interpreted by Abu Talha, one of Prophet (pbuh) richest companion. He owned exquisite date garden named Bi'ruha which was in front of the Prophet's mosque in Madinah. Prophet (pbuh) used to go there and drink from its nice water. When this verse was revealed, Abu Talha went to see the Prophet (pbuh) and declared the Bi'ruha garden as a sadaqah. The Holy Prophet (pbuh) was really happy on hearing him and asked him to sadaqah the garden to his children and relatives" [22].

Succeeding the earlier definition on waqf which hold the concept of charity with the intention of prohibiting any use of disposition of the property outside the specific purposes to which the property is dedicated, in such a way it cannot be inherited or sold. [3] in her paper define cash waqf as an amount of money/cash of the founder that to be utilized to fund project which beneficial for the society. The endowed cash used to be invested or loaned out to earn income, and target projects were financed by earned income. The creation of cash waqf is been approved by the four school of thought and must obey the three restrictions of cash waqf, consists of; (1) Irrevocability – founder cannot revoke the sum of waqf money that has already declared as waqf; (2) Perpetually – once the money has been waqf, the mutawalli must ensure the regular and continue support of the beneficiaries; and (3) Inalienability – once cash waqf is created, it cannot be transferable, in any forms of gift, inheritance or any alienation.

Cash waqf is created in the form of movable waqf (money) to establish liquid money in order to finance services and develop waqf property or to support and build an educational institution

(schools or universities) or orphanage houses in the name of Allah s.w.t. Cash waqf is usually formed as a financing method to fund a project to be utilised by the public. The waqf will receive cash instead of property or land and will use it for the financing instead of relying on banks or financial institutions. [4,5] finds that cash waqf is capable of promoting entrepreneurship in the world with interest free loans from the cash waqf institutions, making the poor self reliant and dignified.

2.1.1 Types of Waqf

Islamic Endowments are a very honourable practice is encouraged by Islam. It is one of the charitable mechanisms, Waqf quite unique compared to other good deeds such as alms or Zakah as a Waqf property would be in 'hold' it is not spent but rather a benefit, or the return of the trust's endowment can be spent. Begin with solid assets Waqf, currently development is in the form of charitable endowment of cash and part of it will be invested in Islamic financial markets.

Waqf has existed since a long time ago, like time of Rasullullah S.A.W. examples of situations that show waqf act has occurred at that time when the Saidinar Umar r.a gained a land in Khaibar. Saidina went to see Propet Muhammad S.A.W to know what he should do with the land that he got. So Rasullullah told Saidinar, that he can give to others [6]. Beside that, in Al-Quran already mention that Waqf institutions are for the humans to do good deeds for the society. Allah decreed:

"O you who have believe, bow and prostrate and worship your Lord and do good – taht tou may succeed" (Al-Haj 17:77). "Never will you attain the good (reward) until you spend (in the way of Allah) from that which you love. And whatever yuo spend – indeed, Allah is Knowing of it" (Al-Imran 4:92).

In Islam, Waqf is a perpetual voluntary charitable act (Maliah, Muntaka) and not compulsory, which is one mechanism in the Islamic economic system to promote equitable and justice distribution of wealth. This form of charity assures the donor a continuous reward in the afterlife for a long as the useful years of the underlying assets remain. Due to importance of waqf in Islamic economy over the past year for socio-economic growth and development of communities especially it has been labelled as the most visible evident of charity in Islam (Maliah, Muntaka).

"the waqf contribution to the shaping of the urban space can hardly be overestimated...A major part of the public environment in Islamic towns actually came into being as a result of endowments," [7].

Traditionally Waqf in Malaysia is in the form of land, mosque, the grave and religious school and related equipments. Currently efforts are being made to develop waqf lands that have the potential for development. The central government in order to develop and enrich the Waqf has established a translate Awqaf, Zakat and Hajj (JAWHAR) to assist in the co-building endowment at the state level. Waqf property is managed and operated by the Islamic Religious Council can be divided into two types of waqf like specific waqf and general waqf.

2.1.1.1 General WAQF

The general endowment was an unspecified charitable uses by Waqif. Example B endowed land without expressed their land use. Land endowed that's up to the council to determine the religion of the land use as to be school or 'bazaar'.

2.1.1.2. Specific WAQF

Specific Waqf is an endowment that has been defined by the endowment provider. For example, A has endowed a piece of land and determined the use of the land to be used as burial plot or mosque. Therefore, the type of endowment is named specific endowment.

