

BE-ci 2016 : 3rd International Conference on Business and Economics, 21 - 23 September, 2016

## Understanding Islamic Brand Purchase Intention: The Effects of Religiosity, Value Consciousness, and Product Involvement

Siti Sarah Kusumawardhini<sup>a</sup>, Sri Rahayu Hijrah Hati<sup>b\*</sup>, Sri Daryanti<sup>c</sup>

\* Corresponding author: Sri Rahayu Hijrah Hati, sri.rahayu72@ui.ac.id

<sup>a</sup>Management Department, Faculty of Economics and Business Universitas Indonesia, Indonesia, s.kusumawardhini@yahoo.com

<sup>b</sup>Management Department, Faculty of Economics and Business Universitas Indonesia, Indonesia, sri.rahayu72@ui.ac.id

<sup>c</sup>Management Department, Faculty of Economics and Business Universitas Indonesia, Indonesia, s.daryanti@ui.ac.id

### Abstract

<http://dx.doi.org/10.15405/epsbs.2016.11.02.15>

The Islamic brand is closely linked to the faith, but the significant role of religiosity is sometimes overlooked. The current study will incorporate the issue in the analysis. The point in question is whether there is a significant influence of religiosity on Islamic brand purchase intention. The purpose of this paper is to examine the effect of religiosity on Islamic brand purchase intention as compared with the effect of product involvement and value consciousness. To investigate the relationship between the variables: religiosity, value consciousness, and product involvement, an explanatory research design was employed that involved an online survey of 176 Muslim women. The final questionnaire was made up of 30 items that consisted of the measures for product involvement (10 items), value consciousness (7 items), religiosity (10 items), and purchase intention (3 items). Based on a study of Indonesian consumers in the context of toiletry product purchases, the study found that religiosity and product involvement have no significant influence on Islamic brand purchase intention. Meanwhile, it is only value consciousness that has positive and significant influences on Islamic brand purchase intention.

© 2016 Published by Future Academy [www.FutureAcademy.org.uk](http://www.FutureAcademy.org.uk)

**Keywords:** Islamic brand; Religiosity; Value consciousness; Product involvement.

### 1. Introduction

To date, Islam has become the world's fastest-growing religion in the world, and by 2070 Islam is predicted to outcompete Christianity (Shirley, 2016). The growing number of Islam adherents has directly increased the demand for products that are considered permissible by Islamic jurisprudence,

otherwise known as “halal” products. One of the products that have strong demand in the market is halal beauty and personal care (Haden, 2016). The growing number of Muslims has directly driven many national and multinational companies to target Muslim women as their potential segment ("Asia Pacific Halal cosmetics market driven by rising awareness about Halal-certified products," 2015). Similar sources have predicted that the growth of “halal” cosmetics will continue annually at a compound annual growth rate (CAGR) of 9.9 percent during 2015–2029. In terms of market value, Indonesia is the biggest market for halal cosmetics in the Asia-Pacific region (Haden, 2016). As the current majority of cosmetic and other personal care products are made by the non-Muslim producers and come from non-Muslim countries, the authorization or halalness of its ingredients can be disputed (Ahmad, Rahman, & Ab Rahman, 2015). Thus, halal certification has been not only given to food products but also to halal personal care and cosmetics in order to fulfill Muslim customer demands ("Halal cosmetics: A growing global market but disparate certification systems," 2016) .

## **2. Problem Statement**

To understand the behaviour of Muslim consumers, the marketer should understand the Islamic worldview of consumer behaviour (Adnan, 2011). Muslims are required to look upon this worldview to guide their consumption behavior, as consumption should be considered not only as a mechanism of worldly benefits but also as a mechanism to substantiate our total submission to God (Allah)’s commands (Adnan, 2011). According to Kahf (2011), Muslims have a different time horizon of consumption behaviour as compared with that of regular consumers. Muslims are expected to consider the effect of their consumption not only before death but also after death. Utility of Muslims consumers’ decision is derived from the present value of the above two effects (Kahf, 2011). Thus, it is expected that more religious consumers, especially Muslim consumers, would not assess the value of the product based on the economic rationale only. However, previous studies have claimed that highly religious consumers are found to be more price conscious, quality savvy, and strive hard to get the fair value of their money compared with their non-religious counterpart (Sood & Nasu, 1995). The findings, to some extent, are contradictory to the Islamic consumer behaviour theory.

