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DETERMINANTS OF MILLENNIALS AND GENERATION Z IN ADOPTING FAMILY TAKAFUL

DETERMINANTES DOS MILLENNIALS E DA GERAÇÃO Z NA ADOÇÃO DE FAMÍLIAS TAKAFUL

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Abstract

This study aims to analyze the factors influencing Millennials' and Generation Z's intention to adopt family Takaful in Indonesia. Using a purposive sampling technique, data were collected through a questionnaire covering attitudes, subjective norms, behavioral control, religiosity, and digitalization. A total of 256 responses were analyzed using structural equation modeling (SEM) with a partial least squares (PLS) approach to test the proposed hypotheses. The results indicated that attitude, perceived behavioral control, religiosity, and digitalization positively and significantly influenced the intention to adopt family Takaful. However, subjective norms showed no significant effect. Attitude and digitalization emerged as the most dominant factors. Moreover, the influence of religiosity on adoption intention is stronger among women than men, while attitude is the most influential factor overall. The findings of this study suggest that increasing awareness and understanding of family Takaful among Millennials and Generation Z is crucial. Therefore, a robust and continuous literacy and education program should be implemented. The family Takaful industry must undergo a digital transformation to effectively cater to Millennials and Generation Z, and religious approaches can be leveraged to attract female customers. This study identifies the key drivers of Millennials' and Generation Z's adoption of family Takaful, highlighting the dominant roles of attitude and digitalization. This study provides valuable insights for industry stakeholders to strategically target these segments and enhance adoption rates through education and digital innovation.

Keywords: Digitalization. Family takaful. Generation z. Millennials. Religiosity.

Resumo

Este estudo tem como objetivo analisar os fatores que influenciam a intenção da geração Millennials e da geração Z em adotar o Takaful familiar na Indonésia. Utilizando uma técnica de amostragem intencional, os dados foram recolhidos através de um questionário que abrange atitudes, normas subjetivas, controlo comportamental, religiosidade e digitalização. Um total de 256 respostas foram analisadas através da structural equation modeling (SEM) com uma abordagem de partial least squares (PLS) para testar as hipóteses propostas. Os resultados indicaram que a atitude, o controlo comportamental percebido, a religiosidade e a digitalização influenciaram positiva e significativamente a intenção de adotar o Takaful familiar. No entanto, as normas subjetivas não apresentaram efeito significativo. A atitude e a digitalização emergiram como os fatores mais dominantes. Além disso, a influência da religiosidade na intenção de adoção é mais forte entre as mulheres do que entre os homens, enquanto a atitude é o fator mais influente em geral. Os resultados deste estudo sugerem que aumentar a consciencialização e a compreensão sobre o Takaful familiar entre a geração Millennial e a geração Z é crucial. Por conseguinte, deve ser implementado um programa robusto e contínuo de literacia e educação. O setor de Takaful familiar precisa de passar por uma transformação digital para servir eficazmente os Millennials e a Geração Z, e as abordagens religiosas podem ser alavancadas para atrair clientes do sexo feminino. Este estudo identifica os principais impulsionadores da adoção do Takaful familiar pelos Millennials e pela Geração Z, destacando os papéis dominantes da atitude e da digitalização. Este estudo fornece informações valiosas para que as partes interessadas do setor possam direcionar estrategicamente estes segmentos e aumentar as taxas de adoção através da educação e da inovação digital.

Palavras-chave: Digitalização. Takaful familiar. Geração Z. Millennials. Religiosidade.

Introduction

According to the ASEAN Insurance Surveillance Report 2022, insurance penetration in Indonesia relative to the gross domestic product (GDP) is 1.4%. This is the lowest among ASEAN countries. Vietnam, 2.2%; Philippines, 2.5%; Malaysia, 3.8%; Thailand, 4.6%; Singapore, 12.5%. In terms of insurance density, namely the average income of the community in a one-year set aside for insurance products, Indonesia is still low, namely IDR 1,882,640, Vietnam IDR 6,115,960, Malaysia IDR 6,575,560, Thailand IDR 6,115,960, Singapore IDR 136,314,430, and the Philippines IDR 1,219,620.