2.1.2. Cash Waqf and conventional endowment

2.1.2.1. Cash Waqf

The cash WAQF was a special type of endowment which differed from the ordinary real estate WAQF in that its original capital, *asl al-mal* or corpus, consisted purely or partially, of cash [8]. In addition [4] mentioned the cash WAQF is a movable WAQF that has been established with liquid money to promote services to mankind in the name of Allah (s.w.t). It is become a trust fund established with money and transferred to an asset to extract its usufruct for the benefit of *ummah*. Therefore, [4] concluded the definition of cash WAQF as the confinement of an amount of money /cash from the founder and the dedication of its usufruct, according to founder's condition(s), perpetuity to the welfare of the society. A Study by [9] proposes that micro enterprises a viable alternative model for micro enterprises as a source of financing by using cash waqf fund. This model incorporates *Musharakah Mutanaqisah* (diminishing partnership) as a financial arrangement between non-profit organization and micro enterprises. [10] shows that the cash Waqf contributors prefer to channel their money for Waqf development in the following rank order: (1) education, (2) health, (3) masjid and madrasah, (4) social-care and welfare (5) trade and commerce (6) environment (7) infrastructure and (8) art, culture and heritage.

Historically, the institution of WAQF had achieved its peak during the Ottoman Sultanate in terms of numbers, assets and the services it was rendering to its citizens ranging from municipal services to education, health, culture and religion. During this time, cash WAQF had also served the role financier, granting loans to people in need of them [8]. [11] mention that in Ottoman era, a son of *mutawalli* will replace his father for the duty of WAQF management. On the other hand if there are more than one son in the family therefore the most competent was chosen to be the *mutawalli* and managed the institution. Cizacka, as quoted in [12], also mentioned that cash WAQF has become popular because people without much (immovable) property wish to get the benefits of the WAQF system and the banking system prefers it is easier to handle than property or other endowments.

The legitimacy of cash WAQF has been discussed by Muslim scholars. There is a consensus among majority of Muslims jurist over the recognition of cash WAQF Ibn Qudamah as quoted in [4] the Hanafi school of fiqh, a disciple of Abu Hanifah, Imam Zufar approved all movable properties to be dedicated as WAQF including the WAQF of dirham and dinar i.e WAQF *al-nuqud* (cash WAQF). Wahbah al-Zuhaili as quoted in [4] mentioned with the respect to the other two schools of fiqh, both imams, al Shafe'i and Ibn Hanbal had agreed on the validity of both immovable and movable properties as a subject of WAQF. In Malaysia, Fatwa Committee of the National Council for the Religion of Islam confirmed the legality of Cash WAQF during 77th meeting on 10th to 12th April 2007 under 9th Malaysia Plan (www.e-fatwa.com.my).

2.1.2.2. Conventional endowment fund

An endowment is a fund that is restricted. A fund that is made up of gifts and bequests that are subject to a requirement that the principal be maintained intact and invested to create a source of income for an organization. Donors may set up an endowment to fund a specific interest; and a nonprofit's governing body may set up an endowment. In any case, an endowment requires that the principal remain intact in perpetuity, or for a defined period of time, or until sufficient assets have been accumulated to achieve a designated purpose.

Charitable endowments are money or property transfers donated to an institution typically assigned for a specific purpose. Endowments are given to museums, colleges, universities, libraries, theaters, hospitals and more. Endowments come in the form of collections such as buildings, vehicles

or art and in the form of money. Endowments go beyond discretionary funds. A professorship or chair may be endowed, which means the “charitable funds” finance the position at no cost to the university, allowing critical positions to be filled by an expert (Heather Long). The act of endowment giving is a common practice in the United States and Europe, particularly in areas of education, arts and medicine. Endowments can be set up as charitable funds providing financial support for designated issues, tasks and positions. The endowment is typically managed as a trust, invested so that it continues to make money to pay forward.

Endowments come from private individuals, corporations and governments. An endowment is a charitable donation that continues to give. Endowments fund professorships, department chairs, museum curators, specialists and researchers. Endowments fund archaeological expeditions, in the field research studies, charter schools and more. The history of charitable endowment giving has encouraged the development of liberal arts, education, medicine and more for centuries. An endowment fund is created when a donor or the Board of Trustees specify that a gift is to be invested and only the income earned on that gift may be spent for a specific purpose. The gift amount is referred to as the principal or corpus and is held in a fund that is managed by the Finance Department.

