



## Do Tourists Have Better Protection by Taking Travel Takaful? A Comparison in Malaysia

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**ABSTRACT** - The paper aims to present a comprehensive comparison between Travel Insurance and Travel Takaful development in Malaysia in terms of the product offered and coverage provided to provide better strategies for Travel Takaful market players. The main source of data for this study is the Product Disclosure Sheet (PDS) of Travel Insurance and Travel Takaful Plan, which were found using a systematic review. Using Ansoff Matrix Theories, the study classified the strategies of General Takaful and Insurance operators in managing Travel Protection Plan services and marketing segments. Furthermore, the details of the coverage, price, type of claim and channel to purchase Travel Insurance and Takaful were compared and analysed quantitatively using cross-comparison frequency. Analysis found that, as of August 2021, there were only 15 Travel Takaful Plans available, which are provided by 4 General Takaful operators, as compared to 60 Travel Insurance plans, which are provided by 17 General Insurance operators. This indicates a significant gap between the two types of protection plans. This study also discovered that bank institutions and airlines have collaborated with Insurance and General Takaful operators to create more diverse subscribing platforms for customers by also providing credit card and cashless medical claim methods. Furthermore, extensive coverage for Travel Takaful includes specialities such as *Qurban, Badal Haji and Waqf*, all of which entice Muslim travellers to purchase Takaful coverage. In addition, some Travel Insurance and Travel Takaful operators have added new coverage for quarantine period expenses in response to the COVID-19 pandemic. Lastly, this study proposes a framework to improve Travel Takaful products offered in the market. The study contributes to the body of knowledge in Takaful by presenting a comparative analysis between Travel Protection in Insurance and General Takaful operators, showing the development of the products and coverage offered by both industries. It is expected to become a significant reference, especially for Takaful market players, in order to build strong strategies toward Travel Takaful subscriptions, strengthening the function of *zakat* institutions as a socio-economic balancer.

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## INTRODUCTION

It has been more than three decades since Malaysia adopted an Islamic and conventional approach as a dual financial system. Yet, Travel Protection Plan has not been streamlined, and a significant gap exists, particularly in terms of the product offered and risk diversification covered (Md Husin & Rahman, 2013). In purchasing protection plans, subscribers are usually influenced by easy access to purchasing or a specific type of coverage and price (Al-fadly, 2020). Malaysian travellers rely on travel agents, Insurance agents, airlines, bank credit cards, and websites to obtain primary resources and to make purchases. In addition, the channels make it easier for the subscriber to understand the product, price, promotion and performance of Malaysia's current Travel Protection Plan (Hasan & Abdullah, 2015; Mustafa, 2018).

However, Travel Takaful Plans available in Malaysia have extremely limited options due to a small number of General Takaful operating Travel Protection Plans for Muslim travellers. This prompts them to purchase travel protection from Insurance providers instead, which is not permissible under Shariah principles (Wan Ahmad et al., 2004; Billah, 2012; Abdullah, 2012; Nazarov & Dhiraj, 2019). In Malaysia, only four Takaful operators provide Travel Takaful products with 15 coverage plans. Nevertheless, Travel Takaful has the capability to provide coverage for *Qurban*, *Badal Haji* and *Waqf* journeys, which distinguishes it as an exclusive policy to fulfil Muslim demands.

Thus, this paper presents the results of the comparison analysis between Travel Insurance and Travel Takaful in order to develop a firm understanding of the difference between these dual protection plans for the same target market. Since the Muslim global travel market has boomed positively for the past 10 years (GMTI, 2018), it is important to address the safety issues while travelling to ensure a proper risk management trip for travellers, especially Muslims. This paper is structured as follows. The first section discusses the literature review of this study. Subsequently, the second section discusses the methodology of the document collected before being analysed in the third section. Finally, the analysis summarises the result, which is then discussed in the fourth section, including identifying the implication of this study.

## LITERATURE REVIEW

Personal liability Insurance and Takaful are the crucial products covered by the General Insurance and Takaful protection policy. As time passes, personal liabilities, which comprise the risk towards individual and belonging, are increasingly recognised as one of the highest risks pertaining to the safety and security of the individual, rather than just their belongings. Since Travel Takaful was supervised under General Business, various protections tailored to specific risks have demonstrated that the Insurance and Takaful industry is currently aligned with the demands and developments of the travel market (Mustafa, 2018). In accordance with the existing product, Malaysia established Travel Takaful as an alternative for Muslim travellers, particularly for protection during the *Hajj* and *Ummrah* pilgrimages (Amirudin et al., 2017).

Travel Insurance and Travel Takaful provide financial aid for specific perils during travelling, particularly for personal accidents, flight inconvenience, medical assistance, emergency medical evacuation and personal liabilities as their main coverage plans. However, subscribers also need to add on additional coverage for extensive risks such as sports activities, extreme weather, pilgrims' activities and extensions of the coverage period (Wan Nazjmi et al., 2018). As a result, some Travel Insurance and Travel Takaful operators specialise in covering these extensive risks as their business niche.

In conformance with this, the marketing and services segment was also developed into numerous channels, as the product contains a wide range of price ranges and claim methods for subscribers to choose from. Aside from that, the new risk during travel has prompted the development of many new Insurance policies that are in line with the current situation that travellers are facing, such as COVID-19 (Mohd Ashmir Wong et al., 2022). In addition, the difference between Travel Insurance and Travel Takaful operations has resulted in different

ways of approaching customers and operations, which makes both streamline competitive with each other.