In alignment with these figures, the family Takaful sector also exhibited modest growth. As of 2022, family Takaful assets comprised only 5.6% of the total life insurance assets, while its premium contributions accounted for 11.8% of the total life insurance premiums. Despite these challenges, Indonesia's life insurance industry has grown at a compound annual growth rate of 3 % %over five years, with premium income reaching IDR 169 trillion by 2022 (OJK, 2023).

One contributing factor is the low level of literacy and inclusion in the insurance industry compared with other financial sectors (SNLIK 2022). In 2022, the insurance literacy rates were 31.7%, 49.9%, 30.4%, 25.1%, and 40.7%, respectively. The inclusion rate for insurance was 16.6%, banking 74%, pension funds 5.4%, financing 16.1%, and pawnshops 11.8%. Islamic financial literacy and inclusion index will increase from 2019 to 2022. The literacy rate ranges from 8.93% (2019) to 9.14% (2022). The inclusion rate ranges from 9.10% (2019) to 12.12% (2022).

The Theory of Planned Behavior (TPB), introduced by Ajzen (1985), serves as a framework for understanding purchase intention. According to the TPB, intention is shaped by attitudes (perceived benefits and costs), subjective norms (social pressure from peers, family, or society), and perceived behavioral control (ease or difficulty based on personal experience).

Numerous studies have applied the TPB to analyze consumer behavior in insurance. Aziz et al. (2019) demonstrated that knowledge, religiosity, and perceived usefulness positively influence attitudes towards family Takaful through the mediation of trust. Similarly, Aguspriyani et al. (2023) found a strong correlation between digital marketing strategies and insurance product purchases among millennials, highlighting social media's role in driving sales. Kazaure (2019) emphasized that attitudes, social influence, and perceived behavioral control directly impact the acceptance intentions of micro-entrepreneurs in Northwest Nigeria. Echchabi and Mohammed (2015) found that compatibility is the main factor influencing Yemeni

customers' decision to adopt takaful products. This refers to how well takaful products align with customers' religious beliefs, social values, lifestyle, and previous experience with insurance contracts. Schmidt (2019) found that American consumers generally exhibit negative sentiments towards Takaful due to its Islamic roots. The study identified several demographic factors that influence purchase intentions for Takaful products: political orientation, views of Islam, yearly insurance expenditure, and age.

This study differs from the previous research. Aziz et al. (2019) examined intentions in family Takaful among general respondents who were not generation-specific. Aguspriyani et al. (2023) examine millennial-generation respondents in the insurance industry (conventional, sharia, life, and general). Kazaure (2019) used limited variables in the TPB. Echchabi and Mohammed (2015) used the TPB approach limited to social influence and awareness and combined it with the Innovations Diffusion Theory (IDT) approach.

This study was conducted with specific respondents, namely millennials and Generation Z, specifically the family Takaful sector, and using TPB theory, which was expanded with internal variables, namely religiosity, and external variables, namely digitalization. Some of the underlying reasons for this are the low inclusion of family Takaful members. This shows that public interest in becoming a family Takaful participant is still relatively low.

Currently, the Indonesian population is dominated by Generation Z (24%), millennials (28%), Generation X (21%), and baby boomers (11%) (BPS 2023). If Generation Z and millennials are added, they become the largest age group at 52%. Generation X was established in 1965–1980. Millennials are the generations born between 1981 and 1996. Generation Z was born between 1997 and 2012 (Pew Research Center, 2021).

Wijaya et. al (2019) found a significant relationship between religiosity and reasons for saving money in BMTs. Products in accordance with Islamic principles are the greatest reason for saving money in BMTs, followed by quality of service, recommendations from friends, and location. Additionally, the business purpose is the main reason for transactions in both BMTs and conventional banking. However, there is no significant relationship between religiosity and the decision to transact in either the BMTs or conventional banking.

