A Generational Cohort Study of the Relationship between Religious Intensity and Religious Assurance for the Purchase of Non-food Products

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ABSTRACT

This paper reports on a study of a special market segment in Malaysia: A group of consumers labeled as the generational cohort of the Malaysian generation Y (Gen Y) consumers. The objective of this paper is to examine the influence of religion and intensity of religion in a consumer’s make up on the purchase intention of non-food products carrying the Halal label by a specific market segment. A survey of 300 Muslim Gen Y consumers as a generational cohort in the country was carried out in order to assess the intensity of religion of consumers and how this intensity relates to intention to buy non-food products like cosmetics and toiletries, which have certification of assurance that the products are Halal compliant. The study measures religious intensity by using the Religiosity Scale developed by Kraus et al. The study finds that several personal characteristics of respondents are significantly related to purchase behavior, proxied by intention to purchase for Halal labeled non-food products. The study also finds a significant relationship between religiosity and purchase intention for Halal labeled non-food products among Gen Y respondents. This is a new finding and therefore contributes to the limited literature on purchase behavior for Halal labeled non-food products. It also contributes to the literature on Gen Y decision making when considering purchase of non-food products which carry the Halal label.

Keywords: Religiosity, Halal Labeled Products, Generational Cohort, Malaysian generation Y’s

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1. INTRODUCTION

The objective of this paper is to examine the influence of religion on the buying behavior of a generational cohort, the Malaysian generation Y (Gen Y) consumers, in relation to non-food products which are labeled as Halal. Consumers today are spoilt for choice when making decisions to select products for consumption for there is an array of similar products available for purchase. Not only are there many choices but consumers and producers are distant in time and place from each other making their identities unknown to each other. One-way of overcoming this distance is through the use of product labels to inform consumers about the products as well as the producers. For Muslim consumers labeling products as permissible in accordance with the Islamic religion takes on a heightened dimension in product selection for consuming products containing forbidden ingredients (haram) would make a Muslim less likely to lead a life in compliance with Islamic religious tenets. Global trade today is changing the way we perceive the origin of products and brands and their permissibility under Islamic Sharia laws. This apparently has serious implications for international companies operating in food, cosmetics and pharmaceutical products. However, the desire to comply with the commandment in consuming only Halal products would also mean consumer involvement and factors that will influence consumer’s purchase decision in choosing what product they consume. As far as Muslims in Malaysia are concerned, they are beginning to question and avoid products with no Halal certification, especially foreign products (Aliman and Othman, 2007). Hence understanding purchase behavior of Muslim consumer regarding Halal labeled products is therefore imperative for marketer doing
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business in a Muslim country. While many marketing texts recognize that religion can have important effects on international marketing decisions for example O’Cass et al., 2013 and Fam et al., 2004, religion as a consumer characteristic in its own right has been relatively under-researched. However, it is also understood that religion has no equal effect on two individuals. Thus, one can argue that the magnitude of religious influence will also vary from person to person for Muslim consumers. Therefore, it is not only the religion that matters the most in the consumption world but also the intensity of one’s religious affiliations known as religiosity. The greater the intensity of one’s religious affiliation, the higher will be the chances that he or she will strive to conform to his/her religious obligations in the consumption world. This paper will look at the relationship between religiosity and purchase behavior specific to a generational cohort, the Gen Y, as this is a generation identified as the future leaders as well as being consumers who are globally cultured (Price water house Coopers, 2008). Prior studies on Malaysian Gen Y buyer behavior are limited. Wong (2010) for example has studied Gen Y purchase behavior in relation to green brand perception, whilst. Phuah and Wan Jusoh (2013) investigated the awareness and usage intention of students towards Halal labelled cosmetics and personal care products. Since Halal is synonymous with the Islamic religion it is posited that how religious a person is can influence purchase intention. Given the unique profile of the Gen Y consumers, how does different level of religiousness affect their buying intention of Halal labelled non-food products? non-food products is selected as it is considered the third largest market for Halal products after food and banking services and is considered a market where there is a growing market segment for consideration of ingredient selection (Hunter, 2011). It is therefore the objective of this paper to examine the relationship between religiosity and purchase intention for Halal labelled non-food products among Malaysian Gen Y consumers. The paper contributes to the literature on Gen Y as a generational cohort with distinct buying behavior pattern. The paper also makes a new contribution to the literature on religion because it hypothesizes level of religious intensity, religiosity, rather than religion per se as a moderating factor between Gen Y characteristics and purchase intention. The rest of the paper is organized as follows: The next section reviews the literature followed by a brief description of the methodology employed. The results are then presented and discussed and the paper concludes.