There are two basic types of endowment funds, true endowment and quasi endowment. A true endowment is defined as an endowment in which the donor stipulates that the corpus must be held inviolate and in perpetuity and invested to generate income to be spent for a specific purpose. Funds that are designated as endowment by the governing board of an institution (Board of Trustees) are called quasi endowment. These funds are also invested for the purpose of generating expendable income for a given purpose, but as the funds are internally designated as endowment, the governing board can decide to spend the funds at any time. In some cases, donors will allow for the corpus of their endowment to be spent. This is also categorized as a quasi-endowment. To spend the principal of a quasi-endowment fund requires Board of Trustee approval or donor authorization.

2.2. *Waqf in Takaful*

2.2.1. *Definition of Takaful*

Takaful originates from the Arabic word Kafalah, which means guaranteeing each other. Takaful is generally known as Islamic insurance because the system is based on the concept of social solidarity, cooperation and mutual indemnification of losses of members [13]. In addition, the Takaful system is perceived as cooperative or mutual insurance, where members contribute a certain sum of money to a common pool. The Takaful system is based on the principles of mutual co-operation and responsibility between participants in a group.

The principle of Ta’wun (mutual co-operation) and Tabarru’ (donation) means the risk is shared collectively by participants in the group with the overall objective of eliminating the element of the uncertainty. For example, a group of person who agree to jointly indemnify the loss or damage that may be inflicted upon any of them, out of the fund they donate collectively. Helping each other in the event of misfortune is highly encouraged in Islamic teaching. In the Qur’an, Allah mentioned that: *“Help you one another in Al Birr and at Taqwa (virtue, righteousness and piety); but do not help one another in sin and transgression....”* (Al-Maidah:2)

Takaful is a social system that complies with Shariah principles. It is structured into two types; for profit and not for profit. Among the models that can be used are: Mudarabah, Wakalah, Waqf and mixed hybrid model. Takaful as a concept is generally well-understood, but the multiple variants of structure and model, which can differ greatly are less easy to grasp and can represent significant

challenges for participants attempting to analyze performance. In this feature, we can see a basic rundown of the various Takaful models and assesses individual features, advantages and challenges.

2.2.2. The application of Waqf fund in Takaful

2.2.2.1. A hybrid of wakalah and waqf model

The general concept of the Takaful Waqf plan is designed to enable any individual to save regularly with the aim of accumulating a fund that can be left as a donation under the Waqf system. In this model, the shareholders of the Takaful operator will initially make a donation to establish the Waqf fund. The fund needs to be invested in a Shariah-compliant investment, and the returns will be used for the benefits of the participants. The Tabarru' fund from participants' special account also becomes part of the Waqf fund. Based on Waqf principles, the donors (shareholders and participants) would lose ownership rights on their monetary contributions in the Waqf fund. The monies eventually become the property of Waqf fund which can only be used for benefits of all participants.

The shareholders, who act as the owner of the Waqf fund, delegates authority to the operator to become administrator of the fund, whose function among others, include paying claims from the fund. The operator also undertakes the role of investment agent and is entitled to a certain percentage in the investment profit as a performance fee. Generally, there are two types of Waqf model in respect of surplus sharing, namely: First, is Pakistani model, in which the underwriting surplus is returned to the Waqf fund, thus not distributed to either the participants or operator. The second is Commercial Waqf model, in which the terms on surplus sharing are spelt out in the Waqf deed in accordance to the intention of the contracting parties involved in the Waqf arrangement [13].

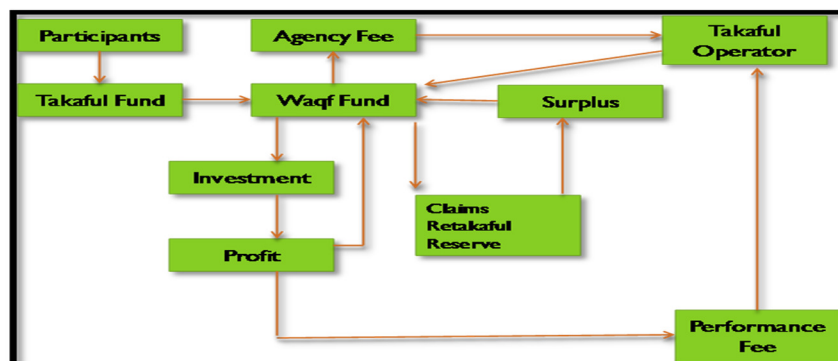


Fig. 1. Operation of Wakalah Waqf Model [13].