Digitalization is increasingly being recognized as a transformative force in the insurance industry. Insurtech, that is, the integration of technology across the insurance business cycle from product development to post-contract services, reshapes consumer interactions and operational efficiencies (Susanto, 2022). Kramaric

(2020) highlighted that businesses must adapt to digital trends to ensure sustainability. For family Takaful, leveraging digital platforms can address barriers such as limited accessibility and low awareness, particularly among the younger generations who are digitally native. Hassan et al. (20230 explores the factors influencing the acceptance of fintech services in Malaysia's insurance sector. They identify several determinants that impact customers' behavioral intention to use fintech services, including effort expectancy, information quality, service quality, system quality, and perceived risk.

This Study aims to understand the factors that influence the intentions of millennials and Generation Z to become family Takaful participants in Indonesia, focusing on attitudes, subjective norms, perceived behavioral control, religiosity, and digitalization.

Literrature Review

1. Takaful

Takaful is a mutual assistance system in which participants protect each other by contributing assets or tabarru (donations) to face risks, based on contracts aligned with Sharia principles (DSN Fatwa No. 21, 2001). These contracts avoid gharars (uncertainty), maysir (gambling), usury, zhulm (injustice), risywah (bribery), prohibited goods, and immorality. Takaful employs two main contracts: Tabarru for aiding fellow participants and Tijarah for commercial management by Takaful Operators. The funds collected through Takaful must be invested in Sharia-compliant avenues, adhering to defined rules and regulations. Over time, four Takaful business models emerged to meet Sharia compliance and customer needs: Mudaraba, Wakala, Ta'awun, and Wakal-Waqf. These models continue to evolve, with researchers emphasizing the need for debates and innovative approaches to create a universally accepted system. The Wakala model addresses Sharia concerns by introducing a Waqf entity that separates participants and operators without altering their fundamental structure (Pasha and Hussain, 2013). Encouraging ongoing discussions and refinements can further develop a unified Takaful system that balances Sharia compliance and customer expectations.

2. Theory of Planned Behavior (TPB)

TPB to be used to understand the key factors that influence individual human intentions (Ajzen, 1985). Owing to its significance and practical implications, TPB has been successfully applied in various domains from various business segments around the world (Ashraf et al., 2017). Ajzen (1985) developed the TPB, an extension of the Theory of Reasoned Action (TRA) developed by Martin Fishbein and Icek Ajzen in 1967. The TRA states that attitudes and subjective norms influence human intention. TPB adds another element in which human intentions are influenced by attitudes, subjective norms, and perceived behavioral control (Wang, 2014). Attitudes, subjective norms, and perceived behavioral controls are influenced by various background factors including personal, informational, and social factors (Ajzen, 1985).

The use of TPB in Takaful's research was conducted by Aziz et al. (2019), who found that a positive attitude was very likely to trigger purchase intentions. Additionally, this study showed that knowledge, perceived religiosity, and perceived usefulness affect consumer attitudes through the mediating mechanism of trust. Kazaure (2019) extended the TPB to explain the role of awareness in accepting Islamic health insurance (takaful) by micro-enterprises in north-western Nigeria. In this study, TPB was used to examine the factors that influence the intention of millennials and Generation Z to adopt family Takaful. By considering these dynamics, the study added other variables, namely, religiosity and digitalization.

2.1. Intention (Y)

The intention to become a family Takaful participant is the probability or subjective tendency of consumers to buy family Takaful products, which can be measured by their positive attitudes and behaviors towards product purchases (Hu et al., 2024). Intention represents consumers' planned or anticipated future purchase actions, reflecting their beliefs, attitudes, and strong intentions to make purchases (Shui and Zhang, 2022). Intention indicators can be in the form of the intention to seek product-related information, buy products, or recommend products to others.

Previous research related to Takaful intentions was conducted by Aziz et al. (2019), who found that positive attitudes significantly influence family Takaful intentions. Attitudes are influenced by knowledge, religiosity, and perceived usefulness through the mediation mechanism of trust. Rizwan and Al-Malkawi (2021) found that the intention to become a family Takaful participant is significantly influenced

by Brand Equity and Customer perception.

2.2. Attitude (X_1)

Attitude towards a behavior is the degree to which a person has a favorable or unfavorable evaluation of the behavior (Ajzen, 1985). Another definition of attitude is a psychological emotion derived from a positive or negative evaluation of a situation (Muzaffar, 2015). According to the TPB, attitudes directly impact individual intentions, which ultimately influences their behavior (Kassim et al., 2021).