2. LITERATURE REVIEW

2.1. Religiosity
Religion has been identified as a significant factor to explain buyer behavior (Al-Hyari et al., 2010). However, religion has many facets and to capture its multi dimensions, we have to consider the practices and commandments of the religion as individuals may vary as to how strongly he or she feels or practices such beliefs. Worthington et al., (2013) identifies religiosity as comprising two components: Adherence to a particular group called religious affiliations and the second component religious commitment which describes how committed one is to the beliefs and priorities of the religion and uses this in one’s daily living. Religiosity is an intricate concept and a variegated human phenomenon, and seems to cover considerable ground such as behaviors, attitudes, beliefs, feelings and experiences. Religious scholars and sociologists do not agree on whether adequate measures of individual religiosity can be developed and therefore such measures are subjectively devised by researchers to fit their research objectives. Thus, the content and number of religious dimensions vary considerably and may depend on the nature of the research, purpose and context. Worthington et al., (2003)’s measure of religiosity was however not specific to measuring Islamic religiosity. Khraim, (2010) later developed applied this dual dimension of religiosity to Islam where he identified need to distinguish between what is obligatory in Islam from what is recommended.

Religion is not a fad that can be dismissed by marketer as a short-term change, but rather it is a long-term phenomenon, therefore it is considered a valuable construct in understanding consumers. Religion is an important cultural factor to study because it is one of the most universal and influential social institutions that have significant influence on people’s attitudes, values and behaviors at both the individual and societal levels (Khraim, 2010). Religion and its associated practices often plays a pivotal role in influencing many of the important life transitions that people experience (e.g., births, marriages and funeral rites), in values that come to be important to them (e.g., moral values of right and wrong), in shaping public opinion on social issues (e.g., cohabitation, premarital sex, family planning, organ donation, and the like), in what is allowed and forbidden for consumption (e.g., restriction on eating and drinking) and in many other aspects that pertain to everyday life.

Religion is said to comprise both internal and external dimensions. Internally, people can have religious identities, goals for religious development and religious attitudes, values and beliefs. People can evolve over time in terms of both their concepts and subjective experiences of religion. They can also perceive religion as an important means of coping with life’s challenges. Externally, religion can be expressed by religious affiliation, devotional practices and membership in a religious community or attending religious functions. Religiosity is important as it is capable of influencing an individual cognitively and behaviorally. Religious persons have value systems that differ from those of the less religious and the non-religious. The supposition is that a highly religious person will evaluate the world through religious schemas and thus will integrate his or her religion into much of his or her life. If followers strongly accept the doctrine of their religion, they tend to abide by the rules and codes of conduct set by their religious doctrines, for example, attending regularly weekly worship services and being strictly committed to the religious practices and membership of the group. If, on the other hand, their belief in religious tenet is weak, they might feel free to behave in other ways. Hence, how strongly consumers are committed with their religiosity should be considered in understanding the nature of consumer behavior.

As noted by Starck and Glock (1968), “the heart of religion is commitment” (p. 1). Because of their strong commitment to their faith, highly religious individuals are sometimes characterized as being closed-minded or dogmatic (Delener, 1994). Alternatively, these individuals could be more positively viewed as having the courage of their convictions. This notion of commitment is

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strongly represented in the fundamentalist aspect of religiosity, as fundamentalists believe in strict adherence to the doctrines of their faith. There is evidence that the expression of religious commitment may extend beyond religion itself, with highly religious individuals exhibiting commitment in many aspects of their life, including family, relationships and consumption behavior (Mokhlis, 2009). Religiosity has been found to be a significant factor to explain boycotts of certain international products by Muslim consumers (Al-Hyari et al., 2010) in the United Kingdom. Essoo and Dibbs (2004) also report that religion is a significant influence on shopping behavior. Thus from the literature religion plays an influential role in human decision making but religion has to be measured on a multidimensional scale to capture the level of one’s religious commitment.