According to Medlin and Ellegard (2015); Antai and Mutshinda (2021), competition and rivalry are natural in developing a business of products and services in order to manage good managerial strategies. In terms of rivalry, we looked at one competitor in the same business field who has developed a variety of niches to attract customers and network with them, despite the fact that some of the business companies have a very low awareness of the competitive activities. Having a competitive edge in business is critical to understanding customer needs, expectations, and perceptions of a market to develop strategic moves that increase sales performance and analyse competitor information, strengths, and weaknesses. The aspects of quality, innovation, advertising, consumer services, and brands are at the heart of competition strategies. They directly impact the competition facets for both internal and external measures in the marketplace (Adom et al., 2016; Fuduric et al., 2022). Apart from that, the performance of the business is also influenced by the size of the company, whether it has a small or large revenue when it comes to setting the prices of the products and services it offers in the current marketplace (Yeshitila et al., 2020). Hence, this paper seeks objectives as follows:

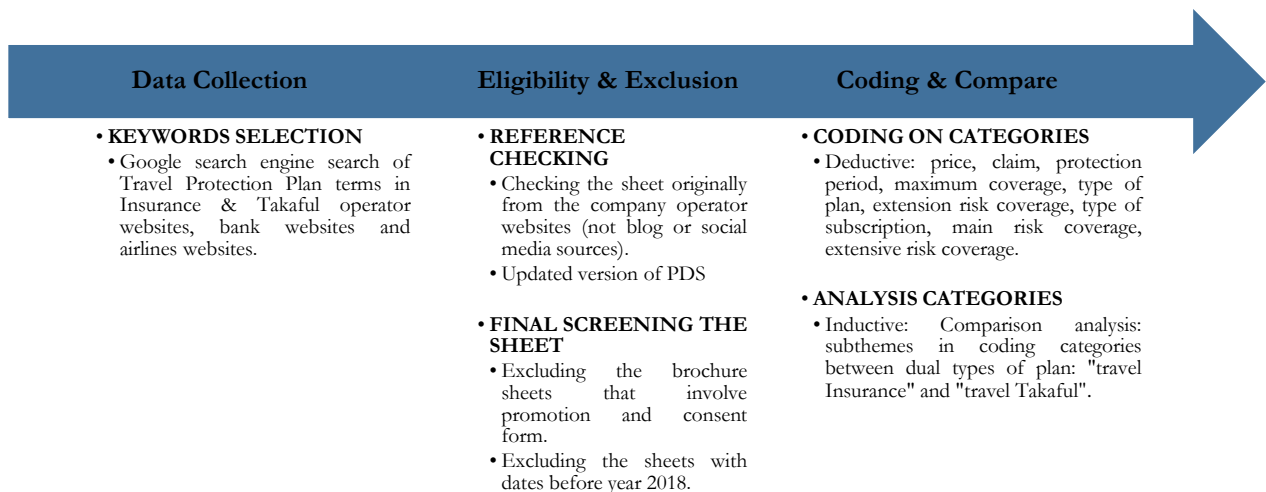
1. Do Travel Takaful and Insurance operators in Malaysia offer similar coverage, price and services for travel risks?
2. What are the strategies that could improve the subscription of Travel Takaful in Malaysia?

## **METHODOLOGY**

This study adopts systematic analysis to compare the product market of Travel Takaful and Travel Insurance in Malaysia using a reliable Product Disclosure Sheet (PDS). Correspondingly, the result will be analysed using Ansoff Matrix in order to examine the product offered, channel distribution and development between Travel Takaful and Travel Insurance in Malaysia. The section below is a further discussion on the methodology.

### **The Systematic Analysis**

To analyse and compare dual protection plans in Malaysia, it is essential to know which sources are reliable for the comparison. Seeing as protection plans may undergo modifications to their policies and coverage on an annual basis, it appears that the websites of General Insurance and Takaful companies are the most reliable sources for the most up-to-date information on the product. Therefore, this study collected information from the PDS of Insurance and Takaful providers' websites through the Google search engine as the main reference in comparing the Travel Insurance and Travel Takaful products, channel distribution and product development. Travellers can easily access information about the current products offered by Travel Insurance and Travel Takaful operators through the PDS provided for each plan in this section. In addition, the presence of e-commerce evaluation makes it easier for consumers to review and compare the best product available in the market (Sin et al., 2012; Sama et al., 2019; Hindirek et al., 2021). To conduct a comprehensive comparison between Travel Insurance and Travel Takaful Protection Plans, the researchers used a comprehensive systematic framework developed by Mohamad and Ab Rahman (2014) to search for specific keywords in determining the document obtained through an online search engine, as follows (see Figure 1):



**Figure 1:** The identification keywords processed from the source selection framework

### Define the Keywords search

As depicted in Figure 1, the study framework comprises the PDS gathered through website search providers to provide a more accurate comparison of Travel Protection Plans available in the current market. Since Travel Protection Plans in Malaysia are the main subject in this paper, the study determined two types of plans that exist in Malaysia: "Travel Insurance" and "Travel Takaful" as the main keywords. The study compares these two protection plans from the aspects of coverage available in the current market. In order to retrieve the latest information on the product, the study used keywords of "Product Disclosure Sheet (PDS)" as the main reference. Additionally, the term "Insurance" is also known as "Protection Plan", whilst the term "Takaful" is also known as "Islamic Insurance". About 60 results were returned as the engine search used "Malaysia" as an additional keyword to reduce the size of the selection. The search on the PDS was based on the descriptors below:

1. "Travel Takaful" AND "Malaysia" AND "PDS"
2. "Travel Insurance" AND "Malaysia" AND "PDS"
3. "Travel Insurance Islamic" AND "Malaysia" AND "PDS"
4. "Travel Protection" AND "Malaysia" AND "PDS"

However, the precise PDS of Travel Protection Plans from Takaful and Insurance operators were not complete and were dispersed. Therefore, the researchers decided to include additional keywords in the study, specifically the names of the General Insurance and Takaful operators in Malaysia, which are listed on the Central Bank of Malaysia's list of registered entities (Bank Negara Malaysia, 2021). There are 24 licensed Insurance and Takaful operators in Malaysia handling General Insurance and Takaful as listed by BNM Malaysia. Therefore, the search on the PDS was based on the descriptors below:

5. "Travel Insurance" OR "Travel Takaful" AND "Malaysia" AND "PDS" AND "*lists of the Insurance company and Takaful operators. E.g., ALA Insurance*"

Additionally, the study discovered that Travel Protection Plans are offered in Malaysia directly through Insurance and takaful companies, as well as operators and collaborations with banks and airline companies to reach a broader customer base. The search on the PDS was based on the descriptors below:

6. "Travel Insurance" OR "Travel Takaful" AND "Malaysia" AND "PDS" AND "*lists of*"

- bank institutions. E.g., For Maybank"*
7. "Travel Insurance" OR "Travel Takaful" AND "Malaysia" AND "PDS" AND "*lists of airline companies. E.g. Malaysia Airlines"*

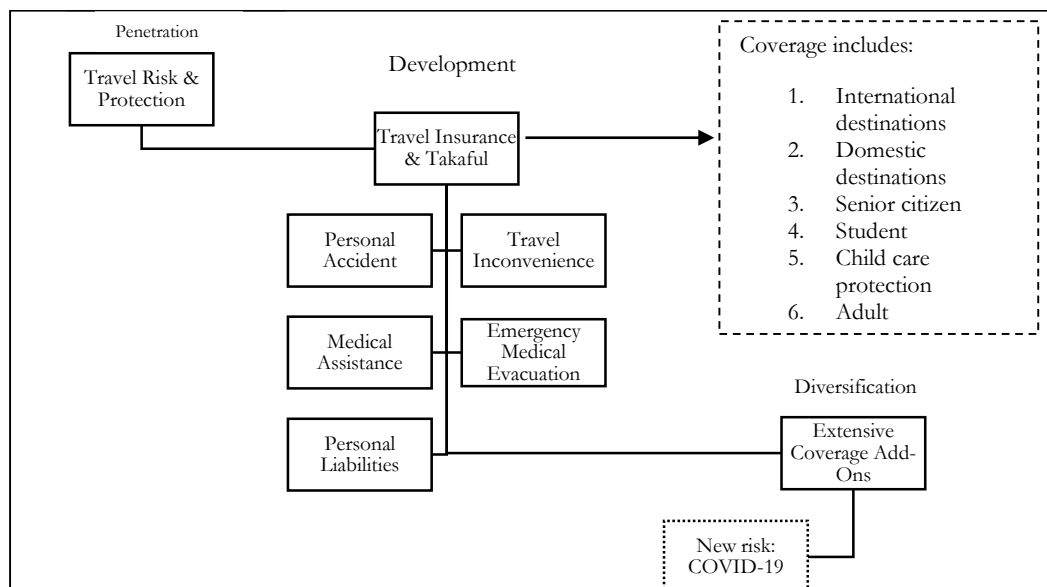
According to Bank Negara Malaysia (BNM), only 15 of the country's 42 banks work with Insurance and Takaful providers to offer Travel Insurance. There are also joint ventures between all four Malaysian-owned airlines with the Insurance and Takaful industry.

### Eligibility and Exclusion of Document Retrieve

The sheets were sorted out according to the year 2018 to 2021 to determine the latest Travel Takaful and Insurance products offered in the market. The documents must be originally provided by Insurance and Takaful operators. Nowadays, all of the General Insurance and Takaful operators seem to provide information about their products on their websites to reach a bigger audience. Hence, the researchers downloaded the data of the products offered in the market from the websites based on the latest products offered by the operators. Apart from that, the study did a thorough screening by excluding the PDS that contains promotion and consent forms that might influence the selection criteria. In addition, where information was unavailable on the websites of Insurance and Takaful operators, bank institutions and airline companies, an Insurance agent of the selected company was contacted via email or telephone to provide the required information. Thus, we believe that this paper has sufficient information regarding the subject matter even though it is not fully covered in a certain part of the sources.

### Coding and Compare

This section constructs the segmentation framework and coding of keywords by illustrating the finding of the subject matter with regard to risk and protection coverage. The descriptive results of the analysis of the subject matter can be classified into five groups of risk coverage, as illustrated in the figure below (see Figure 2):



Source: Compilation from Product Disclosure Sheet (PDS) from the year 2018-2021

**Figure 2:** Main Coverage and Extensive Coverage segmentation in Travel Takaful and Insurance

Using the Ansoff Matrix segmentation theories as a guide, the final inclusion of the PDS selected was based on coding. This includes "Personal Accident", "Travel Inconvenience", "Medical Assistance", "Emergency Medical Evacuation", "Personal Liabilities", and "Extension

Risk Coverage" as additional services, narrowing down the travel protection plans into 75 provided by 21 General Insurance and Takaful operators. Simultaneously, General Insurance and Takaful operators collaborate with 16 financial institutions and 4 airline companies. Finally, the categories were separated into extracted analyses, including a comparison of Travel Insurance and Travel Takaful policies. This means that the study's findings are based on current PDS samples provided by operators to compare Travel Protection Plans. The next sections present the result analysis and discussion for future reference.