Raza et al. (2020) found that attitude had a positive and significant impact on the intention to adopt family Takaful. In line with their findings, Boubker et al. (2021) find that attitude has a significant influence on the intention to adopt an Islamic Institution. This study aims to evaluate customer purchase intentions. Attitude was the variable observed in this study with the following hypothesis:

H_1: Attitude has a significant influence on the intention of millennials and Generation Z to become family Takaful participants.

2.3. Subjective Norm (X_2)

Ajzen (1985) explained that subjective norms are perceived as social pressures to perform or not perform a behavior. Subjective norms are perceptions in which individuals gather from people around them, including family, friends, and coworkers. The opinions of others are important to individuals. He always considers the reactions of those around him before performing a certain behavior (Muzaffar, 2015).

Research related to consumer behavior has shown that consumer purchase intention is strongly influenced by subjective norms (Kumar, 2021). Similarly, research conducted by Usman et al. (2024) find that social influence has a significant influence on the intention to use Islamic insurance for vehicle protection. In this study, the following hypotheses were developed:

H2: Subjective Norms have a significant influence on the intention of millennials and Generation Z to become family Takaful participants.

2.4. Perceived Behavioral Control (X_3)

TPB defines perceived behavioral control as an individual's perception of the difficulty or ease that may be encountered when performing a particular behavior

(Ajzen, 1985). Perceived behavioral control consists of two basic elements: controllability and self-efficacy. Controllability refers to the availability of resources for performing a behavior. Self-efficacy is an individual's belief in performing a behavior (Tuan and Vinh, 2016). Lama (2018) found that perceived behavioral control has a direct impact on consumers' purchase intentions. Raza et al. (2020) found that perceived behavioral control significantly affects the intention to adopt Takaful. Boubker et al. (2021) find that perceived behavioral control affects the intention to adopt Islamic financing. This study develops the following hypothesis:

H3: Subjective Norms have a significant influence on the intention of millennials and Generation Z to become family Takaful participants.

2.5. Religiocity (X_4)

Religiosity encompasses various dimensions, including beliefs, rituals, personal and moral life, and involvement in religious commitment due to its intrinsic value (Baring, 2018; Bjarnason, 2007). It is an intricate and multidimensional concept encompassing behaviors, attitudes, beliefs, feelings, and experiences. Despite their importance, religious scholars and sociologists debate the feasibility of developing adequate measures for individual religiosity. Consequently, researchers often devise subjective measures tailored to their study objectives, leading to variability in the content and number of religiosity dimensions, depending on the research's purpose and context (Khraim, 2010).

Empirical studies have highlighted the role of religiosity in shaping consumer behavior. Rahayu (2018) found that high religiosity influences transactional behaviors, encouraging adherence to religious principles in the consumption and purchase of goods and services. This extends the evaluation of Islamic financial products, in which consumers prioritize compliance with Sharia principles in contracts and implementation. Employees of Islamic financial institutions are also expected to exhibit Sharia-compliant behavior, including product offerings, communication, and knowledge of Sharia regulations.

Further research should reinforce the influence of religiosity on consumer attitudes. Aziz et al. (2019) found that religiosity fosters positive attitudes towards purchasing, while Antonio et al. (2020) identified legal norms as a significant driver of charitable behavior through Zakat Management Organizations (ZMOs). In this study, religiosity is conceptualized as obedience in performing ritual worship (ibadah mahdhah). The Theory of Planned Behavior (TPB) posits that zakat payment intentions are driven by both religious and legal norms. Accordingly, this study

proposes the following hypotheses:

H4: Religiosity significantly influences the intention of millennials and Generation Z to become family Takaful participants.

2.6. Digitalization (X_4)

Digitalization represents the fourth wave of industrialization, bringing transformative changes to the business landscape. Therefore, a business's sustainability hinges on its ability to adapt to the challenges posed by digitalization (Kramaric, 2020).