## **3. Research Question**

The study aims to answer the following questions: Does religiosity truly lead to higher intention of the consumers to purchase halal brand? Does value consciousness influence Muslim consumer intention to purchase halal brand? Does product involvement influence Muslim consumer intention to purchase halal brand?

## **4. Purpose of the study**

The current study will examine the effect of religiosity and value consciousness on the intention of customers to purchase Islamic brand products. As it is believed that Muslim consumers are highly

involved in choosing the products they will consume in order to ensure the permissibility of the products (Wilson & Liu, 2010), the current study also will examine the impact of product involvement on the intention of customers to purchase Islamic brand products.

## **5. Literature Review and Hypotheses Development**

### *5.1 Marketing & Islamic branding*

Marketing is defined as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large (AMA, 2013). Specific for Islamic marketing, the targets are Muslim consumer communities, where the communication and value offer are customized to meet their needs. Muslim consumers are recognized as distinctive customers compared with the general users. Muslim consumers utilize specific resources, skills, and tools, which are pertinent and alluring to this particular target market (Sandikci, 2011). Therefore, the rise in numbers of the Muslim population and its behavior based on the involvement in finding products, including utilization of the particular resources or tools will be a real potential target market for the marketer. The evolving buying power from Muslim communities has become one of key successes for Muslim entrepreneurs on both managerial and Islamic marketing (Sandikci, 2011). Thus it is a not a big surprise that the recent bloom in Islamic marketing has gained an impetus in the academic field both inside or outside the Islamic world (Alserhan, 2010). Also, this phenomenon is becoming part of big talks and discussions for the academic world (Wilson & Liu, 2010).

According to Alserhan (2010), Islamic branding or halal brand refers to the idea of branding that is empathic to Sharia values, keeping in mind the end goal to engage Muslim consumers, extending from essential Sharia neighborliness to full Sharia consistency in all parts of a brand's character, conduct, and interchanges. Islamic branding is indeed a real potential for the marketer, as Muslim consumers want to consume products that align with Islamic laws and forms (Jumani & Siddiqui, 2012). For Muslim consumers, fundamental Islamic principles still become the guidelines for the development of Islamic branding products and/or halal brand—not only in the food sector but also in other specific areas such as banking, cosmetics, pharmaceutical, etc. (Minkus-McKenna, 2007).

### *5.2 Religiosity*

Religiosity is considered an important matter in the personal and social life of any human being and is viewed as one of the vital cultural dimensions that influence consumer behavior (Delener, 1990). Religiosity is defined as an individual belief in a god and a commitment to act according to the principles believed to be set by that god (Weaver & Agle, 2002), which provides a sense of purpose for individuals (Petersen & Roy, 1985) and defines ideals for life (Shyan Fam, Waller, & Zafer Erdogan, 2004).

Similar to any other religion adherence, Muslims are expected to refer to their religion in making consumption decisions (Adnan, 2011; Shah Alam, Mohd, & Hisham, 2011). A Muslim consumer is

expected to consume only products confirmed for Sharia (Islamic jurisprudence) standards (Hanzaee & Ramezani, 2011). It is only the product qualified with halal certification, which having specific promotion includes halal components in their marketing campaign, that will positively influence customer purchase intention of Muslim communities (Aziz & Chok, 2013). In the context of cosmetics and personal care products, it is necessary for the Muslim to know what ingredients are used in the products they are using (Majid, Sabir, & Ashraf, 2015). Studies have resolved that halal personal care products must gain consumer trust to trust the integrity of cosmetics and halal personal care products prior to the consumer deciding to purchase the product (Hunter, 2012).

Thus, the following hypothesis is developed:

H1: Religiosity positively and significantly influences customer intention to purchase halal brand.

### 5.3 Value consciousness

A conventional theory that explains consumer behaviour to maximize utility is called “transaction utility theory” (Thaler, 1983). According to Thaler (1983), there are two types of utility: acquisition and transaction. Acquisition utility refers to utility derived from the consumption that is able to give inherent satisfying utility (Lichtenstein, Netemeyer, & Burton, 1990), while transaction utility refers to the transaction deal per se (Thaler, 1983). In other words, to maximize their utility, consumers do not only assess the value of goods and services available and compare them with their respective prices, but also on the consumer’s perception of the quality (Lichtenstein et al., 1990). Consumers who assess utility largely based on the ability of the product to satisfy inherent need or based on acquisition utility are called value conscious consumers (Lichtenstein et al., 1990). In other words, a value conscious consumer is a consumer who does not only rely on transaction utility or transaction deal per se (Thaler, 1983).

