CUSTOMER RELIGIOSITY AND THEIR IMPACT ON
BUYING DECISIONS.
A STUDY AMONG UTM MUSLIM STAFFS

MOHD HUSROL SYAUFIQ BIN HUSAIN

UNIVERSITI TEKNOLOGI MALAYSIA
CUSTOMER RELIGIOSITY AND THEIR IMPACT ON BUYING DECISIONS. 
A STUDY AMONG UTM MUSLIM STAFFS

MOHD HUSROL SYAUFIQ BIN HUSAIN

A thesis submitted in fulfillment of the requirements for the award of the degree of 
Master of Management (Technology)

Faculty of Management 
Universiti Teknologi Malaysia

DECEMBER 2014
DEDICATION

I wish to express my deepest appreciation to my beloved family, especially to Um mi and Abah. Thank you for all your guidance and support.

I am strong because of all of you.
ACKNOWLEDGEMENT

Thanks to Almighty Allah s.w.t for enabling me to complete this project. This piece of work could not have been completed without first the help of the Almighty Allah s.w.t.

I would like to express my gratitude to my parents for their patience and love that encourage me so much. I offer my sincerest gratitude to my supervisor, Dr. Inda Sukati who has supported me throughout my thesis writing with his patience and knowledge whilst allowing me the room to work in my own way. I attribute the level of my Masters degree to his encouragement and effort and without him this thesis, too, would not have been completed or written. One simply could not wish for a better or friendlier supervisor.

I would also like to thank the respondents at the Universiti Teknologi Malaysia who were kind enough to spend their time in answering my questionnaire. My sincere appreciation also extends to all my course mates who have provided assistance at various occasions. Their views and tips are useful indeed.

Without all your continuous support and motivation, this thesis would not have been presented here.
ABSTRACT

This study aims to examine the elements of religiosity and their impact on buying decisions among Muslim staff at Universiti Teknologi Malaysia (UTM) using the Conceptual of Religiosity as the basis of the theoretical framework. The other objective is to investigate whether there are significance differences in buying decisions according to gender. Two major dimensions of religiosity were examined in this study which is intellectual and experimental. The sample of this research consists of 322 respondents who are the academic and non academic staffs at all faculties in Universiti Teknologi Malaysia (UTM), Skudai. Questionnaires were distributed to the respondents using the stratified sampling method. Data collected from the questionnaires were analyzed by employing Pearson correlation, and independent t-test. A number of significant findings were reported. The results revealed that one of the elements of religiosity which is experimental dimension has affect customer’s buying decisions. In addition, this study shows that there are significance differences between buying decisions and gender. The practical implications of this study were discussed.

Keyword: Religiosity, Dimension of Religiosity, Buying Decisions, Customer Behavior.
ABSTRAK


Katakunci: Keagamaan, Dimensi Agama, Keputusan Membeli, Gelagat Pengguna.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DECLARATION</td>
<td>ii</td>
</tr>
<tr>
<td></td>
<td>DEDICATION</td>
<td>iii</td>
</tr>
<tr>
<td></td>
<td>ACKNOWLEDGEMENT</td>
<td>iv</td>
</tr>
<tr>
<td></td>
<td>ABSTRACT</td>
<td>v</td>
</tr>
<tr>
<td></td>
<td>ABSTRAK</td>
<td>vi</td>
</tr>
<tr>
<td></td>
<td>TABLE OF CONTENTS</td>
<td>vii</td>
</tr>
<tr>
<td></td>
<td>LIST OF TABLES</td>
<td>xi</td>
</tr>
<tr>
<td></td>
<td>LIST OF FIGURES</td>
<td>xiii</td>
</tr>
<tr>
<td></td>
<td>LIST OF ABBREVIATIONS</td>
<td>xiv</td>
</tr>
<tr>
<td></td>
<td>LIST OF APPENDIX</td>
<td>xvi</td>
</tr>
</tbody>
</table>

1 INTRODUCTION 1

1.1 Introduction 1

1.2 Background of the Study 1

1.3 Problem Statement 3

1.4 Research Objective 6

1.5 Research Question 7

1.6 Scope of the Study 7

1.7 Research Plan 8
2 LITERATURE REVIEW

11

2.1 Introduction 11
2.2 Definitions of Religiosity 11
  2.2.1 Islamic Religiosity 14
  2.2.2 Islam 14
2.3 Component of Religiosity 15
  2.3.1 Religious Affiliation 16
  2.3.2 Religious Commitment 16
  2.3.3 Measurement of Religiosity 17
2.4 The Relationship between Religiosity and Buying Decisions 20
  2.4.1 Religiosity and Business Ethics 23
  2.5 Customer Culture and Value 24
2.6 Relative and Contextual Factors and Buying Decisions 26
2.7 Previous Studies Related Customer Religiosity and Impact on Buying Decisions 27
2.8 Conclusion 31