Digital finance and inclusion benefit financial service users, providers, governments, and the economy (Ozili, 2018). Digital transactions have been shown to increase consumption (Lin and Zhang, 2023). Technology-driven financial services create value for consumers and support inclusive resilient solutions for specialized market segments (Mahmud et al., 2023).

In the insurance sector, insurtech refers to the application of technology throughout the insurance cycle, including product development, pre-contract processes, post-contract management, back-office operations, and risk control (Susanto, 2022). However, insurtech faces challenges owing to the lack of specific regulatory frameworks (Susanto, 2022).

Research has highlighted the role of digitalization in business success. Dastane (2020) finds that digital marketing significantly and positively influences purchase intention. Similarly, Aguspriyani et al. (2023) conclude that digital marketing strategies significantly affect consumer intentions in the insurance sector. Millennials and Generation Z, digitally native cohorts, are highly accustomed to digital transactions. Accordingly, this study proposes the following hypotheses:

H5: Digitalization significantly influences the intention of millennials and Generation Z to become family Takaful participants.

Research Methodology

This study focused on Indonesian millennials and Generation Z, which are key potential markets for family Takaful. Data sampling was conducted without regional restrictions as the questionnaire was distributed digitally via Google Forms, email, WhatsApp, and social media platforms. Hair (2018) suggests that sampling decisions for large populations should consider time, effort, funds, scope of the observation area, and potential research risks. According to Umar (2015), descriptive

correlational research requires a minimum sample size of 30, while Roscoe et al. (1982) recommend at least ten times the number of indicators in multivariate research. Following Roscoe et al., this study determined a minimum of 200 respondents based on 20 indicators × 10.

The questionnaire was designed according to Kartika and Firdaus's (2020) research variable operationalization, ensuring high validity and reliability. Questions from previous studies were adapted unless restricted by copyright (Czaja and Blair, 2005). Respondents indicated their agreement on a 5-point Likert scale: 1 = disagree, 2 = disagree less, 3 = undecided, 4 = agree, and 5 = strongly agree. All statements were phrased positively, with high scores representing high levels of agreement.

Data analysis was performed using partial least squares (PLS) with SmartPLS version 4.0. The analysis included two models: the outer (measurement) model, defining relationships between variables and indicators, and the inner (structural) model, specifying relationships between latent variables, including exogenous (independent) and endogenous (dependent) variables (Hair, 2018). This methodological framework ensured a robust examination of the hypotheses.

Result and Discussion

1. Result

The respondents were 40.6% millennials and 59.4% Generation Z, with 41.8% males and 58.2% females. Regarding education, 41.0% were high school students or graduates, 4.3% held diplomas, 41.4% had bachelor's degrees, 12.9% held master's degrees, and 0.4% held doctoral degrees. Marital status showed that 34.8% were married and 65.2% were unmarried. The respondents were primarily from Jakarta (31.3%), Banten (29.3%), and West Java (29.7%), with smaller percentages from Central Java, Yogyakarta, East Java, Sumatra, Kalimantan, and Sulawesi. Employment status included 3.9% civil servants, 0.8% state-owned employees, 2.3% lecturers, 4.7% housewives, 36.3% private employees, 5.5%), and students (46.5%).

1.1 Data Validity and Reliability Test

An indicator validity test was conducted using the loading factor values. Table 1. lists the loading factor values for all indicators. The lowest loading factor

value in the X2 subjective norm (X2–NSB1) is 0.745. It can be concluded that all indicators met Convergent Validity.

Tabela 1: Loading Factor

Indicator	X1-Attitude	X2-Subjective Norm	X3-Perceived Behaviour Control	X4-Religiosity	X5-Digitalisation	Y-Takaful Intention
X1-SKP1	0.899					
X1-SKP2	0.929					
X1-SKP3	0.913					
X2-NSB1		0.745				
X2-NSB2		0.853				
X2-NSB3		0.911				
X2-NSB4		0.864				
X3-PKP1			0.892			
X3-PKP2			0.930			
X3-PKP3			0.915			
X4-RLG1				0.917		
X4-RLG2				0.886		
X4-RLG3				0.898		
X5-DGT1					0.928	
X5-DGT2					0.952	
X5-DGT3					0.936	
X5-DGT4					0.935	
Y-IBA1						0.912
Y-IBA2						0.890
Y-IBA3						0.931

Source: Smart PLS data output

The Heterotrait and Monotrait Ratio (HTMT) of each variable used had a value <0.90 (Table 2). The largest value is shown by X1's attitude towards the intention to adopt family Takaful (0.837). It can be concluded that all variables met the requirements for Discriminant Validity.