According to conventional consumer behavior theory, consumers search for quality when purchasing something (Adnan, 2011). Thus consumers will not only search for transaction utility only but also acquisition utility. The quality from the conventional perspective refers to something that looks good, is durable, made out of high-quality material, etc. (Adnan, 2011). In contrast, quality from the Islamic perspective refers to God-given, valuable, uncontaminated, nutritious, useful consumable resources whose consumption brings about material, moral, and spiritual improvement for the consumer (Adnan, 2011). Thus it is expected that Muslim consumers are less concerned about the price and place higher consideration on quality in making consumption decisions. This thought is aligned with the previous study in the context of halal meat purchase. The study found that Muslims put authenticity as the first priority followed by quality and price in the third place (Ahmed, 2008). However, previous studies have claimed that more religious consumers are more price-conscious and have more of a tendency to buy discounted products, openly accept imported products, and seek variety in their purchases as compared with less religious consumers (Sood & Nasu, 1995; Yousaf & Shaukat Malik, 2013).

As there is a mixed result regarding the above issue, the non-directional hypothesis is developed for the value consciousness variable as stated below:

H2: Value consciousness positively and significantly influences customer intention to purchase halal brand.

#### 5.4 Product involvement

Purchases intention is largely influenced by the level of product involvement. It is empirically proven that product involvement is positively associated with brand perception and preference (Dholakia, 2001). Thus, we can conclude that product involvement is a major factor in explaining why a consumer chooses a particular brand (Zaichkowsky, 1985). Theoretically, a product can be categorized into a high and low involvement category (Zaichkowsky, 1985). When a product is perceived as high involvement, consumers will engage in a more active information search and will consider a greater variety of alternatives in their decision-making (Kwon, Lee, & Jin Kwon, 2008). However, Muslim consumers tend to categorize all products as high involvement products, as they have to be cautious in consumption of any product (Wilson & Liu, 2010). Based on those arguments, it can be hypothesized that:

H3: Product involvement positively and significantly influences customer intention to purchase halal brand.

Based on the above hypotheses, the below research framework is developed:

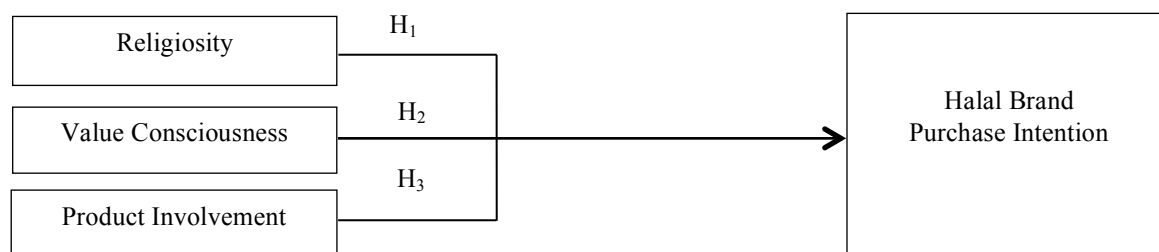


Fig. 1. Research Framework.

## 6. Research Method

The primary target population of this study was women in Indonesia, with the fact that the products selected for this research are personal care products, which consist of lipstick and shampoo. There is a mixed opinion regarding the classification of toiletry products based on the involvement. Some scholars classified shampoo as a low involvement product (Putrevu & Lord, 1994; Saleem, 2007; Torres & Briggs, 2007) while others consider shampoo as both a low and high involvement product (Park, Lee, & Han, 2007; Wu, 2001). To avoid confusion, the researcher will use instruments that measure product involvement using a continuous scale. The instruments consist of a ten items product involvement scale (McQuarrie & Munson, 1992), seven items value consciousness scale (Burton, Lichtenstein, Netemeyer, & Garretson, 1998), ten items religiosity scale (Worthington Jr et al., 2003),

and three items purchase intention scale (Putrevu & Lord, 1994). To assess purchase intention on Islamic or halal brand, respondents were non-randomly assigned to the lipstick or shampoo with a halal label and Islamic brand positioning questionnaire.

