

# Chapter 2

## Literature Review

This chapter focuses on two major areas, which are the theoretical basis of religiosity and previous research on the relationship of religiosity with respect to consumption behavior. Under theoretical background, a brief description of religiosity will be presented followed by discussions on religiosity attitude and Muslim community in general.

### ***2.1 Theoretical basis of religiosity***

Religiosity can be defined as a measure of persons religious fervor, regardless of the content of the beliefs themselves. Religiosity of the person concerned with how people with high religiosity differ from the rest of the population. Sood and Nasu ( 1995 ) defined religiosity, the degree to which the members of a religion except the major beliefs of their religion.

#### ***2.1.1 Islamic Ethics of Trade***

For centuries Islam has influenced, in varying degree and intensity, the structure and the political developments of societies in the countries of the Middle East, India and South-East Asia (Loffler Lohmar, 1983). Even today Islamic tradition leaves its imprint on the thinking and life style of a large number of people. The Qur'an, the highest authority of Islamic Law, lays down clear and unambiguous rules that guide and influence the individual's economic conduct. It prescribes the high standard of trust, honesty and reliability concerning overall behavior, including trade and commerce. The individual's daily activities should be conducted in the strictest obedience to Allah's (God) commandments. The general requirement is that both the ends and the means of an action must be

Islamically legitimate. Since behaving ethically is often at odds with self-interest, such behavior will certainly restrict or bound the individual's choice set. However, the need to restrain the individual's economic behavior is required since self-interest behavior will reduce the welfare of the general society.

To better understand the role Islamic ethics play on economics, it is important to know what the Islamic paradigm advocates concerning business and trade. The Qur'an (2:275) says: " But Allah hath permitted trade and forbidden usury. " by so doing, Islam forbids the fixed or predetermined return on financial transactions (effortless gains and fixed interest payments) and allows and encourages an uncertain rate of return presented by profit. It is imperative to note also that some uncertain returns such as gambling, speculation, hedging, options, manipulation, and fraudulent transactions are not permissible either (Qur'an [5:90]). The Qur'an clearly and strongly states that dealing with interest, paying or receiving, is subject to eternal damnation by Allah". Islam explicitly and unequivocally disagrees with the time-value of money advocated by neoclassical economics (Qur'an [30:39]). This has led to the claim that the legislative prohibition of interest discourages some portion of economic activity and contradicts laissez-faire capitalism. Nevertheless, it is reasonable to argue that the mere act of abstention from consumption should not entitle anyone to a reward. Entitling the lender to a fixed return regardless of the profit or loss of the borrower contradicts the notion of risk-sharing. An economy based on profit and risk sharing is expected to have potential for more investment and production opportunities. In addition, values that encourage honesty and discourage gambling, alcohol and drug abuse would contribute to productivity and accumulation of wealth. By asking people to be charitable (Qur'an [2:280]), and by enjoining the faithful to spend freely in adversity and prosperity, Islam sets the standard for an egalitarian society. Zakat or alms-giving, one of the basic duties of Islam, is instituted for the sole purpose of redistributing income". This is where the Islamic economic system stands clear from its neoclassical counterpart; with the latter

having nothing to say about the behavior of those who have a potentially self-sacrificing commitment to some course of action.

### **2.1.2 Muslim Society**

The topic is “Islamic Community” instead of a Muslim community. An Islamic community is built on Islamic ideology with people living within an Islamic spirit, goals and objectives instead of their own agendas. The word community in Arabia means ‘ummah’. In Surah Al-Imran, Allah says, “You are the best of the communities and nations”. Allah explains why we are the best as “We are not a community only for ourselves, we are the community which has the responsibility of leading the world. “furthermore Allah say, “You enjoin and advise people to do what is good and to forbid them from doing what is wrong. “ and that is a leadership.

The first requirement to establish an Islamic society is to know the Islamic principles and ideologies.

- i) You should be polite with people. Allah says, “If you would be a harsh man, people who are around you will run away. If people are around you and listening it means you are polite”
- ii) As a leader you must forgive the people if they make a mistake
- iii) You seek their forgiveness from me because sometimes they offend you, which is actually my offense.
- iv) And as a leader always involve and seek consultation in their affairs

These were the four things, which the Prophet took for establishing an Islamic Society and these are the skills we will also need.

