

CRITICAL REVIEW:
**IS RELIGIOUSITY AN IMPORTANT DETERMINANT ON MUSLIM
CONSUMER BEHAVIOR IN MALAYSIA?¹**

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INTRODUCTION

In a constantly changing and increasingly globalized world, the construct of culture and subculture have become increasingly central to the consumer behavior literature. Religion still plays a significant role in influencing social and consumer behavior. Religious belief is a significant factor in influencing consumption behavior because by the rules and taboos it inspires. Furthermore, religiosity represents an inherent human value which tends stable over a fairly long period of time, and finally, many elements of religiosity are observable, and therefore of pragmatic value to marketers (Khraim, 2010).

Islam is a religion that guides Muslims in every aspect of life, not just in specific acts of worship. For instance, in the Quranic verse, *Al Isra*':26-27, Allah commands Muslims not to consume or spend extravagantly, but to spend in a way of Allah. Some other guidance which have been provided for by Islam are how and what to trade, how to interact with others and what can be consumed. Eating and drinking are strictly followed according to the Islamic rules in the everyday life of the Muslim society. But these norms however vary between different religious faiths and degree of observation.

This discussion note provides comments on the issue, in particular the one under the notion of muslim consumer behavior in Malaysia written by Bro Syed Shah Alam, Bro Rohani Mohd, and Bro. Badrul Hisham.

METHODOLOGY

¹ This Paper is The Final Exam Of Islamic Microeconomics Courses. It will be submitted In the International Journal.

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A cross-sectional research design was used to examine the relationships between independent factors, religiosity among the Muslims in Shah Alam and Bangi in Selangor, and their purchase decisions. The influence of religion was only tested on the purchasing of food and clothing (non-durable) and automobile (durable). This is because the two types of goods might need different degrees of involvement by the consumer.

The target population was from the middle and upper income group working in Shah Alam. Shah Alam and Bangi were chosen as these cities have majority of Muslim population. This has been done by using data that were collected from a sample of 232 Muslims in Shah Alam of middle-income group.

In this critical review, I conducted to analyze from many sources of conventional and Islamic consumer behavior literature. At the end of paper, I offer an Islamic model of consumer behavior.

RESULTS

The results reveal that the Islam religion have great influence on the purchase decision of Muslim consumers. This influence has formed a new behavior model of Muslim consumers. The findings also indicate that other factors like salary, age, etc. claimed as important by many conventional scholars displayed lower or almost non-impact on the purchase and consumption decision of Muslim consumers. For entrepreneurs whose countries are populated by majority Muslims, or who intends in penetrating the Muslim countries with their businesses should consider the element of religion in the development of products and in marketing activities. This includes developing a new product, promoting, pricing and placing as these are some of the main concerns of Muslim consumers today.

All the hypotheses examined in this research have supported the assumption that religion has greater influence on purchase decision of Muslim consumers. Hence, it is true that in Islam the behaviour of a consumer is governed by religious injunctions. This is opposed to the assumption placed on consumption behavior in the conventional economics (Alam, 2011).

DISCUSSION

Consumer Behavior: Conventional and Islamic Perspective

The theory of consumer behavior developed by the West after the rise of capitalism is the offspring of a duality, namely “economic rationalism” and “utilitarianism”. Economic rationalism interprets human behavior as being founded on “rigorous” calculation, directed with foresight and caution toward economic success. Economic rationality assumes that consumers will aim at maximizing their “satisfaction” in a peculiar sense, which is not altogether devoid of utilitarian meaning. It is said that the concept does not apply to any particular type of satisfaction, whether spiritual, material, or otherwise (Alam et.al, 2011).

The theory of consumer behavior between conventional and Islamic economic systems can be differentiated by looking into its principles and postulates (Ramli and Mirza, 2007). In conventional economics, consumer behavior refers to how a user allocates an amount of money on various combinations of goods or services in order to maximize their satisfaction (Mustafar and Borhan, 2013).

On the contrary, Islamic economic system designs its rationality and consumption principle in moderation that is far away from extremism where freedom and regulation is moderately recognized. Therefore, Islamic rationality encourages the consumers to maximize his utility by insuring religious, national, historical, cultural and social values (Hossain, 2014).

The consumption level between rational consumer and religious consumer is very distinct. When the rational consumer is only oriented on worldly satisfaction, the religious consumer wished either worldly satisfaction or afterlife satisfaction. Consumer behavior is based on fulfilling needs and not on satisfying wants. Islamic consumer behavior prohibited *israf* and *tabzir* (Khan, 2013)

Islamic consumer behavior classify needs into three categories. There are: the *daruriyyat* or necessities of life like food, clothing, shelter, education, health care and so on. What would improve the quality of the necessities is regarded as *hajiyyat* i.e. complements or improvements. Lastly, we have *tahsiniyyat* or the needs whose satisfaction accords us social status or recognition (Hasan, 2007).