Tabela 2: Heterotrait Monotrait Ratio (HTMT) Matrix

Variable	X1-Attitude	X2-Subjective Norm	X3-Perceived Behaviour Control	X4-Religiosity	X5-Digitalisation	Y-Takaful Intention
X1-Attitude						
X2-Subjective Norm	0.672					
X3-Perceived Behaviour Control	0.713	0.721				
X4-Religiosity	0.548	0.390	0.496			
X5-Digitalisation	0.650	0.461	0.664	0.725		
Y-Takaful Intention	0.837	0.635	0.746	0.618	0.750	

Source: Smart PLS data output

The level of consistency and accuracy of the instrument in measuring a latent variable were tested using a Reliability Test. Table 3 presents the results of the Cronbach's alpha test. The lowest value was 0.866, which was the X_2 subjective norm. Thus, these variables were considered reliable.

Tabela 3: Construct Reliability and Validity

Variable	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
X1-Attitude	0.901	0.902	0.938	0.835
X2-Subjective Norm	0.866	0.890	0.909	0.715
X3-Perceived Behaviour Control	0.899	0.900	0.937	0.832
X4-Religiosity	0.889	0.955	0.928	0.811
X5-Digitalisation	0.954	0.955	0.967	0.880
Y-Takaful Intention	0.898	0.904	0.936	0.830

Source: Smart PLS data output

1.2. Multicollionearity Test

A multicollinearity test was conducted to examine the relationships between variables because multicollinearity can distort results or render them unstable and non-generalizable (Hair et al., 2019b; Black et al., 2019). This test involved analyzing the Variance Inflation Factor (VIF). According to Hair et al. (2019a), a VIF value of <5 indicates no multicollinearity. Table 4 demonstrates that all variables had VIF values below five, confirming the absence of multicollinearity. Consequently, none of the variables was excluded from the analysis.

Tabela 4: Inner VIF Value for Multicollinearity Test

Variable	VIF
X1-Attitude → Y-Takaful Intention	2.186
X2-Subjective Norm → Y-Takaful Intention	1.907
X3-Perceived Behaviour Control → Y-Takaful Intention	2.390
X4-Religiosity → Y-Takaful Intention	1.957
X5-Digitalisation → Y-Takaful Intention	2.510

Source: Smart PLS data output

1.3. Hypothesis Test

Hypothesis testing was conducted by analyzing t-statistics using bootstrapping. The Path Coefficient estimate represents the magnitude of the relationship or

influence of exogenous latent variables on endogenous latent variables. This study applied a 5% error rate () at a 95% significance level. The significance threshold was set at t > 1.96, indicating a significant effect (Savitri et al., 2021).

Table 5 presents t-statistics for five exogenous variables. Four variables showed t-statistics > 1.96: attitude (x1) at 4.413, perceived behavioral control (x3) at 2.194, religiosity (x4) at 2.201, and digitalization (x5) at 3.204, indicating significant effects on intention to adopt family Takaful (Y). However, Subjective Norms (X2) had a t-statistic of 1.411 (<1.96), showing no significant effect. Thus, hypotheses H1, H3, H4, and H5 were accepted, while H2 was rejected. These findings highlight the key determinants influencing family Takaful adoption intentions.

