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The Role of Social Media and Religious Awareness in purchasing decision on Takaful Insurance: A Conceptual Paper

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Abstract

Takaful plays important roles among Muslim society in Malaysia. It is vital for us to have adequate protection coverage in the future as well as supporting the quick development of Islamic businesses in Malaysia. Religious awareness is seen to be one of the crucial factors among Muslim customers in deciding the type of protection plan to be chosen in protecting their health and wealth. Takaful providers are expected to provide changes in maintaining individual and family stability to meet the eccentric changes of the world. Social media is also one of the latest trending in marketing due to digitalization of businesses in the world. As such, this paper aims to investigate the role of social media and religious awareness of customers in deciding the best Takaful protection plan.

Keywords: Purchasing Decision, Takaful Insurance, Social Media, Religious Awareness, Customers

Introduction

As social networking platforms grow, customer interaction and communication are becoming more and more important. Activities on social media platforms allow brands to grow directly through brand pages and advertising, or indirectly through a community in which customers can participate and engage (Dinh and Lee, 2021; Wang, 2021). In recent years, advances in information technology (IT) have increased consumer behavior. Companies benefit from marketing and promoting their products and interacting with consumers online (Palalic et al., 2020; Awa et al., 2015; Hennig-Thurau et al., 2004; Manyika et al., 2011). According to a survey conducted, social media marketing has played an important and compelling role for online consumers. 70% of consumers want to visit social media sites to get useful information about their products, 49% make purchase decisions, and 60% want to share this information with other users and shoppers online. I found out that I was there. The actual transaction of the purchase process occurred in only 7% of consumers (Miller and Lammas, 2010). This suggests that entrepreneurs need to be aware of the choices made by such consumers and anticipate their future needs and desires (Palalic et al., 2020).

Islamic teachings require all Muslims to consume halal products, as stated in the St. Qur'an. This solid order can be interpreted as meaning that about 1.8 billion Muslims worldwide and an estimated 2.2 billion people will need halal products and services in 2030. Therefore, the halal market is very attractive to business people. Halal food and drinks are the largest sector of Islamic spending. In 2018, Muslims spend US \$ 13.7 trillion on halal food and beverages, US \$ 283 billion on clothing, US \$ 220 billion on media and leisure, and US \$ 189 billion on tourism. Spending on consumer medicine and cosmetics was \$ 156 billion (Usman et al., 2021; Salaam Gateway, 2020). Takaful has become a booming industry around the world, especially in countries where the majority are Islamic (Salman and Hassan, 2020).

Marketing of Takaful Services relies heavily on efforts to comply with Shariah Law while contributing to the interests of both customers and service providers. This paper will describe the legitimate weight of the customer, whose perception of the Halal service concept as a whole reflects the current acceptance of Takaful service.

Literature Review

Customer Purchasing Decision

According to Gupta (2021), Schiffman and Kanuk (2000) believe that consumer buying intent plays an important role in buying behavior. According to Schlosser (2003), behavioral intention is a good predictor of actual purchases. For example, the intent to buy health foods can lead to increased purchases of groceries (Zhu et al., 2013).

Consumer behaviour emphasizes on knowledge the acquisition choice system of person purchasers and the way they make use of their present sources along with time, cash and attempt to get a product or service (Schiffman and Kanuk, 2007). Hence, retail managers ought to have know-how approximately purchasers` traits and possibilities as they play a critical position in forming buy decisions. These statistics may want to permit them to foster their competitiveness and make certain their long-time period survival (Hanaysha, 2018). The consumer decision-making process can be described as the steps consumers go through to make the final purchase decision. The job of marketers is to focus on the entire purchasing process, not just on purchasing decisions, as consumers go through different stages before reaching a conclusion (Hanaysha, 2018; Basil et al., 2013).

Takaful Insurance

According to Sukmaningrum et al. (2022), takaful shares common values in social life and is therefore highly relevant to the principle of ukhuwah (brotherly love) among Muslims. That is, community members are always backing another (Mapuna, 2019). In addition, Takaful has the concept of sharing risk among other participants in order to become a carrier of the risks that arise. Parameters that constantly refer to Shariah's principles in determining Takaful's principles, practices, and practices are derived from the Quran, hadith, and Islamic Fiqh (Rohmah and Abidin, 2017).