## **RESULTS**

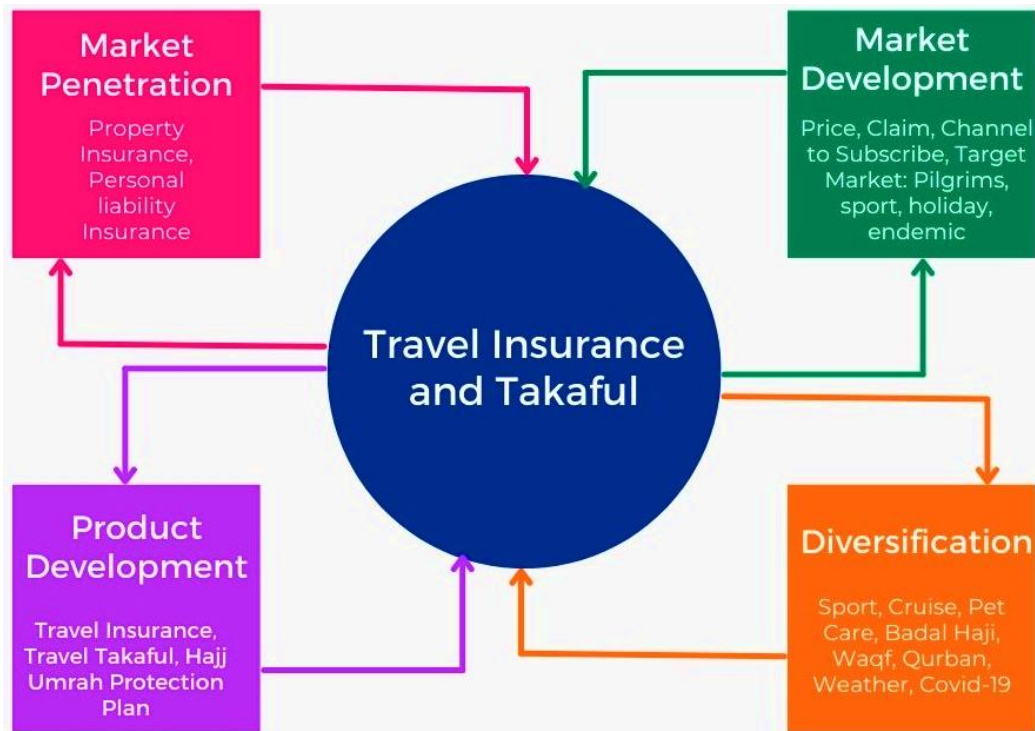
To answer Research Objective 1, this study has highlighted the product offered, price and other relevant coverage for the purpose of comparison between Travel Insurance and Travel Takaful. Using Ansoff Matrix, the study has used the element proposed by the matrix: market penetration, product development, market development and product diversification to systematically justify the development and comparison between both protection plans. On top of that, the current marketing practices are also being analysed since the Product Disclosure Sheet (PDS) shows that Travel Insurance and Takaful are provided by the General operator and joint ventured with other organisations to expand the market segment.

### **The Ansoff Matrix Theories in Comparative Features**

To analyse the Travel Protection Plan segmentation in Malaysia, the study relies on Ansoff Matrix by Ansoff (1957) in determining the development of Travel Protection products and marketing segmentation in the Malaysian market. The matrix is an assessment tool to identify a vis-à-vis conceptual Strength, Weakness, Opportunities and Threats (SWOT) analysis for product and marketing strategy (Kipley et al., 2012). Furthermore, Ansoff discuss the criteria for company growth from the aspects of the product line by introducing the strategy of market penetration, market development, product development and diversification in forecasting the possible structure based on the current product (Hussain et al., 2013).

To counteract this potential limitation, a modern matrix box has been developed to increase the ratio of products to match the risk of the product sheet. The traditional matrix box, on the other hand, may prevent the true integration of a company's strategy. As a result, the most recent version of the matrix generates more in-depth characteristics that can be used to evaluate the strategies of the companies (Navarra & Scaini, 2016). The Ansoff Matrix is used to demonstrate the importance of strategic planning in determining the Travel Protection Plan's market penetration in the Travel Insurance and Takaful markets. Given that Travel Insurance is a sub-business of General Insurance and Takaful, it is critical to segment the protection in-depth to develop a sustainable marketing strategy. Beginning with the most fundamental protection against personal accident and death perils, Travel Insurance and Travel Takaful streamline and expand their coverage for diversification as a result of marketing, product development, and the rapid growth of tourism industries.

According to the Ansoff Matrix, the comparative analysis of the Travel Takaful and Insurance in Malaysia examines four segmentation under marketing strategies suggested by Ansoff (1957) that can determine the strength and weaknesses of the product offered. This includes market penetration, market development, product development, and diversification of risk and coverage in Travel Insurance and Travel Takaful, as suggested by the matrix (see Figure 3):



**Figure 3:** The adoption of Ansoff Matrix in travel takaful and insurance analysis

Thus, this study adapts competitive analysis by focusing on the determinants of price, product, claim method, risk coverage, and channel distributions, guided by the Ansoff Matrix, which previously highlights the product development process. The comparative analysis between Travel Insurance and Travel Takaful is discussed in the next section.