Tabela 5: Results of the t-Statistic Test of the Relationship Between Variables

Relation of Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	t Statistics (|O/STDEV|)	t-table sig-95%	P Values	Hypothesis Results
X1-Attitude → Y-Takaful Intention	0.396	0.386	0.090	4.413*	1.96	0.000	Accepted
X2-Subjective Norm → Y-Takaful Intention	0.083	0.088	0.059	1.411	1.96	0.166	Rejected
X3-Perceived Behaviour Control → Y-Takaful Intention	0.157	0.168	0.072	2.194*	1.96	0.027	Accepted
X4-Religiosity → Y-Takaful Intention	0.099	0.100	0.045	2.201*	1.96	0.027	Accepted
X5-Digitalisation → Y-Takaful Intention	0.261	0.257	0.082	3.204*	1.96	0.001	Accepted

Note: * Significant at 95% confidence level.
Source: Smart PLS data output

2. Discussion

2.1. The Effect of Attitude on Intention to Adopt Family Takaful

The hypothesis testing results indicated a significant relationship between attitude (X1) and intention to adopt family Takaful (Y), with a t-statistic of 4.413 (>1.96). Based on the original sample value of 0.396, the relationship between Attitude and Intention to adopt family Takaful is positive. Therefore, H1, which posits that attitude significantly influences the Intention to adopt family Takaful, was accepted.

This finding aligns with Aziz et al. (2019), who demonstrated that a positive attitude likely triggers the intention to purchase Takaful with attitude-mediating knowledge, religiosity, and perceived usefulness. Similarly, Kazaure (2019) found

that attitude directly and significantly affected the intention to accept Family Takaful health products in Pakistan. Raza et al. (2020) also confirmed that attitude has a positive and significant impact on intention to buy Takaful products. Additionally, Ardhina et al. (2024) reported that knowledge of family Takaful and Islamic financial planning significantly influence interest in participating in family Takaful.

This study reveals that Millennials and Generation Z adopt a practical approach when choosing the family Takaful. They first evaluate the product's profitability and risk-mitigation capabilities before considering their compatibility with religious values. Those with a strong knowledge of family Takaful's benefits are more inclined to become participants.

To tap into this potential, the family Takaful industry, in collaboration with OJK, must implement effective and sustainable programs to enhance literacy and education among Millennials and Generation Z. Creative methods for literacy initiatives are essential to capturing their attention and fostering engagement.

In line with the Rational Choice Theory, individuals use available information and their best estimates of future outcomes to assign subjective probabilities to different states of the world. They then make decisions based on these probabilities (Hechter and Kanazawa, 1997). This study underscores the importance of attitude and informed decision-making in shaping the intention to adopt family Takaful, offering valuable insights for stakeholders in designing targeted strategies.

2.2. The Effect of Subjective Norm on Intention to Adopt Family Takaful

The hypothesis test results indicate that Subjective Norms does not significantly affect the Intention to adopt family Takaful, as evidenced by the t-statistic of 1.411, which is below the threshold of 1.96. Consequently, H2, which posits that Subjective Norms significantly influences the intention to adopt family Takaful, was rejected.

Contrary to Boubker et al. (2021), who found a significant relationship between subjective norms and the intention to adopt Islamic Finance, this study aligns with Raza et al. (2020), who report a positive and significant impact of Subjective Norms on the intention to purchase a takaful product.

The findings highlight that millennials and Generation Z base their intention to participate in family Takaful primarily on their knowledge of and awareness of its benefits. Environmental influences or external information merely serve to validate their existing understanding and awareness rather than dictate their decisions.

Consistent with Social Cognitive Theory (Rizkalla et al., 2020), it is crucial to enhance awareness among millennials and Generation Z regarding the benefits of family Takaful. This approach could cultivate a sense of necessity and encourage participation in family Takaful, emphasizing the importance of protection and security.

2.3. The Effect of Perceived Behavioral Control on Intention to Adopt Family Takaful

The hypothesis test results indicate that the relationship between Perceived Behavioral Control and the Intention to adopt family Takaful is significant, with a t-statistic of 2.194, which exceeds the critical value of 1.96. An original sample value of 0.157 indicates that this relationship is positive. Therefore, H3, which asserts that Perceived Behavioral Control significantly influences the Intention to adopt family Takaful, is supported.

This finding aligns with Kazaure (2019), who concluded that attitude, social influence, and perceived behavioral control directly and significantly affect the intention to purchase Takaful products. Similarly, Raza et al. (2020) reported a positive and significant impact of perceived behavioral control on the intention to purchase Takaful products, and Boubker et al. (2021) confirmed its influence on the intention to adopt islamic finance.