2.2.3. Determinant demand for Takaful cash Waqf

2.2.3.1. Consumer awareness

Consumer awareness refers to the combination of the knowledge of the product purchased by the consumers in terms of its quality [14]. For example the consumer should know whether the product is good for health or not, whether the product is free of creating any environmental hazard or not etc. Second is the education about the various types of hazards and problems associated with marketing of a product - For example, one way of marketing a product is advertisement through news papers, television etc. Consumers should have proper education about the bad effects of advertisement. They must also verify the contents of the advertisement. Third, is the knowledge about 'Consumer Rights' - This means that, first, the consumer must know that he/she has the right

to get the right kind of product. Secondly, if the product is found out to be faulty in some manner, the consumer should have knowledge of claiming compensation as per the law of the land. And the fourth is the knowledge about consumer's own responsibilities- This implies that consumers should not indulge in wasteful and unnecessary consumption.

2.2.3.2. Consumer behaviour

The term consumer behaviour is defined as the behaviour that consumer display in searching for, purchasing using, evaluating and disposing of products and services that they expect will satisfy their needs [15]. Consumer behaviour focuses on how individuals make decisions to spend their available resources (time, money, effort) on Takaful consumption-related items that includes what they buy, why they buy, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase and the impact of such evaluations on future purchases, and how they dispose of it [15].

There has been substantial research on consumer behaviour, examining the decision process, and influences upon it, in terms of both brand/store attributes and consumer characteristics. It is believed that the buying process begins with need recognition. Having recognised a need, consumers then search for information about Takaful products that might satisfy the need. Having gathered information, consumers will then evaluate the alternatives, and make a purchase decision. Following purchase will be some form of post-purchase feeling/behaviour, when the decision is assessed [16].

Two different kinds of consuming entities: the personal consumer and the organizational consumer. *Personal Consumer*: Buys goods and services for his or her own use, for the use of the household or as a gift for a friend. The products are bought for final use by individuals, who are referred to as end users or ultimate consumers. *Organizational Consumer*: Includes profit and non-profit businesses, government agencies (local, state, national) and institutional (e.g. schools, hospitals, and prisons), all of which buy products, equipment, and services in order to run their organizations.

2.2.3.3. Religiosity

Religion is an important cultural factor to study because it is one of the most universal and influential social institutions that have significant influence on people's attitudes, values and behaviours at both the individual and societal levels [17]. In general, the religions practiced in a society influence the emphasis placed on the material life, and the attitudes toward owning and using goods and services. Religious traditions may prohibit the use of certain goods and services, for example, Islamic teachings forbid its followers from drinking liquor and eating pork, while the veneration of the cow among the Hindus excludes them from consuming beef. Religion also affects the sanctity of different acts and rituals, for example, by officially prohibiting the use of certain method of contraception.

The islamic jurist have long decided that life insurance is prohibited because it is considered as a hedge against the will of Allah and contains elements inconsistent with the Islamic principles. National fatwa committee in 1972 which declared life insurance as a fasid Muamalat (illegal economic transaction) and is forbidden because of its incocistency with Islamic principles due to the existence of Gharar, Riba and Maisir.

Shariah compliance reflects the purity factor of transactions and as such, enables Muslims to fulfill their religious obligations by choosing Takaful as their preferred or alternative insurance product. A religious restrictions are likely to have historically held back the growth of insurance use

within the Muslim population, but Shariah compliant takaful insurance addresses this; it said “as a result, we expect stronger future growth rates for takaful versus conventional products in the region.”

A study conducted by [18] entitled “Consumer Preferences for Takaful and Conventional Insurance: A UK-Saudi Arabia Comparison” had come out with result that the most important factor to the respondents was customer care, with Islamic credibility (that is, compliance with Shari’ah) coming a close second. Less obvious is the influence of religion on the consumption of goods and services that are not directly restricted by religious laws. In such a case, religious values shape an individual's emotional experience, cognition and psychological well-being, which in turn, affect the consumption choices that consumers make.

2.3. Theoretical Framework and Hypotheses

Referring to the objectives of the study and the literature review provided, modified theory of planned behavior was used as a basis of constructing the framework. Figure 1 shows the study’s theoretical framework with *demand for Takaful* as the dependent variable and consumer awareness, consumer behaviour and religiosity and as the independent variables.