### **Product Penetration and Marketing Development**

The finding of PDS analysis found that it is possible to purchase Travel Insurance and Travel Takaful through six different channels in Malaysia: the operator website, travel agents, insurance or Takaful agents, airlines, banks, and credit cards, which general product plans were supervised by a general operator and provided protection on a monthly and annual subscription basis. In order to connect with their customers, Travel Insurance and Travel Takaful operators provide a **website** as a channel for travellers to purchase their products. In addition, travel Insurance and Travel Takaful operators connect with their customers by offering a website as a subscribing channel. As a result, almost all Travel Insurance and Travel Takaful subscription channels rely on website portals to reach customers by providing brochures and online quotations based on the destination and numbers of travellers, allowing travellers to make a more informed decision before subscribing. **A travel agent** is a group of travel operating business companies who must promote Travel Protection Plans since it is an action under the Code of Ethics of the Malaysian Association of Tour and Travel Agents (MATTA) and Tourism Industry Act 1992, supervised by the Ministry of Tourism and Culture (MOTAC) (Farahiyah Izni & Ahamat, 2019; Ghapa et al., 2021). Therefore, travel agents act as intermediaries for the purpose of making a decision to choose and subscribe to a suitable protection plan for the customer.

The third channel is through an **Insurance and Takaful agent**, in which solo travellers are advised to contact an Insurance agent for a quotation and details on risk and claim procedures and then purchase the protection plan based on the consultation. Life product plans were not equivalent in a foreign country. Hence, General Insurance and Takaful agent were provided to fulfil this gap (Hasan & Abdullah, 2015). In collaboration with Travel Insurance and Travel

Takaful providers, some **airlines** offer specialised products that protect travellers from the moment they leave the airport until they arrive at their final destination. Only Malaysian Airlines adapts a Travel Takaful Plan as a choice for its passengers in the current Malaysian market by providing additional coverage such as *Badal Haji*, *Qurban*, and *Waqf*, which is especially important for pilgrims who are travelling. Additionally, Malaysian Airlines provides coverage for passengers affected by COVID-19 by providing financial assistance during the quarantine period. Basic Insurance for airlines covers every risk associated with a flight cancellation, baggage inconvenience, and passenger safety on board the plane. Furthermore, there is an interface between the Insurance and Takaful operators. Below is the list of Travel Insurance and Travel Takaful offered by airlines companies (see Table 1):

**Table 1:** Airlines' Travel Insurance and Travel Takaful products in Malaysia

	<b>Operator</b>	<b>Airlines</b>	<b>Product</b>	<b>Takaful</b>
1.	AIG Insurance	Firefly Airlines	Firefly Travel Protection	No
2.	Etika Berhad	Malaysia Airlines	MH Insure Travel Insurance MH Insure Travel Takaful	No Yes
3.	Tune Insurance	AirAsia Airlines	Tune Protect	No
4.	Great Eastern	Malindo Air	Malindo Travel Protection	No

In Malaysia, besides Insurance and Takaful operators, some bank institutions also take the initiative to provide their own Travel Insurance and Travel Takaful products by offering them under bank credit card purchase. Operators who choose the reimbursement method work in collaboration with financial institutions to have their protection plans and policies included on the bank credit card, making it easier for travellers to claim in an emergency situation. According to the information in Table 2, only six products are available for Muslim subscribers that are provided by bank institutions in terms of credit card facilities, with the majority being used for pilgrimage. Additionally, Malaysian Airlines provides coverage for passengers affected by COVID-19 by providing financial assistance during the quarantine period. Below is the list of General Insurance and Takaful operators that cooperate with bank institutions for Travel Insurance and Travel Takaful under credit cards in Malaysia (see Table 2):

**Table 2:** Credit Card Travel Insurance and Travel Takaful Products in Malaysia

<b>No.</b>	<b>Operator</b>	<b>Bank Institution</b>	<b>Product</b>	<b>Takaful</b>
1.	Allianz	HSBC Bank Standard Chartered Bank	Travel Care Travel Care Insurance	No No
2.	AXA	Affin Bank Citibank	AXA Smart Traveler Smart Traveler	No No
3.	Berjaya Sompo	CIMB Group	SOMPO Travel Plus	No
4.	Etika	Maybank	TripCare 360 Takaful TripCare 360 Insurance	Yes No
5.	Great Eastern	OCBC Bank Bank Muamalat Malaysia	Travel Mate M-Tiara Hajj	No Yes
6.	MSIG	Hong Leong Bank	Travel Right Plus Insurance	No
7.	RHB	RHB Bank	Annual Travel Protector Travel Protector Plus	No No
8.	Liberty	UOB Malaysia	Travel Insurance UOB	No
9.	Takaful Ikhlas	AgroBank Bank Rakyat	Personal Accident Protection plan Takaful Kasih Plus Takaful Amani	Yes Yes
10.	Takaful Malaysia	Bank Islam Malaysia Berhad	Takaful myClick Travel PA	Yes
11.	Zurich General Insurance and Takaful	Alliance Bank Bank Muamalat Malaysia	Z-Alliance Travel M-Tiara Ihram Travel PA Takaful (Hajj and Umrah)	No Yes



According to Nawi et al. (2019), the era of technology has changed people's buying style, especially when the online portal provides essential information, user friendly and within local languages that make it easy to access the platform. Assurance and awareness are the main factors that drive travellers to subscribe to Travel Insurance and Travel Takaful through the internet platform (Mary Jennifer & Chandran, 2016). According to Verhoef et al. (2021), through the Ansoff matrix, digital transformation facilitates consumers in acquiring their demands in a fast manner. The six channels above made powerful strategies for a market player in terms of sales and marketing, simultaneously increasing the Takaful Plan's subscriber rate.