2.2. Purchase Intention

The literature on purchase behavior is anchored on the work of Azjen (1991) who developed the theory of planned behavior to explain how consumers make decisions to buy a product or service. The actual purchasing decision is preceded by a state of having a favourable or unfavourable attitude towards the products for example in the purchase of Halal products it is posited that consumers would have a favourable attitude towards the products as purchasing the products would ensure that they have fulfilled their role as good Muslims and deserve the reward in life hereafter. Attitudes are antecedents to purchase. Alam and Sayuti (2011) report a significant positive relationship between attitudes and intention to purchase Halal products among selected consumers in Malaysia. The next element in the model is subjective norms. These are social pressures and Karijin et al., (2007) found that in France subjective norms is significantly related to intention to purchase Halal meat in France. Similar findings are also reported by Lada et al., (2009) who identified subjective norms as originating from families, friends, colleagues who provide strong reference points. The last element in the model is perceived behavioral control however studies have shown mixed results as to its association with purchase intention. Alam and Sayuti (2011) it as not significant as a predictor of purchase intention. However, Kim and Chung (2011) report otherwise.

2.3. Gen Y

In formulating its marketing strategy all businesses need to identify their target markets first before deciding on the marketing mix of products, price, promotion and place the pattern (Norum, 2003). According to Beldona et al., (2009) a generational cohort is a group of individuals four P’s). Target markets have their own unique characteristics and one way of identifying unique market niches is by way of dividing the market or segmenting it according to generations, the generational cohorts. Generational cohorts is seen to be a better way of segmenting a market than other demographic variables (Eastman and Liu, 2012; Schewe et al., 2000) and generational cohorts exhibit different buying behavior who have shared similar experiences and unique characteristics around the experiences. They are significantly influenced by external events when they were coming of age (Schewer et al., 2000). Norum (2003) and Schewe et al., (2000) identify the members of Gen Y as those born from 1977 to 1987 whilst Merkert (2004) puts the dates as those born in 1986 and up to 2005, labelling them as Millenials. For the most part, they share a number of common character traits, having all grown up in the same environment of unprecedented economic growth, prosperity and technological interconnectedness. In China they number 200 million, in Japan around 15 million and in Singapore well over 500,000. India alone graduates almost 5 million Gen Y’s from university every year, and all these numbers combine to make Gen Y a vitally important part of Asia’s national economies and cultures. Gen Y is also referred to as the Net. Generation, millennials, echo boomers, iGeneration, MyPod generation, baby boomlets, boomerang generation, trophy generation, and first digitalis. The term “Gen Y” was first used in 1993 by advertising age, which is a magazine focused on marketing and media data and analysis. They have cell phones, computers, and technology with immediate access to global information 24/7 their entire life. In a 2007 survey of more than 7000 college students, 97% of students owned a computer, 94% owned a cell phone, and 56% owned an MP3 player. Three-fourths of those surveyed used instant messaging, and 92% multitask while instant messaging. Students spoke with their parents an average of 1.5 times a day about a wide range of topics.

Although the baby boomer generation began with a historical event, Gen Y did not begin or end with a particular event, but instead, several cultural events have influenced this generation. First, as youth, this generation witnessed September 11, 2001. Gen Y grew up in a time of economic uncertainty. Even though this generation was raised during one of the most prosperous times of the past 100 years, they experienced the oil bust of the 1980s and the sharp swings in the stock market with the current recession and energy crisis. Global warming would be the downfall of this generation. Ultimately, Gen Y lives in fear resulting in the need for community and connectivity. Gen Y has been of particular interest because they grew up, and were exposed to, a lifestyle that is fundamentally different from its predecessors. Gen Yers are techno-savvy, having grown up in an era of pervasive technology and the internet revolution. Information is a given to this generation habituated to internet-at-a-touch through the numerous electronic devices available at their disposal. They are a product of a life-long exposure to diverse points of view and infinite possibilities that technology offers. (Price water house Coopers, 2009).