## 7. Findings

Among the 186 samples, 178 are valid and 10 are invalid. In terms of descriptive statistics (see Table. 1), the mean score for the religiosity scale was 3.57, product involvement was 3.908, value consciousness was 3.806, and the mean score for the purchase intention score was 3.341. The mean analysis shows that that majority of respondents have moderate or slightly above-average religiosity (3.579 out of 5.000). This result is quite surprising, as Indonesia has the highest Muslim population in the world. In terms of value consciousness, the respondent has an above-average score (3.806 out of 5.000). For the product involvement, shampoo in this case is considered as the high involvement product (3.908 out of 5.000), while in term of purchase intention of Islamic branding product, the respondent only has moderate purchase intention.

**Table 1.** Descriptive Statistics

| Independent Variable | Mean  |
|----------------------|-------|
| Religiosity          | 3.579 |
| Value Consciousness  | 3.806 |
| Product Involvement  | 3.908 |
| Purchase Intention   | 3.341 |

Based on the result of regression analysis, as shown in Table 2, religiosity has positive but non-significant influence on purchase intention of Islamic brand ( $\beta = 0.064$ ;  $t$ -value = 0.646;  $p = 0.519$ ). Thus Hypotheses 1 is not supported. In contrast, the statistical analysis shows positive and significant influence of value consciousness on the intention to purchase Islamic brand ( $\beta = 0.350$ ;  $t$ -value = 3.964;  $p = 0.000$ ). Thus it is only Hypothesis 2 which is supported. There was also statistically non-significant influence of product involvement on purchase intention ( $\beta = 0.127$ ;  $t$ -value= 1.343;  $p = 0.181$ ). Therefore, Hypothesis 3 is not supported.

**Table 2.** Regression Analysis for the Antecedents of Halal Brand Purchase Intention

| Independent Variable | B     | t-value | Significance |
|----------------------|-------|---------|--------------|
| Religiosity          | 0.064 | 0.646   | 0.519        |
| Value consciousness  | 0.350 | 3.964   | 0.000        |
| Product involvement  | 0.127 | 1.343   | 0.181        |
| F                    | 6.343 |         |              |
| R <sup>2</sup>       | 0.100 |         |              |

## 8. Conclusion

The study provides valuable insight into findings for marketers regarding the role of religiosity, value consciousness and product involvement as the basis for Islamic brand segmentation. In regards to

the effect of religiosity on Islamic brand purchase intention, the study shows surprising results as the impact is non-significant. According to Lindridge (2005), religion may have different roles across culture—ranging from medium to greater closeness to consumption behavior. In Eastern culture, it is expected that religion plays a vital role in consumption and marketing activities. In contrast, religion is expected to only have little influence on consumption behavior in Western society. Thus marketers in Western countries are suggested to focus on fulfilling customers' individual needs (Lindridge, 2005). Indonesia, which is located in the eastern part of the world and is simultaneously known to have the largest Muslim population, is expected to have a higher impact of religiosity on purchase intention. However, the study shows that, even though the impact of religiosity on purchase intention of Islamic brand toiletries is positive, the impact is not significant. There are several possible explanations for the phenomenon.

First, based on the descriptive statistical analysis, the average on the religiosity of the customers is only medium (3.5 out of 5 Likert scale). It can be concluded that Indonesian consumers are moderate in term of religiosity. The phenomenon confirms the findings of other scholars who see that, despite the strong trends toward Islamisation in the country, Indonesian society in general remains moderate (Evans, 2011). In addition, Islam or religion is used only as the reference for moral guidance—not as a reference for other aspects of life (Evans, 2011).

The second possible explanation is related to the second hypotheses testing on the direct effect of value consciousness on Islamic brand purchase intention. The study shows that value consciousness has significant and positive influences on purchase intention of Islamic brand. Although there is a belief that highly religious consumers have a tendency to take less risks, a Muslim is expected to consider the outcome of his or her purchases as “the will of God” (Essoo & Dibb, 2004). However, the study shows that Muslim consumers, to some extent, may still assess the value of products using rational consideration and logic. In other words, the research result also implies that Muslim consumers may still view quality consumption based on conventional perspectives rather than Islamic perspectives. Although a Muslim is expected to measure quality using Islamic perspectives, by looking at the ability of the products to convey material, moral, and spiritual betterment of the consumer, they still rationally and pragmatically measure product quality based on physical appearance and material durability (Adnan, 2011). Therefore, it is important for a company to create Islamic brand products that are good in value to bring a significant impulse and realizing the actual purchase. Marketers have to ensure that Islamic branding products not only utilize its halal label without delivering a good product value, as the customer will objectively evaluate that the money they spend is worth the benefit they get from the product.