Takaful is important not only for Muslims, but for everyone who recognizes its superior benefits. In addition to the security and protection provided by traditional insurance, Takaful has the added appeal of being free from anxiety, usury and gambling. This gives Takaful an advantage when compared to its counterpart. In addition, Takaful opens the door to a base of Muslim customers who are moving away from traditional insurance due to forbidden

factors. Takaful, on the other hand, is halal certified and accepted by Islam. Another great approach to Takaful is that if there is a surplus, all parties, including the insured, will share it with Takaful operators, a feature that does not exist in traditional financing. am. Htay and Salman (2013) premeditated that this additional benefit serves as a standard between Takaful and traditional insurance (Salman and Hassan, 2020).

Social Media

The marketing paradigm has evolved significantly, especially in recent years, due to technological advances and the role of the use of social media in marketing (Pascal and Shin, 2015; Qalati et al., 2021; Susanto et al., 2021). Social media is now counted as an integral part of marketing strategy, leading to a paradigm shift in this area. As reported, social media marketing has grown over the last five years and is expected to grow exponentially in the future. However, despite the high expectations and intent of organizations to adopt social media marketing strategies, challenges remain regarding the successful implementation of these new marketing programs. Therefore, marketing manager awareness of the success factors of social media marketing is essential to paying back investments in this area (Jami Pour et al., 2021).

Social media is becoming a new funding platform that provides brands with a virtual community to run CSR campaigns (Sreejesh et al., 2019). As a form of social media branding, companies often sponsor charitable organizations with brand pages (interfaces / social media accounts for companies to brand, promote, and sell) to improve customer retention. Because brand posts on social media are always characterized by interactivity, descriptiveness, novelty, and consistency (Hamzah et al., 2021), consumers who are satisfied with the virtual experience will find the mobile donation channels (Theerthaana and Manohar, 2021; Deng et. al., 2021).

Religious Awareness

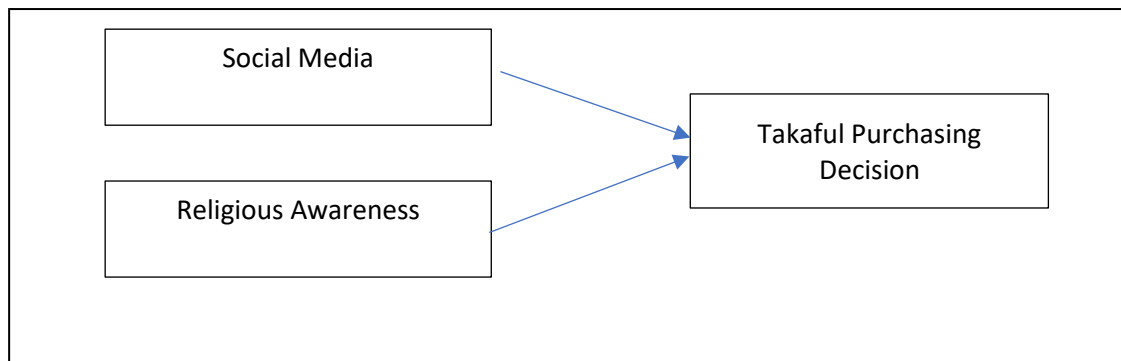
Religious influences can have a strong impact on consumer behavior and purchasing decisions. Halal products are strictly compliant with Islamic law based on the Al Quran and hadith. Therefore, a product is considered halal if ratified accordingly and approved by the Indonesian Ulema Council as two sources of Islamic law. Without such ratification, the status of these products would include uncertainties commonly referred to as gharar. In Islam, all Muslims are prescribed to avoid this condition because it harms all steps of life. In fact, apart from such previous explanations, it seems very rigid, especially for those who oppose Islamic fundamentalism. Muhamad et al (2016) provided empirical evidence that religious knowledge is an important factor influencing the perception of young Muslim consumers about Malaysian brands (Arifin et al., 2022).

Methodology

This study seeks to investigate the role of customers' social media and religious awareness in determining the best Takaful protection Plan. The proposed independent variables are social media and religious awareness. Purchasing decisions are the dependent variable for this study. This study uses descriptive surveys to gain better insights and explain the relationship between social media and religious awareness that influences Takaful insurance buying decisions. Structured questionnaires will be distributed to respondents to assess their willingness to make purchasing decisions. In addition, several statistical tools such as

correlation and multiple regression are suitable for the study. Therefore, the proposed conceptual framework is:

Figure 1. Proposed Framework



Conclusion

In this paper, the study is proposed to investigate the role of social media and religious awareness of customers in deciding the best Takaful protection plan. Social media and religious awareness are the proposed variables in creating purchasing decision on Takaful Insurance. It is hoped that the proposed framework will contribute for scholars, Takaful companies as well as marketers in providing fruitful insight. Thus, it's far advocated for future researchers to do an empirical study at the anticipated framework.

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All authors are equally contributed to the conceptual as well as the design of the study.

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