The Gen Y has grown up with more leisure options available than ever before, and expensive tastes to go with them (Eastman and Liu, 2012). They tend to spend available funds on leisure and have few savings. Even those from Gen Y still at school or college, typically have part-time jobs in retail or elsewhere. Thus, most have the ability to finance independent leisure choices. Being children of the baby-boomers, they are also the “latch-key” generation from the rise of dual-income families. Left to their own devices and taught to take care of themselves when both parents were away at work, Gen Yers are independent and many hold a self-confident. While their baby-boomer parents are imbued with long-term orientation values such as perseverance, thrift, adaptiveness, and self-discipline; Gen Yers hold values that are in direct contrast to their parents, often leaving them clueless for answers to their behavior. Whilst Wong (2010) has looked at Malaysian Gen Y and preference for green products and Phua and Wan Jusoh (2013) looked at purchase intention and religion
neither studies examined religiosity as an independent variable. O’Cass et al., (2013) has further divided the Gen Y market into Muslim and non-Muslim consumers in order to better capture the effect of religion on Gen Y purchase behavior. Based on the literature therefore it is hypothesized that:

H1: Religiosity is associated with Gen Y purchase behavior for Halal labelled non-food product.

H2: Religiosity moderates the relationship between Gen Y personal characteristics and purchase behavior for Halal labelled non-food products.

3. METHODOLOGY

Examining the relationship between relative and contextual factors, religiosity and consumer buying behavior should contribute to our knowledge of the relationships that exists between them. To date, there has been little effort made to study the potential mediating effect of religiosity at the individual level, relating to Muslim consumer buying behavior. Owing to the dearth of studies relating religiosity on consumer buying behavior literature, it is timely to investigate the mediating influence of religiosity on the relationships between independent factors and buying behavior.

The research data will be collected by means of a survey. Prior to the distribution of the survey instrument, a pilot sample of twenty respondents will be chosen to test the appropriateness of the instrument in collecting the data. The targeted population is within Kuala Lumpur and Selangor which makes up the majority urban population of Gen Y. The group population would be under the middle and upper income group working within the Klang Valley area. About 1200 questionnaires will be distributed towards the population aged between 20 and 30 years old. This target population has been selected because of their purchasing power and decision maker factors which can influence the market. Apart from demographic profile, the questionnaires will consists of questions which attempt to measure level of religiosity using a Likert Scale. In measuring and indicating religiosity, this would assist in developing more valid measures and helps to increase its reliability to form a conclusion at the end of the study. Both descriptive and statistical analysis will be used to analyze the data.

A cross-sectional research design will be used to examine the relationships between independent factors, religiosity and the purchase behavior. Independent factors would consist of peer pressure, media effects, product origin, brand name and product quality. The influence of religion will be tested only on cosmetics and pharmaceutical products. This is because the products might need different degree of involvement by the individuals. Furthermore, most of studies been conducted on religiosity were solely focused on food products. The process of analysis and interpretation of the quantitative data would link to the understanding of Gen Y’s Muslim of a specific purchasing behavior experience. In this endeavor, the values and beliefs regarding the samples’ purchase behavior of products and will allow marketers and academicians initial insight into this profitable and powerful market segment.

3.1. Measurement of Religiosity

Prior to assessing the differences in religiosity among young Muslims in Malaysia, a religiosity model and instrument reflective of the tawhidic worldview of Islam was developed by Krauss et al., (2007). The model was created to reflect the unique tawhidic (divine unity) worldview of the Islamic faith. This religiosity model from the Islamic perspective can be understood according to two main constructs. Under the Islamic religiosity, it is then further divided into two components which are the Islamic Worldview and the Religious Personality.