Furthermore, the research shows that product involvement has the highest mean result compared with other variables examined in the study. The finding confirms previous study that Muslim consumers categorize all products as a high involvement product, including personal care products (lipstick and shampoo). According to Wilson and Liu (2010), the rationale on why Muslim consumers

categorize all products as high involvement products is because they are bound by their religion to be extra cautious in all their consumption activities. What is contradictory here is that, although consumers see toiletry products as high involvement products, the factors that drive consumers to purchase the brand is not religiosity but consciousness on the value of the products. Again the result shows that Muslim consumer behavior to some extent is still developed based on a conventional consumer behavior scheme rather than on ideal Islamic consumer behavior scheme.

## Acknowledgement

This work has been funded by the PITTA Grant to the Directorate of Research and Community Services at the Universitas Indonesia.

## References

- Adnan, A. A. (2011). Islamic consumer behavior (ICB): its why and what. *International Journal of Business and Social Science*, 2(21).
- Ahmad, A. N., Rahman, A. A., & Ab Rahman, S. (2015). Assessing knowledge and religiosity on consumer behavior towards halal food and cosmetic products. *International Journal of Social Science and Humanity*, 5(1), 10.
- Ahmed, A. (2008). Marketing of halal meat in the United Kingdom: Supermarkets versus local shops. *British Food Journal*, 110(7), 655-670.
- Alserhan, B. A. (2010). On Islamic branding: brands as good deeds. *Journal of Islamic Marketing*, 1(2), 101-106.
- AMA. (2013). Retrieved July 24, 2016, from <https://www.ama.org/AboutAMA/Pages/Definition-of-Marketing.aspx>
- Asia Pacific Halal cosmetics market driven by rising awareness about Halal-certified products. (2015). Retrieved July 23, 2016, from <http://www.futuremarketinsights.com/press-release/asia-pacific-halal-cosmetics-market>
- Aziz, Y. A., & Chok, N. V. (2013). The role of Halal awareness, Halal certification, and marketing components in determining Halal purchase intention among non-Muslims in Malaysia: A structural equation modeling approach. *Journal of International Food & Agribusiness Marketing*, 25(1), 1-23.
- Delener, N. (1990). The effects of religious factors on perceived risk in durable goods purchase decisions. *Journal of Consumer Marketing*, 7(3), 27-38.
- Dholakia, U. M. (2001). A motivational process model of product involvement and consumer risk perception. *European Journal of Marketing*, 35(11/12), 1340-1362.
- Essoo, N., & Dibb, S. (2004). Religious influences on shopping behaviour: An exploratory study. *Journal of Marketing Management*, 20(7-8), 683-712.
- Evans, T. (2011). Separation of mosque and state in Indonesia: [Despite trends towards Islamisation, Indonesia is still largely pluralistic and moderate.]. *Policy: A Journal of Public Policy and Ideas*, 27(4), 35.
- Haden, L. (2016). Muslim beauty and personal care: A market poised for astronomical growth. Retrieved July 23, 2016, from <https://www.futurereadysingapore.com/2016/muslim-beauty-and-personal-care-a-market-poised-for-astronomical-growth.html>
- Halal cosmetics: A growing global market but disparate certification systems. (2016). Retrieved July 24, 2016, from <http://www.premiumbeautynews.com/en/halal-cosmetics-a-growing-global,9605>
- Hanzaee, K. H., & Ramezani, M. R. (2011). Intention to halal products in the world markets. *Interdisciplinary Journal of Research in Business*, 1(5), 1-7.
- Hunter, M. (2012). The emerging Halal cosmetic. *Personal Care*.
- Jumani, Z. A., & Siddiqui, K. A. (2012). Bases of Islamic branding in Pakistan: Perceptions or believes. *Interdisciplinary journal of contemporary research in business*, 3(9).
- Kahf, M. (2011). The demand side or consumer behavior: Islamic perspective. Retrieved July 20, 2016, from [http://monzer.kahf.com/papers/english/demand\\_side\\_or\\_consumer\\_behavior.pdf](http://monzer.kahf.com/papers/english/demand_side_or_consumer_behavior.pdf)
- Kwon, K.-N., Lee, M.-H., & Jin Kwon, Y. (2008). The effect of perceived product characteristics on private brand purchases. *Journal of Consumer Marketing*, 25(2), 105-114.