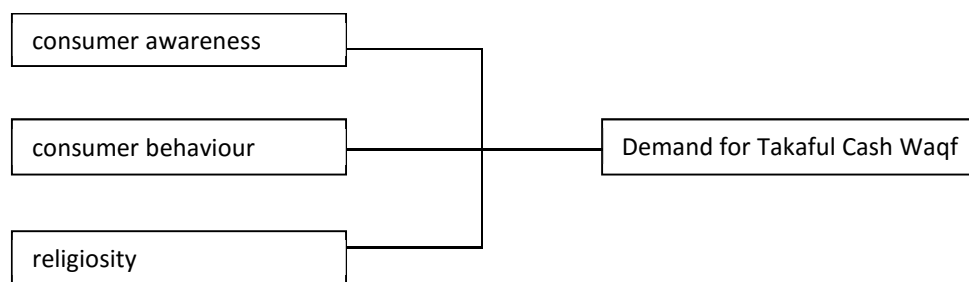


Fig. 2. Theoretical Framework

2.3.1 Hypotheses Development

Based on the framework, the following is the hypotheses: H₁: There will be positive relationship between customer awareness and demand for Takaful cash Waqf. H₂: There will be positive relationship between consumer behaviour and demand for Takaful cash Waqf. H₃: There will be positive relationship between religiosity and demand for Takaful cash Waqf.

3. Methodology

The research methodology for this study is qualitative nature. The problem statement is derived from the literature review. Due to the scarcity of relevant resources, the research can be best described as an exploratory study. This study employs semi structured interviews and distributed the questionnaire to collect data and information from key players of Takaful industry and the Takaful participant. Specifically, the data was gathered by structured interview using questionnaires. The questionnaire was classified into three sections. The first and second sections comprised ten items devoted to five items of respondent profile and five items for general information of respondent. The third section consisted of twenty three items involved determinant demand for takaful.

For the purpose of this research, one sample from Takaful company were interviewed using structured questionnaire. The interviews were carried out at Syarikat Takaful Malaysia Bhd.

Meanwhile, 100 of participant Takaful/insurance in Klang Valley selected for the distribution of questionnaire. A structured survey instrument, that is questionnaire was used to limit the variation while interviewing and increase the reliability and validity of responses obtained [19].

Specifically, the data was gathered by structured interview using questionnaires. The questionnaire was classified into three sections. The first and second sections comprised ten items devoted to five items of respondent profile and five items for general information of respondent. The third section consisted of twenty three items involved determinant demand for takaful.

The questionnaires were designed to obtain the primary data. Details of measurements are as follows:

1. For the demographics age, gender, race, education level, occupation and income, the respondents were asked to tick the respective boxes groupings.
2. For independent variable, consumer awareness, consumer behaviour and religiosity and dependent variable, demand for Takaful cash Waqf, the respondents were asked to rank from 1 being strongly disagree to 5 being strongly agrees based on Likert scale.

3.1 Data Analysis

Hierarchical multiple regression will be used to determine whether the independent variables is significant or not with dependent variable.

4. Data Analysis and Results

4.1. Profile of the Respondents

The sample description will be analyzed and reported which later will be followed with the analysis findings which will give responses to research objectives. The subjects used in this study were Takaful/insurance participants in Lembah Klang, Malaysia. Table 1 shows the information on sampling and return rates of the questionnaires sent to the Takaful/insurance participant. Of the 100 questionnaires distributed, mailed, all is return to researcher in a response rate of 100 percent.

Table 1
Summary of Response Rates

Questionnaires distributed	100
No. of Responses	100
Incomplete Responses	0
Usable Responses	100
Responses rates	100%

The majority of the samples are in the age group of between 21 years to 51 years old above. Between them they have 6 above 51 years old or 6 percent of the respondents. It can be seen the respondents' gender is dominated by female, which is 68 percents. In terms of education level, majority were have bachelor degree, 23 percent and, followed by master degree with 25 percent. For the participant income, among respondent got income between RM2001 to RM3000 have much contribute in Takaful/insurance and government sector is much contribute, 69 percent. Summaries of the demographic data collected from the Takaful/insurance participant are shown in Table 2.

Table 2
 Frequencies and Percentage of Respondents' Profile

Demographic of Respondents		Characteristics	Frequency	
1.	Age	21 to 30 years old	17	17
		31 to 40 years old	38	38
		41 to 50 years old	39	39
		51 and above	6	6
2.	Gender	Male	32	32
		Female	68	68
3.	Education level	Secondary school	5	5
		Diploma	17	17
		Bachelor degree	23	23
		Master Degree	25	25
4.	Occupation	Government sector	69	69
		Private sector	31	31
5.	Income	Less than RM2000	3	3
		RM2001-RM5000	62	62
		RM5001-RM8000	32	32
		Above RM8000	3	3

4.2. General Information in Takaful cash Waqf

Takaful is generally known as Islamic insurance because the system is based on the concept of social solidarity, cooperation and mutual indemnification of losses of members [13]. While, *Waqf* as we know is one of the charity claimed in Islam. It is a *maaliyah ijtimaiyyah* kind of worship that has a strategic and determining position for the Ummah's welfare development. Below are the statistics from this study employed.