There are five things, which we will call techniques that are important

- Islamic knowledge is the corner stone
- Proper practice is important to, speak, write and offer things about Islam, but also practise themselves
- "Dawat" We also need to make an effort to reach out and convince people. We need to arrange programs in the language of the country we are living in.
- Either disassociate from unproductive leadership or they will remove you
- "Jihad" not always in soul but it is in your willingness and persistence

## **2.2 Previous research in religiosity measurement**

The conceptualization and measurement of religious constructs have been key issues in the field of sociology throughout the 1960s. Considerable empirical efforts were made to refine the conceptualization of religiosity and produce valid multidimensional measures (Golden 1960:Fukuyama, 1961: Lenski. 1961 : Glock and Starck. 1966:Faulkner and Dejong 1966:Demerath and Letterman 1969:Gorlow and Schroede 1968:Starck and Glock 1968:Kind and Hunt 1972:King and Hunt 1969). Among proposed dimensions include religion devotion, doctrine, experience, affiliation, ideology, effect, ethics and others. From these studies, some general conclusions can be drawn: content and number of reported dimensions vary considerably. Aspects of the belief and ritual dimensions are most frequently operationalized, followed by the experiential dimension and less frequently by a knowledge dimension.

Johnstone (1975) summarized the different approaches that are used in the measurement of religion. He classifies them into three approaches:

- i) The Organization approach. This approach includes :-
- The member / nonmember dichotomy
  - Major religious families
  - Denominational affiliation
- ii) The Individual Approach. This approach includes :-
- Measures of individual ritual participant
  - Measures of individual prayer life
  - Measures of importance of religion to individuals
- iii) Multidimensional measures. This includes using all different dimensions which may be used in the measurement of religion, because there are many ways to "be religious" and therefore much too complex to be measured in only one way.
- An unresolved problem is the dimensionality of religion in a complex and variegated human phenomenon, and the often used term "religiosity" . for example, seems to cover considerable ground : behaviours attitudes, values, beliefs, feelings, experiences. Some researchers implicitly suggest it is unidimensional by using single measure. Others use multidimensional measures " The resolution." writes Gorsuch (1984) could be both / and rather than either/or" (p.232). Bergin (1991. p31) states that "one finding that most scholars in this area agree on is that religious phenomenon are multidimensional.

### **2.2.1 Measures of Religiosity in Consumer Behavior Research**

There are quite a number of studies that have been carried out in regards to the religiosity with respect to consumption behavior. However, they are confined to the non-Muslim Community.

The first attempt to study the influence of religion on consumer behavior was undertaken by Hirschman (1983). She used religious affiliation as opposed to religiosity in studying the consumer consumption process. She argued that religious affiliation influence (1) personality structure (2) fertility and sexual mores (3) political views, and (4) socio-economic status. Hirschman investigated the differences in the religious affiliation of Catholic, Protestant, and the Jews with respect to four consumption domain : (1) entertainment, (2) transportation, (3) housing, (4) family pets. The empirical data presented suggest that religious affiliation serve as an important tool to study several consumer behaviour constructs.

Wilkes et al. (1986) studied the role of religiosity in shaping the lifestyles of the consumers. Four items were used in this study to assess religious : 1) church attendance 2) importance of religious values 3) confidence of religious values : and 4) self-perceived religiousness. Findings show that consumers with greater religious commitment were less likely to use credit and more likely to prefer national brands of products. The findings show that religiosity is a viable consumer behavior construct because it (1) did correlate with the lifestyle variables selected : (2) contributed directly to the model along with gender, age and income : and (3) was successfully operationlized though multiple measures.

Delener (1990) examines the effect of religion and religious orientation possessed by Catholic and Jewish families on one aspect of marketing namely: the perceived risk in durable goods purchase decisions. The result show that Catholic consumers were more sensitive to any potential negative consequences of their purchase decisions. The findings further suggest that religion and religious orientation should be viewed as variables having great potential influences on consumption.