- Lichtenstein, D. R., Netemeyer, R. G., & Burton, S. (1990). Distinguishing coupon proneness from value consciousness: An acquisition-transaction utility theory perspective. *The Journal of Marketing*, 54-67.
- Lindridge, A. (2005). Religiosity and the construction of a cultural-consumption identity. *Journal of Consumer Marketing*, 22(3), 142-151.
- Majid, M. B., Sabir, I., & Ashraf, T. (2015). Consumer purchase intention towards Halal cosmetics & personal care products in Pakistan. *Global Journal of Research in Business & Management* 1(1).
- McQuarrie, E. F., & Munson, J. M. (1992). A revised product involvement inventory: Improved usability and validity. *NA-Advances in Consumer Research Volume 19*.
- Minkus-McKenna, D. (2007). The pursuit of halal. *Progressive Grocer*, 86(17), 42.
- Park, D.-H., Lee, J., & Han, I. (2007). The effect of on-line consumer reviews on consumer purchasing intention: The moderating role of involvement. *International Journal of Electronic Commerce*, 11(4), 125-148.
- Petersen, L. R., & Roy, A. (1985). Religiosity, anxiety, and meaning and purpose: Religion's consequences for psychological well-being. *Review of Religious Research*, 49-62.
- Putrevu, S., & Lord, K. R. (1994). Comparative and noncomparative advertising: Attitudinal effects under cognitive and affective involvement conditions. *Journal of Advertising*, 23(2), 77-91.
- Saleem, F. (2007). Effect of single celebrity and multiple celebrity endorsement on low involvement and high involvement product advertisements. *European journal of social sciences*, 5(3), 125-132.
- Sandikci, O. (2011). Researching Islamic marketing: Past and future perspectives. *Journal of Islamic Marketing*, 2(3), 246-258.
- Shah Alam, S., Mohd, R., & Hisham, B. (2011). Is religiosity an important determinant on Muslim consumer behaviour in Malaysia? *Journal of Islamic Marketing*, 2(1), 83-96.
- Shirley, A. (2016). Which is the world's fastest-growing major religion? Retrieved July 23, 2016, from <https://www.weforum.org/agenda/2016/05/fastest-growing-major-religion/>
- Shyan Fam, K., Waller, D. S., & Zafer Erdogan, B. (2004). The influence of religion on attitudes towards the advertising of controversial products. *European Journal of Marketing*, 38(5/6), 537-555.
- Sood, J., & Nasu, Y. (1995). Religiosity and nationality: An exploratory study of their effect on consumer behavior in Japan and the United States. *Journal of Business Research*, 34(1), 1-9.
- Thaler, R. (1983). Transaction utility theory. *NA-Advances in Consumer Research Volume 10*.
- Torres, I. M., & Briggs, E. (2007). Identification effects on advertising response: The moderating role of involvement. *Journal of Advertising*, 36(3), 97-108.
- Weaver, G. R., & Agle, B. R. (2002). Religiosity and ethical behavior in organizations: A symbolic interactionist perspective. *Academy of Management Review*, 27(1), 77-97.
- Wilson, J. A. J., & Liu, J. (2010). Shaping the halal into a brand? *Journal of Islamic Marketing*, 1(2), 107-123.
- Wu, S.-I. (2001). An experimental study on the relationship between consumer involvement and advertising effectiveness. *Asia Pacific Journal of Marketing and Logistics*, 13(1), 43-56.
- Yousaf, S., & Shaukat Malik, M. (2013). Evaluating the influences of religiosity and product involvement level on the consumers. *Journal of Islamic Marketing*, 4(2), 163-186.
- Zaichkowsky, J. L. (1985). Measuring the involvement construct. *Journal of consumer research*, 12(3), 341-352.