Waqf is a term used in the Koran signifying the special obligation for Muslims to give some of their possessions to charity. Table 3, shows the study found that majority respondents' fits all the descriptions and definitions obligation in Takaful contribution as 100 percent from all respondent contribute in Takaful/insurance. It is surprised that majority of these respondent choosing Takaful compare to the insurance conventional which contribute to 54 percent, where as 23 percent from them has involve in Takaful and conventional. From that, majority participant taken the protection plan (79 percent) and followed by saving/investment plan (53 percent) then for education plan is 32 percent. It can be conclude that some of respondent take more than one plan provide by Takaful operator or insurance company.

From the 100 questionnaire distributed, it found that the total respondent have knowledge about Takaful cash Waqf very poor, only 17 percent and the 83 percent of respondent, they dont know actually what is Takaful cash Waqf. The explanation will continue future when look at into determinant demand for Takaful Cash Waqf. Besides, we also discuss how they know about Takaful. The result finding shows that 81 percent of the respondent know from Takaful/ insurance agents , followed by 26 percent from web page of Takaful/insurance company and others from seminar 11 percent, written announcement 14 percent and only 8 percent from lecture given. This might be the reason of the highest occupancy rates 69 percent in a government service and they more expose to general knowledge, seminar and talk organize by their agency.

Table 3
 General Information

Respondent Characteristics		N	Percentage (%)
Having any Takaful/insurance policy	Yes	100	100
	No	0	0
Type of policy	Takaful	54	54
	Insurance	23	23
	Both	23	23
Current policy	Protection plan	79	79
	Investment link/saving plan	53	53
	Education plan	32	32
Knowledge about Takaful Cash Waqf	Yes	17	17
	No	83	83
Get Information	Seminar	11	11
	Lecture	8	8
	Written announcement	14	14
	Takaful/ insurance agents	81	81
	Web of Takaful/insurance company	26	26

4.3. Reliability Analysis

Table 4
 Reliability Statistic for Dependent Variable and Independent Variable Questions

Reliability Statistics	
Cronbach's Alpha	N of Items
.928	22

Table 4 shows the result on Reliability test for Dependent Variable and Independent Variable Questions. The result indicates that the Cronbach's Alpha for five (22) items measure is 0.928. Regarding the rule of thumb of Cronbach's Alpha coefficient size, the result shows that this dependent variable is excellent. It can be conclude that the questionnaire for dependent variable and independent variable is reliable. Table 4 below shows the Cronbach's alpha for each variable.

Factor analysis was also done for the independent variables consumer awareness, consumer behaviour , religiosity and dependent variable, demand for Takaful. Using the varimax rotated component analysis, all items selected had factor loadings greater than 0.50.

However following the recommendations of [20], cross loaded items was included if their primary loading was theoretically justifiable and if their elimination would have a negative impact on the reliability of the construct. The main purpose of applying factor analysis was to assist in reducing the number of variables to a more meaningful and interpretable factors [19].

Table 5
 Reliability Statistic Cronbach's alpha for each variable.

Item Statistics	Mean	Std. Deviation	N
1. Takaful company is better than conventional insurance company	3.94	.776	100
2. Takaful company offers more beneficial products (i.e Takaful Waqf)	3.71	.715	100
3. Takaful policy is affordable to purchase	3.88	.756	100
4. Takaful products are more simple and easy to understand	3.74	.661	100
5. Takaful company advertise more of their products and services (i.e General and Family Takaful)	3.51	.835	100
6. It is important to have insurance policy based on Shariah compliant.	4.18	.783	100
7. I choose Takaful product because free form riba'	4.17	.911	100
8. I am really confident with Takaful agent to giving information about Takaful product.	3.68	.723	100
9. Takaful company ready to help me whenever I encounter any problems (i.e involved accident)	3.62	.749	100
10. Takaful company give more rewards to me as a token of appreciation	3.24	.854	100
11. I can get more benefit from company when something happen to me (i.e Waqf fund)	3.60	.667	100
12. I always read book and magazines to improve knowledge about Islam	3.92	.720	100
13. I spend time trying to grow in understanding of my religious and faith	3.96	.680	100
14. I am happy making financial contribution to my religious (i.e Cash Waqf)	4.10	.732	100
15. I enjoy taking part in activities of my religious organization (i.e : Cash Waqf)	4.05	.672	100
16. I really confident with Takaful as a Waqf management centre	3.64	.746	100
17. By contribution in Takaful Waqf, I hope that economics condition of the Ummah will be improved	4.03	.731	100
18. I intend to take up Takaful product with the same conventional and Takaful provider	3.30	.905	100
19. I will take up Takaful product with any Takaful company	3.62	.814	100
20. I am interested to find out more information about Takaful product (i.e Takaful Waqf)	3.80	.791	100
21. I am interested to participate in Takaful policy in the future (either General or Family Takaful)	3.74	.836	100
22. Have a Takaful product will balance my financial and give more peaceful in my daily life	3.80	.841	100