Relationship Between Religiosity and Buying Behaviour

Religious affiliation and religiosity are two important constructs of religion in explaining consumers' behavior. Religiosity has significant influence on buying behavior, research on religiosity rather than religious affiliation of customer has been suggested. During last two decades, a trend has shown that scholars have embraced religion as a significant cultural effect in modern-day consumer behaviors (Khayruzzaman, 2016).

Religion is an important part of life for most individuals, with 80% of people worldwide affiliating with a religion (Pew Forum, 2012) and over 70% of Americans reporting that their religious beliefs affect their daily behaviors (Pew Forum, 2008). There is a positive relationship between religiosity and attitude (Ahmad, et.al, 2015). Religion affects consumer psychology and behavior through four dimensions—beliefs, rituals, values, and community (Mathras, et.al, 2016).

Tajamul and Uma (2015) explored whether religiosity influences the ecological conscious consumption behavior among consumers in India. The results indicated a significant positive relationship between intrinsic religiosity and ecologically conscious consumption behaviour. The findings suggest that religiosity can play an important role in determining ecologically conscious consumption behavior among Muslim consumers in India.

Newaz (2014) conducted the study to commence with the use of a religiosity-consumer Behaviour conceptual model. The model theoretically provided the conceptual ground to develop a greater knowledge and investigate Muslim consumers religiosity, buying attitudes and purchase intentions of Islamic Financial Products (IFPs) In Bangladesh. This study provides evidence that religiosity has overall influence on consumer behavior in an Islamic context.

Lord and Putrevu (2005) found that religious influence is a multidimensional construct. In both qualitative and empirical results, support is found for the existence of positive and negative influences spanning five distinct motivations: doctrinal, personal devotion, value, social and aesthetic.

Factors Influencing Consumer Buying Behaviour

In this globalizing world, the competition among the firms producing the same goods and services have intensified and the consumer. Consequently, knowing the consumers become a necessity for firms. Successful businesses understand how to leverage the different factors that influence consumer buying behavior to effectively market their products and maximize sales (Durmaz, 2014).

Malik *et al.* (2012) found that brand image, service quality and price are correlated to customer satisfaction. Results of this research are favorable and will help the telecom service providers to shape their products and pricing policies in such a way that they could maximize customer satisfaction and maintain their customers in order to achieve higher market share.

According to Alam (2011), factors influencing consumer buying behavior are related to trend of fashion, price of the product, brand name, quality, image, peer pressure, good sales presentation, and good customer services. Cronin *et al.* (2000) stated that, service quality, service value, and satisfaction may all be directly related to behavioral intentions when all of these variables are considered collectively. The results further suggest that the indirect effects of the service quality and value constructs enhanced their impact on behavioral intentions.

Quantaniah *et al.* (2013) stated that, there is an enormous and rapidly growing global market for Halal products. Halal is no longer a mere religious obligation or observance, but is considered as the standard of choice for Muslims as well as non-Muslims worldwide. Baharuddin *et al.* (2015) found that small entrepreneurs take advantage of business opportunities in the Halal industry to reap the benefits of increasing profits for Halal food areas.

Halal products are those that are *Shariah compliant*, i.e. do not involve the use of *haram* (prohibited) ingredients, exploitation of labor or environment, and are not harmful or intended for harmful use. The realm of halal may extend to all consumables such as toiletries, pharmaceuticals, cosmetics and services including finance. Halal is a typical credence process attribute, i.e. a quality characteristic that can hardly be evaluated or ascertained by the individual consumer, even upon or after consuming the food (Hanzaee and Ramezani, 2011)