On the other hand, the price offered for travel coverage depends on the destination, risky groups, travel activities, travel destinations and pre-existing medical conditions. In addition, price is considered based on country stability in terms of economics, politics and short or long-haul travel hours from Malaysia to the destination. On top of that, people who purchase family and group Travel Insurance and Travel Takaful have lower premium payments compared to those who purchase individual plans. Family Travel Insurance and Travel Takaful generally cover a large sum of financial aid, whilst the individual plan is for one person who might have different risk conditions.

The claim for Travel Protection in Malaysia can be classified into three groups, which are determined by the perceived ease of claiming process and the speed of emergency aid. The three types of groups are Pay and Claim, Credit Card and Guarantee Letter. The policies for Travel Insurance and Travel Takaful Plan in Malaysia basically function on a reimbursement basis. For 24 hours immediate emergency coverage, travellers are advised to apply for a credit card provided by banking institutions in Malaysia that cooperate with Insurance operators for a cashless claim. The data analysis is as follows (See Table 3):

**Table 3:** Statistical Results for Claim Method

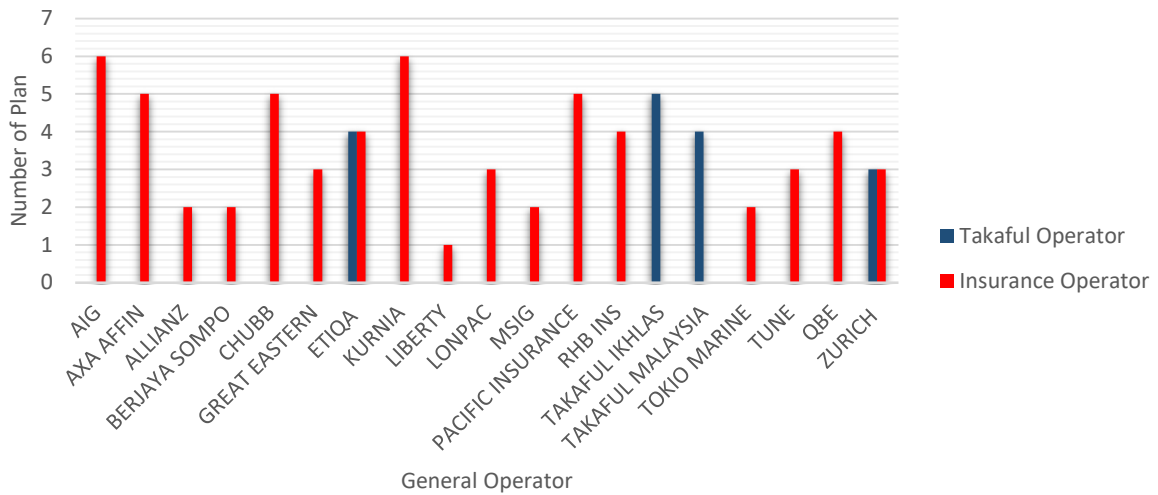
	<b>GENERAL OPERATOR</b>	<b>PAY &amp; CLAIM</b>	<b>CREDIT CARD</b>	<b>GUARANTEE LETTER</b>
Average	INSURANCE	0.941	0.529	0.118
	TAKAFUL	0.750	1.00	0.250
Std deviation	INSURANCE	0.243	0.514	0.332
	TAKAFUL	0.500	0.00	0.500

Regarding the claim process, AIG and Etiqa is the only company that provides a Guarantee Letter (GL) and cashless claim as immediate financial assistance to travellers for all types of coverage. In contrast, the rest of the operators prefer reimbursement and credit card payment methods, among other things. An AIG and Etiqa speciality is the provision of a GL, also known as an "immediate 24-hour claim" for cashless medical payment in an emergency situation. Since Etiqa Takaful is the only Takaful operator that operates in accordance with Shariah law, they used this method as part of their marketing strategy to attract travellers.

### **Product Development and Diversification**

In Malaysia, there are a total of 75 Travel Protection Plans, which are available in the current market operated by 21 Insurance and Takaful operators, where 60 plans are provided by General Insurance and the rest by Takaful, indicating a significant gap in the number of coverage between the two types of operators. As shown in Table 4 below, AIG and Kurnia provide the highest number of plans, followed by AXA Affin, Chubb, Pacific and Takaful Ikhlas with five plans each. Meanwhile, other operators provide less than four plans each. Apart from that, 11 operators offer an unlimited amount of Insurance coverage and not more than 200 days of

protection for an extension period provided for a one-off or monthly subscription. Based on the analysis, Takaful Ikhlas and Takaful Malaysia is the sole company that provides Takaful plans only, whilst Etiqa and Zurich provide dual protection plans of Insurance and Takaful, and the rest provide only Insurance plans. Below is the comparison of the plans among operators in Malaysia (see Figure 4):