4.4. Pearson correlation of coefficient interpretation

Table 6
 Correlation

		Correlations			
		Total DV	Consumer Awareness	Consumer Behavior	Religiosity
Demand	Pearson Correlation	1	.504**	.595**	.571**
Takaful	Sig. (2-tailed)		.000	.000	.000
Product	N	100	100	100	100

** Correlation is significant at the 0.01 level (2-tailed).

Table 6 shows Pearson coefficient for the relationship between demand Takaful product with consumer awareness, consumer behavior and religiosity. All of the variables have positive relationship and correlation. For the relationship between demand Takaful product and consumer awareness, the result shows is 0.504 and according to rules of thumbs, it has moderate relationship.

Next, for the relationship demand Takaful product and consumer behavior, the result is 0.594 and according to rules of thumbs, it also has moderate relationship. Last but not least, for the relationship between demand Takaful product and religiosity, the coefficient size is 0.571 and according to rules of thumbs, it has moderate relationship.

4.5. Multiple regression analysis

4.5.1. Regression analysis, R square (R²): Result

The coefficient of determination, R², provides information about the goodness of fit of the regression model. R² is the percentage of variance in the dependent variable that is explained by the variation in the independent variable. If R² is near to 1, most of the variation in the dependent variable can be explained by the regression model. In the other word, the regression model fits the data well. On the other hand, if R² is near to 0, most of the data variation cannot be explained by the regression model.

Table 7
 Model Summary Regression Output

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.657 ^a	.432	.414	.46444

a. Predictors: (Constant), TotalIV3, TotalIV2, TotalIV1

Table 7 above shows the R square are 0.432, indicating that 43.2 percent of the variance in the dependent variable was significantly explained by the three independent variables. 43.2 percent of variance or changes in customer awareness are affected by the consumer awareness, consumer behavior and religiosity. Meanwhile, the remaining 56.8 percent still cannot be explained. In other word, there are other additional variables that are important in explaining the dependent variable.

4.5.2. Regression analysis, ANOVA^b: Result

Table 8
 ANOVA Output

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.742	3	5.247	24.327	.000 ^b
	Residual	20.707	96	.216		
	Total	36.450	99			

a. Dependent Variable: TotalDV

b. Predictors: (Constant), TotalIV3, TotalIV2, TotalIV1

Table 7 shows that ANOVA Output with the significance value = 0.000, which means the null hypothesis is rejected and this model is statistically significant. For the F-statistic, the result shows 24.327. ANOVA gives information about the model as whole.

4.5.3. Regression analysis, significance: Result

Table 9
 Coefficient Output

Model	Coefficients ^a					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	.706	.361		1.957	.053
	Consumer Awareness	.011	.128	.010	.086	.932
	Consumer Behavior	.407	.115	.392	3.547	.001
	Religiosity	.358	.109	.339	3.267	.002

From Table 9, the Beta Column under standardized coefficients shows the strength of Correlation Coefficient of each independent variable. The table of Coefficient Output shows there is two significance values for the independent variable. As can be seen, the main factor influence to the dependent variable is the consumer behavior with the value of 3.547 since the p value is $0.01 < 0.05$. Besides that religiosity variable also shows the factor influence on demand Takaful product since p value is $0.02 < 0.05$. However, consumer awareness is relatively not significance with determinant demand for Takaful.

The findings of this preliminary study have answered all the research questions. There is a set of questions that has been disclosed. The consumer behaviour factors among factors of determinant demand for Takful cash Waqf is extensively high. It also for the religiosity satisfaction factors among factors of determinant demand for Takful cash Waqf is high. While, the consumer awareness factors are extensively low. It shows that, there are relationships between two independent variables except for insignificant correlation between determinant demand and consumer awareness. It will explained that many respondent/people out there still do not have knowledge about cash Waqf itself. It is conclude that only interaction effect of religiosity and consumer behaviour would give an influence to determinant demand of Takaful especially for Takaful cash Waqf.