CRITICAL ANALYSIS

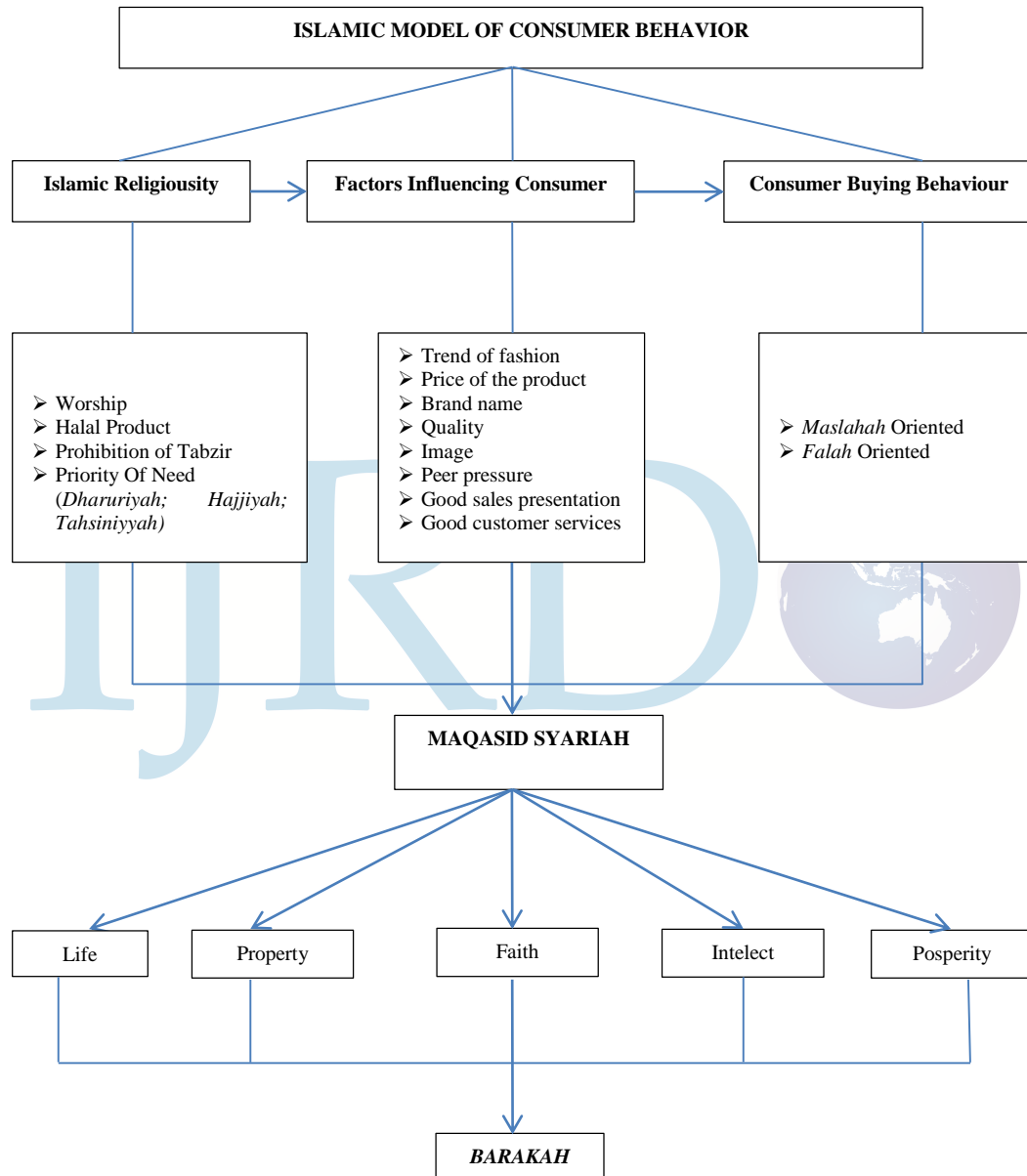
Bro Syed Shah Alam, Bro Rohani Mohd, and Bro. Badrul Hisham. could be suffering from the limitations of sampling bias. We acknowledge the failure to obtain a “truly representative” sample. The entire sample was located only in the Selangor state (Shah Alam and Bangi) in Malaysia. Thus, certain businesses may not be represented appropriately in the sample. The small sample size might not be substantive enough for this kind of behavioural research. Moreover, all the respondents are Muslims; hence, the results of this study cannot be generalized to the entire Malaysian population.

For my other criticism, we should explain the relationship between consumer behavior and *Maqasid Syariah*. According to Mustafar and Burhan (2013) For preserving and keeping *Maqasid Syariah*, we should transform the whole activities in the form of *worship* by complying with the principle of “*halal*” and “*haram*”, celebrating individual and society *maslahah* and to achieve prosperity, peace and happiness in this world and hereafter (*falah*).

I Agree with the conceptual framework conducted by Khan (1992). He argued that the conventional theory of utility is replaced by an Islamic term of *maslahah* which is defined as a property or power of a good or service that promotes the basic elements and objective of the life of human beings. *Maslahah* instead of utility introduced in *shariah* which is aimed at protect and improve the five basic elements of the existence of human being in this world such as life, property, faith, intellect and posterity.

From empirical evidence, Misanam (2009) stated that, awareness, consistency and neutrality come together and simultaneously, it is safe to say that awareness implies consistency. While consistency further implies neutrality. This means that the revelation-deduction-based prediction over the relationship between awareness, consistency and neutrality meets reality. This shows that moslem consumers does aware of the existence and the extent of *barakah* in the product they are considering to buy. They also behave rationally in that they make consistent buying decision based on their investigation.

From the overall discussion above, I offer an Islamic model of consumer behavior as described in the following scheme



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