

Chapter 1

1.1 Introduction

Consumption of products and services are considered one of the most important social activities in human life. Therefore, people are making consumption decisions everyday. They decide what to purchase, where to purchase, how much to purchase, frequency of purchases, how to dispose etc. There must be external as well as internal forces that influences the consumer's behavior. The internal forces are related to the beliefs and the value of the consumers.

Religious beliefs has been identified as a significant factor in influencing consumption behavior. One reason for this is that religion indirectly affects behavior by the rules and taboos it inspires. Second, religion represents an inherent human value which tends to stablise over a fairly long period of time, and finally, many elements of religiosity are observable and therefore of pragmatic value to marketers. To be specific this research will focus on religiosity and its dimension as internal forces, which determines their consumption behavior.

1.2 Significance of the study

The study of consumer behavior of the Muslim Community has its own contribution to the business world at large. Religious value is a universal value and will remain associated with that person. Therefore, this study on Islamic consumers will help the marketers to enhance their products and services.

- 1.0 The Muslim Community is the new emerging market and their contribution to the whole of products consumption is on an increasing pattern. The study of the consumerism of this group will definitely help the marketers to understand them better and finally a relevant marketing strategy can be adopted.
- 2.0 Studies on consumer research, specifically on Islamic consumerism was never explored therefore, this study is a starting point to begin with and the findings and limitation of this studies will be used as a guide line for future research.

1.3 Scope Of The Study

This study will be conducted only on Muslim respondents and will confined to Klang Valley residents. Time and cost is a factor to the comprehensiveness of this study.

As Islam is a way of life, Muslims have been guided with its own set of rules and beliefs for total submission to Allah. This study will focus only on perception of Muslim community towards consumption of sensitive products and services offered by State owned organization. Sensitive products have been categorized into three major components. They are food and drinks, personal hygiene and personal accessories whereas services refer to the activities of State owned organization with specific reference to our National air carrier (Malaysia Airline System), financial Institution (Bank Simpanan Nasional), unit trust (Amanah Saham Nasional), Tabung Haji and Employees Provident Fund. The concept of halal and non halal is the main criteria to the measurement of perception.

1.4 Organization of the study

The study is organized into 5 chapters. Chapter 1 provides an introduction and the objectives of the study. Chapter 2 reviews the available literature relevant to the study and chapter 3 described the research methodology. Chapter 4 describes and analyses the data collected while chapter 5 presents, the major findings, implications for marketers and propose some recommendations for future research.

1.5 Objectives of the study

The objective of the study is to study the consumer behavior of Muslim community with regards to their perception on halal and non halal in products and services. Therefore, it is largely exploratory in nature and seeks to achieve the following objectives.

- a) To identify significance of halal and haram concept as a determining attribute in the selection and consumption of products and services by the Muslim community. This might provide a basis for market segmentation.
- b) To investigate if there is any significant difference in perception of Muslim community with regards to brand name of products and services. The result might provide guidelines for the formulation of a universal brand name.
- c) To study whether there is a significant difference on perception of the muslim community towards the activities and services of State owned organization.
- d) To investigate if there is a possible difference on religiosity perception towards halal and non halal in products and services of the Muslim community from different level of socio-economic status.