McDaniel and Burnett (1990) investigated various aspects of the relationship between consumer religiosity and retail store evaluative criteria held by consumers. In this study religiosity was viewed from two perspectives. Religious commitment and religious affiliation. The results of this study show that one aspect of religiosity – church attendance – is significant in predicting the importance individuals place on certain retail evaluative criteria.

Sood and Nasu (1995) studied the significance of religion in expecting the consumer shopping behavior. This study was done among the American Protestant and Japanese consumers and how different religions and level of religiosity influence the consumer shopping behavior. The findings of the study suggested that there is no difference in consumer shopping behavior between the devout and casually religious Japanese. This could be attributed to the fact that religion is not an important element in the overall Japanese culture. While on the other hand, the study found that there was a difference between devout and casually American Protestant consumer shopping behavior. The summary of these studies is presented in the following table.

### Measures of Religiosity in Consumer Research

Author and Year	No. of Dimensions	Name of Dimension
Hirschman (1981)	1	1) Religious Affiliation
Wilkes et al. (1986)	4	1) Church Attendance 2) Importance of religious values 3) Confidence in religious values and 4) self-perceived religiousness
Delener (1990)	3	1) Religious affiliation 2) Perceived strength of religious affiliation and 3) Religious orientation
McDaniel and Burnett (1990)	2	1) Religious affiliation 2) Religious commitment
Sood and Nasu (1995)	4	1) Personal activity in one's religion 2) Importance and confidence in religious values 3) Belief in the basic tenets of one's religion 4) Self-evaluation of one's religiosity

Source : *Measuring Religiosity in Consumer Research*  
Hamza S. Khraim, Osman Mohamad, Mohamad Jantan

### Perception of Urban Malaysian Brandname

Understanding of consumer's perception towards brandname can be utilized by the marketers to devise the most appropriate marketing strategy. However, there are a number of studies that have been done on brand selection decision ( see for example Lussier and Olshavsky 1979. Newman 1977, Sujan 1985 ) but no



The above study was conducted on 1,254 individuals based on convenience sampling method in December 1998 based on the four dimensions. Forty-nine items were developed covering the whole spectrum of the four dimensions and later was tested via factor analysis. Seven factors were finally derived and the factors are :-

- Factor 1 : Banking and Insurance
- Factor 2 : Public Islamic issues
- Factor 3 : Individual Islamic issues
- Factor 4 : Sensitive products
- Factor 5 : Food consumption
- Factor 6 : Religious education
- Factor 7 : Ethics

The correlation test on the seven factors found that factor 1 which consists of Islamic services dimension showed very low correlation. This means that factor 1, Banking and insurance have low impact to be an indicator of Muslim religiosity. Their finding's are that, three dimensions (seeking religious education, Islamic current issue and sensitive products) yield as being the best combination of dimension to measure Islamic religiosity. However, the researchers highlighted some potential problems in measuring religiosity which be for future research. The problems are as follows;

1) Measuring the belief and practical dimensions

Belief is one of the Islamic pillar and every Muslim should have this basic beliefs. Therefore, this indiscriminate factors may be hard to use as a religiosity indicators because its exists in every Muslim.

## 2) Offending participants

To some, asking questions on individual belief is offending or provoking their sensitivity in particular the religious respondents. Others might feel that religion is something personal between his and God.

## 3) Gender of participants

It is difficult to have one single reliable scale that measures religiosity in both sexes. There are, for example good measures on religiosity but it applies only to man, example praying in mosque and wearing silk clothing.

## 2.3 Conclusion

In conclusion, it would say that a lot of studies on religiosity was done in the western context. All the previous research used different traditional aspects and a majority had no relations to consumer behavior whatsoever.

Research on religiosity in the Malaysian context conducted by Hamza S Khraim, Osman Mohamad and Mohamad Jantan (1999) can be used as a guideline on further research. The best combination of three dimension outlined by the research and its relationship to consumer behavior should be explored further. Emphasis should be made on sensitive products like food, medical products and personal care. Highly religious individuals are very cautious in readily accepting this products. Thus the truth to this apprehension should be tested empirically.