The Islamic worldview construct reflects the Islamic tawhidic paradigm (doctrine of the divine unity/oneness of God) and is measured or assessed primarily through the Islamic creed (aqidah), which details what a Muslim should know, believe and inwardly comprehend about God and religion as laid down by the Qur’an and Sunnah (way) of the Prophet Muhammad, representing the two primary sources of the Islamic religious law, belief and practice within Islam. Thus, the MRPI survey items developed for the “Islamic Worldview” construct aimed to ascertain one’s level of agreement with the statements relating to the Islamic pillars of faith (arkan al-Iman) (i.e. belief in: God, angels, messengers and prophets, books of revelation, the day of judgment and the divine decree), which represent the foundation of the Islamic creed (aqidah).

Meanwhile, as for the religious personality component, it represents the manifestation of one’s religious worldview in the righteous works (amalan saleh), or the particular ways that a person expresses his or her traits or adapts to diverse situations in the world - the manifested aspects of a personal identity, life definition and worldview - that are guided by the Islamic religious teachings and motivated by God consciousness. The Religious Personality includes behaviors, motivations, attitudes and emotions that aim to assess personal manifestation of the Islamic teachings and commands. This construct is represented by item statements relating to the formal ritual worship or “special ibadat,” that reflects one’s direct relationship with God; and the daily mu’amalat, or the religiously-guided behaviors towards one’s family, fellow human beings and the rest of creation i.e., animals, the natural environment, etc. known as the general worship or “general ibadat.”

4. RESULTS AND DISCUSSION

A total of 300 respondents participated in the survey, data beings obtained from majority of students from all parts of Malaysia who are studying in KL/Selangor area including a number of working young adults. The main objective was to determine the factors influencing customers purchasing intention towards Halal-labeled non-food products. 55% of respondents are female. 93% are below 26 years of age. 73% of respondents report earning a monthly income of less than RM2000 per month whilst only 4% earn more than RM4000 per month. Hence respondents are generally not in the high income bracket group. Two level of statistical analysis were conducted with two different steps. The first level involved the use of basic descriptive statistic. The second level involved two main statistical analysis, analysis of difference (t-test and one-way ANOVA) and analysis of relationship and influences (correlation...
and regression analysis). Religiosity was measured based on extent of compliance with Syahadah, obligatory prayers, fasting during Ramadhan, Zakat, performing the Haj, the 6 pillars of Iman and six dimensions of forbidden acts: drinking liquor, eat prok, stealing, adultery, disobeying parents and maintaining siiatul Rahim. Purchase intentions were captured by 24 statements depicting the two dimensions of attitude and subjective norms in the planned behavior theory of Azjen (1991). Scores on each statement were based on a Likert scale of 1-6 where 1 indicates strongly disagree and 6 strongly agree. Based on the statistical tests conducted, both the hypotheses are accepted. Regression test also shows that the four independent variables, namely environmental concern, social influence, self-image and man-nature orientation were vital in determining the customers’ Halal purchasing intention. Both hypotheses 1 and 2 are accepted whereby religiosity is significantly associated with Halal purchase intention (P = 0.000) and religiosity mediates the relationship between Gen Y characteristics and purchase intentions.

5. CONCLUSION

This paper reports on a survey of Malaysian Muslim Gen Y’s from all states in Peninsular Malaysia and its relationship to religiosity and intention to purchase Halal labeled non-food products. Using Azjen (1991)’s theory of planned behavior the study finds that religiosity is significantly related to intention to purchase Halal labeled non-food products, a new finding and therefore a contribution as prior studies use religion as a predictor without breaking it into the multi dimensions of religiosity for Islam specifically. The study also finds that religiosity mediates the relationship between purchase intentions and personal characteristics of the consumers. This is also a new finding and therefore is one of two contributions of the study: First to the literature on buyer behavior for Halal labeled non-food products and second to the literature on generational cohort, the Malaysian Gen Y’s. Future studies may consider extending purchase behavior of Halal labelled non-food products other generational cohorts as religiosity may differ across generations.

REFERENCES