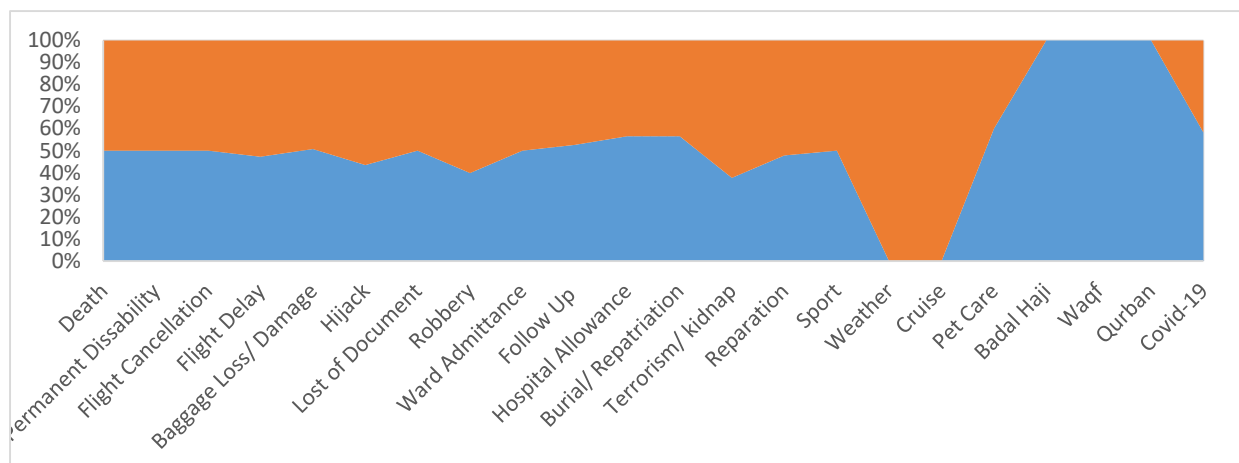
**Figure 4:** Travel Insurance and Travel Takaful Plan in Malaysia

There are five categories of main coverage in Travel Insurance and Travel Takaful operators in Malaysia, which cover almost all risks during travelling, which are personal accidents, travel inconvenience, medical assistance, emergency medical evacuations and personal liabilities (see Table 4). Although Travel Insurance and Travel Takaful are designed to protect the traveller, not all risks lie within the plan offered. Therefore, the subscriber needs to purchase an appropriate plan that meets their needs during the journey. Below are the discussions on the specific risk and coverage segmentation.

**Table 4:** Number of Plans offered by Travel Insurance and Travel Takaful operator

Risk	Coverage	Travel Takaful frequency (N=15)	Travel Insurance Frequency (N=60)	Total Frequency (N=75)
<b>Personal Accident</b>	Sudden Death	1	1	1
	Permanent Disability	1	1	1
<b>Travel Inconvenience</b>	Flight Cancel	0.87	0.87	0.87
	Flight Delay	0.87	0.97	0.95
	Baggage	1	0.97	0.97
	Robbery	0.53	0.80	0.75
	Loss of Document	0.85	0.85	0.83
	Hijack	0.60	0.78	0.75
<b>Medical Assistance</b>	Ward Admittance	1	1	1
	Follow Up in Malaysia Hospital	1	0.90	0.92
	Hospital Allowance	1	0.77	0.81
<b>Emergency Medical Evacuation</b>	Burial/ Repatriation	1	0.90	0.92
	Terrorism/ Kidnap	0.20	0.33	0.31
<b>Personal Liabilities</b>	Reparation / Faraid	0.80	0.87	0.85
<b>Extensive Coverage add-ons</b>	Sport Activities	0.40	0.40	0.4
	Weather	0	0.17	0.93
	Cruise	0	0.17	0.93
	Pet Care	0.27	0.18	0.20
	<i>Badal Haji</i>	0.67	0	0.13
	<i>Waqf</i>	0.47	0	0.93
	<i>Qurban</i>	0.47	0	0.93
<b>New Risk</b>	COVID-19	0.07	0.05	0.05
<b>Statistical Evaluation</b>				
	<b>Average</b>	9.45	35.1	44.54
	<b>Median</b>	10.5	47.5	58.5
	<b>Std Distribution</b>	5.41	24.0	28.6
	<b>Max</b>	15	60	75
	<b>Min</b>	0	0	3

Since only four General Takaful operators provide protection plans for the traveller, it is clear why the option for Muslims was quite limited. Travel Takaful mostly focuses on the niche risk that other risks were uncovered under the same plan. However, it is understandable since General Takaful operators only consist of a small number of companies, in which the percentage of frequency will overcome the total number. Figure 5 shows the graph section of Insurance domination in terms of product and risk coverage. Despite that, a protection plan for personal accidents, flight inconvenience, medical assistants, and emergency medical evacuation is a focused business on most the Insurance and Takaful operator. Whilst extensive risks are demanded by the travellers. Note that not all operators provide specific coverage for it. Below is a graph to show the dominations of Travel Insurance protection plans in Malaysia (see Figure 5):



**Figure 5:** The percentage of Travel Insurance and Travel Takaful products in the market

### Channel Distribution and Travel Protection Plan

To achieve Research Objective 2, this study has determined that the digital platform in marketing the product is linked. Digital platforms such as operator website, airline, bank website and digital payment in selling Travel Insurance and Takaful has set up a trend that has a great impact on Travel Protection Plan marketing (Rangaswamy et al., 2020). Building awareness of a brand and showcasing it to potential customers can both be accomplished through the use of a website. By informing the audience of what the operator represents, it contributes to the establishment of a positive brand image. Furthermore, customers receive information that can be relied on from a company's website, which helps to differentiate the company's products and services (Lim et al., 2020; Kwaku & Antwi, 2021). The travel review through a digital platform that provides useful information and comparisons about the best travel products and services available on the market, such as Blogger, Trip Advisor, Halal Trip, and others, on the other hand, are more difficult to come by. Electronic payment to a third party via mobile phone has become increasingly popular in recent years due to its convenience and cashless nature. It is now accepted in almost every country (Faruk et al., 2021).