5. Discussion, recommendation, and conclusions

Takaful concept endowment has halted its application in the Malaysian takaful system since 2001 but still applicable in Pakistan and South Africa . While the concept of waqf takaful is less popular in Malaysia , but there are some advantages or privileges of the application of the concept of Waqf in the Takaful system can be seen . Among them is such as provide an opportunity for muslims to contribute even with low volume, participants are also eligible for a charitable donation to charity. From this, Takaful Waqf will implement the participants intend to contribute a total contribution even if the participants had died prior to maturity and helping the less fortunate. Compared with the Wakalah and Mudharabah model, Waqf model is a non-profit model that operates entirely from contributions from participants who sincerely want to contribute to the less fortunate. Waqf model suitable to work with Takaful concept as it was developed with the aim to benefit and mutual benefit. This is in accordance with the teachings of Islam that demands its followers help each other not only in terms of energy, even in terms of grant money and property.

A special charity forum can be created and deployed to brighten the symbols raising charity. This forum can be composed of any of the parties aiming directly contribute ideas and energy to help the

institution of Waqf existing scholarly discussion sessions, seminars, writing and so on. This method can build more awareness of Ummah about Waqf. Waqf institutions continuity of this forum can help with donations of funds or other resources that more parties will be involved enhancing the eminence of Waqf in Malaysia. This forum may be one avenue to get feedback from the public, bring the parties responsible, creating a communications network and much more. The move to set up this forum and efforts should be continued establishment to grow faster Waqf institutions in the country. The federal government has set up a special department to coordinate activities Waqf in Malaysia, the Department of Awqaf, Zakat and Hajj (JAWHAR) since 2004 role is to plan, coordinate, develop and monitor the strengthening Waqf institutions in Malaysia. Many efforts have been undertaken, but it is still possible upgraded from time to time. The government should provide more funds to enable JAWHAR role with the provisions of publication of the advertisement or relevant documentary charity in electronic media / print and billboard as well as having more academic programs.

For the benefit of Waqf Institutions study, Waqf institutions have limited resources to carry out comprehensive and can be backed. The public higher education institutions, particularly the received numerous grants, with many experts in various fields can discuss with the institution of Waqf to produce studies that can benefit the charity institution directly. There are also many students in Master's and PhD that can be utilized to carry out the study that can help the industry. A tentative work planned to be carried out to ensure that this proposal can be realized. This activity will be a win-win activity in the higher education institution where higher education institution entrusted to make study, conduct study as targeted and zakat institutions they have input very useful to be applied by them to provide the best service to the public. Support and input in a new perception of the institution of Waqf is it is imperative that every effort is being and will be implemented by the authority Trust charity institution can manage to do it in a responsible and effective. This role can be played by the government, private sector, community leaders, individual and others. Confidence and trust should be given to charity institutions and play to uplift the "Waqf and Sadaqah" in Islam can be implemented with effectively and efficiently. Any attempt to improve on weaknesses are moved and any suggestions and constructive ideas from all parties is necessary in the interest of the nation.

The results of this study should be interpreted in light of several limitations. Firstly, the data collection only taken by small sample from the population. Thus, this research much focus on the government staff. Nowadays, many big of company done their Community Service by doing Waqf donation and also people got income with self employed. The data given by respondent not accurate to show or answer the questionnaire. Perhaps, in the future, the determinant factors influence on contribute Takaful could be analyzed within a duration of three years in order to see any improvement on involvement consumer in cash Waqf donation true Takaful because of the economics situation nowadays and the new era of information technology. Finally, the demand factors should also consider other possible dimensions such as external/ environmental factors that might provide interesting results for future research. The increasing of the contribution of Waqf donation should also be deliberated by a subjective measure.

Respondents were asked about their determinant factors for Takaful and Cash Waqf contribution using survey questionnaire method. Factor analysis was used to identify factors that are related to the determinant demand for Takaful. The results of the factor analysis show that the items used in the survey split into distinct factors, describing religious, consumer awareness and consumer behaviour.

In conclusion, the property can be Waqf not limited to only immovable property, movable property even as cash can also be endowed through Takaful Endowment. This Waqf based Takaful model also indirectly encourage the community to compete to practice charity deeds are indeed

required in Islam and member benefits to recipients donated and develop Islam and Muslims. Although Takaful endowment model is no longer applicable in Malaysia due to its non-profit that makes it less popular, but the advantages of its use are many .

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