Perceived Behavioral Control primarily reflects the perception of ease or difficulty in performing a behavior. This study shows that millennials and Generation Z view family Takaful as straightforward and accessible. These generations appreciate the family Takaful products for their simplicity and ease of participation. Hence, the Takaful industry should develop products with clear benefits and user-friendly services to create appealing experiences for these key demographic groups.

2.4. The Effect of Religiosity on Intention to Adopt Family Takaful

The hypothesis test results indicated that the relationship between Religiosity and the Intention to adopt family Takaful was significant, with a t-statistic of 2.201, exceeding the critical threshold of 1.96. The original sample value of 0.099 demonstrated a positive relationship. Thus, H4, which posits that religiosity significantly influences the Intention to adopt family Takaful, was supported.

These findings are consistent with those of Aziz et al. (2019), who reported that strong religiosity positively influences attitudes towards participating in

family Takaful. Similarly, Boubker et al. (2021) found that religious obligations significantly impact the intention to adopt Islamic Finance.

In contrast, Usman et al. (2024) examined several factors influencing the purchase of Takaful products in Nigeria, including awareness, religiosity, relative advantage, perceived compatibility, social influence, perceived complexity, and perceived risk. Their results showed no significant influence of religiosity on purchase intentions.

This study highlights that higher levels of religiosity among millennials and Generation Z increase the likelihood of adopting family Takaful products. Consequently, the family Takaful industry should focus on penetrating markets within these demographic groups, especially those with strong religiosity, such as members of the growing hijrah community of young adults.

2.5. The Effect of Digitalization on Intention to Adopt Family Takaful

The hypothesis test results indicate that the relationship between Digitalization and the Intention to adopt family Takaful is significant, with a t-statistic of 3.204, exceeding the critical threshold of 1.96. The original sample value of 0.261 confirms a positive relationship. Consequently, H5, which posits that digitalization significantly influences the Intention to adopt family Takaful, is supported.

This finding aligns with Aguspriyani et al. (2023), who examined the influence of digital marketing strategies, including social media marketing, website marketing, digital advertising, and email marketing, on insurance product purchasing decisions. Their study found a positive and significant correlation with social media marketing exerting the greatest impact, followed by digital advertising, email, and website marketing. Similarly, Eckert and Osterrieder (2020) emphasize that digital transformation enables insurance companies to create customer-centric products and services, ultimately boosting consumer interest in insurance. Additionally, Baranauskas and Raišienė (2021) identify a strong and positive impact of technological features on the insurance purchasing process through digital platforms.

This study underscores that millennials and Generation Z, who are native to the era of advanced information technology, are highly accustomed to digital transactions. As a result, these generations are more inclined towards digital-based family Takaful products. To attract these key demographic groups, the family Takaful industry must transform its business processes to adopt digital solutions or, at the very least, establish dedicated digital marketing channels. Such efforts will

enhance the appeal of family Takaful products and make them more accessible and relevant to tech-savvy millennials and Generation Z consumers.

2.6. Gender Group Analisys: Male vs Female

PLS multi-group analysis (male vs. female) revealed that among all variables, religiosity differed significantly in its impact on intention to adopt family Takaful. Religiousness has a stronger effect on women than on men. This suggests that family Takaful companies should adopt a religiosity-focused marketing approach for female prospects, whereas such an approach may be ineffective for male prospects, where religiosity plays a less significant role in influencing their intentions.

Conclusion

Based on data analysis and hypothesis testing, this study examined the influence of attitude, subjective norms, perceived behavioral control, religiosity, and digitalization on the intention to adopt family Takaful. The following conclusions were drawn.

1. Attitude positively and significantly influences the intention to adopt family Takaful and has the greatest impact.
2. Subjective Norms have no significant influence on the intention to adopt family Takaful.
3. Perceived Behavioral Control positively and significantly influences the Intention to adopt family Takaful.
4. Religiosity positively and significantly influences the intention to adopt family Takaful.
5. Digitalization positively and significantly influences the intention to adopt family Takaful, ranking as the second-most influential factor after attitude.

These findings underscore the importance of emphasizing attitudes and digitalization in promoting family Takaful adoption.

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