In the era of millennia, the emergence of websites and smartphones has made it easier for travellers to find information and purchase Insurance in a quick manner. According to Chaffey (2002), a website and social media platforms play an important role in providing a digital ecosystem for e-commerce businesses. From offline communication, such as agent and traditional advertisement, the platform to buy Travel Insurance and Takaful has thrived into an online platform, which includes all the marketing traits of audience participation, social presence, viral campaigns and customer feedback. Digital marketing is the transmission of relevant data that influences consumer interpretation, attitudes, and purchasing behaviour because it provides an overall representation of how the brand and services function and allows the consumer to consider thoroughly before taking an actual action before making a purchase (Grewal et al., 2021). Website and social media help travellers choose, think and decide on a platform display.

In other ways, it persuades the way of thinking and choices of the brand before making a purchase (Constantinides, 2014). A study by Long et al. (2018) shows that travellers tend to use digital platforms to review, book, and purchase any travel product using travel web-based. On top of that, the purchase action among travellers heavily relied on e-satisfaction, e-review and ease of use of the online platform (Khalil et al., 2018). According to Jin et al. (2020), travellers use the online platform to make a direct purchase for flight ticket, accommodation, travel accessories and car rental, which was purchased through one website that compares all services provided. The impact of Online Word-of-Mouth (eWOM) in sales and marketing of Travel Insurance and Takaful brings a strong positive influence on purchase decisions (Amblee, 2016).

In Travel Protection Plan purchases, General Insurance and Takaful operators use a digital platform to directly sell and relay whole information related to the website. Getting a quotation and reading the information directly through the website have made subscriptions easy and fast for travellers to purchase. The operators also have made a collaboration with banks and airlines as their corporate customers in order to gain more subscribers for the Travel Protection Plans. In order to meet the needs of their customers, banks and airlines have created new self-design packages that they use on their own websites. If a traveller requires immediate access to funds or prefers to avoid carrying cash, a bank will reimburse the cost of a purchase using a credit card. The airline company provides immediate protection against any flight inconvenience, such as delay, plan cancellation, and baggage damage, by purchasing the protection plan through flight ticket online purchase. This type of protection assists passengers in protecting their belongings and schedule while aboard. Global Muslim Travel Index (GMTI, 2019) report stated that almost 140 million travellers have spent US\$45B on online travel purchases and are expected to rise to US\$180B in line travel purchases in 2026.

### **Practical Implications**

This study makes several practical recommendations to both players but General Takaful regarding the enumeration of coverage to meet the demand of Muslim subscribers in Malaysia. The study's findings indicate a significant disparity in the number and coverage segmentation of protection plans offered by Insurance and Takaful. Apart from that, Takaful sales can be facilitated through the use of agents and websites by offering a variety of new coverage plans that are tailored to the specific needs of Muslim travellers, thereby encouraging them to switch their Insurance preferences to Takaful policies.

Nowadays, the younger generation is increasingly reliant on the internet as one of their primary sources of product information and company performance data. Therefore, additional opportunities exist for Takaful market participants to strengthen their website channels, which serve as primary platforms for their marketing in order to raise awareness, disseminate information, and improve sales performance for the products they offer. Raising awareness and disseminating information via trusted channels are two strategies identified in the matrix framework; however, they must be backed up by a suitable target market. Given that information can be downloaded from the website, it is highly improbable that the subscriber will have a complete understanding of the contract's legal and contractual requirements. Additional explanations from the operator on the Product Disclosure Sheet (PDS) are required to shed light on all facets of contract legality.

There is a need for a General Takaful operator to build strategies to increase subscription rates for Takaful plans. This study examined the market penetration, market development, product development and diversification coverage of Travel Protection Plan in Malaysia. Travel Protection Plan subscribers' satisfaction, as well as General Insurance and Takaful operator performance, should be examined in future research. Finally, future research should consider the level of awareness among travellers regarding the purchase of a Travel Protection Plan prior to embarking on a journey.

### **CONCLUSION**

This paper highlights a significant gap between Travel Insurance and Travel Takaful Protection Plans in Malaysia as presented in the current market. Travel Protection Plans are specifically designed to meet the needs of travellers in general when going on domestic and international trips. Different destinations offer different risk coverage in order to get travellers protected. Malaysians, who comprise the majority of Muslims, are offered very limited protection plans permissible according to Shariah principles due to a minimum number of General Takaful. Besides that, Travel Takaful generally covers most risks involving pilgrimage activities rather than other trip purposes such as holiday, business and sports activities. Travel Insurance and

Travel Takaful have high coverage amounts in risk involving a personal accident, travel inconvenience, medical assistance, emergency medical evacuation, personal liabilities and other additional coverage except for *Badal Haji, Waqf* and *Qurban*, which Takaful solely covers.

The analysis suggests that Insurance and Takaful operators in Malaysia demand further value in creating new products that meet the needs of travellers. In this case, Muslims are the targeted travellers. Since the global Muslim travel market is growing stronger year by year, the demand for getting protected will increase. Takaful operators require to step up by providing competitive protection plans for Muslim travellers at par with Travel Insurance products. Takaful operators are also urged to develop more attractive products with values that can attract non-Muslim travellers also in order to boost subscription levels. Malaysia, as one of the strongest Takaful hubs, expects to set an example that we care for travellers' needs, especially in terms of personal safety and security from risk exposure during the trip.

As a recommendation, further research on Travel Takaful and Insurance purchasing, website roles and consumer behaviour are crucial to be added in the academic studies for future improvement of the strategic plan.

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