3 METHODOLOGY

32

3.1 Introduction 32
3.2 Conceptual Framework 32
3.3 Hypothesis Development

3.4 Research Design

3.4.1 Research Approach

3.4.2 Research Instruments

3.4.2.1 Data Collection

3.4.3 Research Instruments Design

3.4.4 Location of the Study

3.4.5 Population and Sampling Method

3.4.6 Questionnaire Design

3.5 Data Analysis

3.5.1 Descriptive Analysis

3.5.2 Factor Analysis

3.5.3 Reliability Test

3.5.4 Inference Analysis
3.5.4.1 Pearson Correlation

3.5.4.2 Independent T-test

3.6 Conclusion

4 DATA ANALYSIS

4.1 Preamble

4.2 Respondent’s Profile Analysis

4.3 Measurement Result for Research Variable

4.3.1 Respondent’s Response of Intellectual Dimension

4.3.2 Respondent’s Response of Experimental Dimension

4.3.3 Respondent’s Response of Buying Decisions

4.4 Validity Test

4.5 Reliability Test for Elements of Religiosity and Buying Decisions

4.6 Research Objectives and Questions Result

4.6.1 Pearson Correlation

4.7 Analysis of Significance means difference analysis in
Buying Decisions (BD) according to Gender

4.7.1 Independent Sample T-test

4.8 Hypothesis Testing

4.9 Conclusion

5 DISCUSSION AND CONCLUSION

5.1 Preamble

5.2 Discussion of Research Hypothesis

5.2.1 Discussion of Research Objective 1

5.2.2 Discussion of Research Objective 2

5.3 Research Contribution to Academic

5.4 Research Contribution to Industries

5.5 Recommendation for Further Study

5.6 Conclusion

REFERENCES

Appendix A
## LIST OF TABLES

<table>
<thead>
<tr>
<th>TABLE NO.</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Table 2.1</td>
<td>Measure of Islamic Religiosity</td>
<td>20</td>
</tr>
<tr>
<td>Table 3.1</td>
<td>Likert Scale Table for Religiosity and Buying Decisions</td>
<td>40</td>
</tr>
<tr>
<td>Table 3.2</td>
<td>Table for Determining Sample Size from Given Population</td>
<td>42</td>
</tr>
<tr>
<td>Table 3.3</td>
<td>12 Selected Faculties by Stratified Sampling</td>
<td>44</td>
</tr>
<tr>
<td>Table 3.4</td>
<td>Items in Section B</td>
<td>46</td>
</tr>
<tr>
<td>Table 3.5</td>
<td>Items in Section C</td>
<td>46</td>
</tr>
<tr>
<td>Table 3.6</td>
<td>Correlation Between a Variable and a Factor</td>
<td>48</td>
</tr>
<tr>
<td>Table 3.7</td>
<td>Interpretation for Correlation Coefficient</td>
<td>50</td>
</tr>
<tr>
<td>Table 4.1</td>
<td>Summary of Respondent’s Profile</td>
<td>54</td>
</tr>
<tr>
<td>Table 4.2</td>
<td>Respondent’s Response of Intellectual Dimension</td>
<td>57</td>
</tr>
<tr>
<td>Table 4.3</td>
<td>Respondent’s Response of Experimental Dimension</td>
<td>58</td>
</tr>
<tr>
<td>Table 4.4</td>
<td>Respondent’s Response of Buying Decisions</td>
<td>60</td>
</tr>
<tr>
<td>Table 4.5</td>
<td>KMO and Barlett;s Test</td>
<td>61</td>
</tr>
<tr>
<td>Table 4.6</td>
<td>Reliability Coefficients for the Entire Dimension</td>
<td>62</td>
</tr>
<tr>
<td>Table</td>
<td>Description</td>
<td>Page</td>
</tr>
<tr>
<td>-------</td>
<td>------------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>4.7</td>
<td>Pearson Correlation between Intellectual Dimension and Buying Decisions</td>
<td>63</td>
</tr>
<tr>
<td>4.8</td>
<td>Pearson Correlation between Experimental Dimension and Buying Decisions</td>
<td>64</td>
</tr>
<tr>
<td>4.9</td>
<td>Groups Statistical Table for Buying Decisions</td>
<td>65</td>
</tr>
<tr>
<td>4.10</td>
<td>Independent Samples Test</td>
<td>66</td>
</tr>
<tr>
<td>4.11</td>
<td>Model Summary for result of Hypothesis Testing</td>
<td>68</td>
</tr>
<tr>
<td>5.1</td>
<td>Summary of the Findings</td>
<td>77</td>
</tr>
</tbody>
</table>
## LIST OF FIGURES

<table>
<thead>
<tr>
<th>FIGURE NO.</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Figure 1.1</td>
<td>Research Plan</td>
<td>8</td>
</tr>
<tr>
<td>Figure 3.1</td>
<td>A Proposed Model of Religiosity and Buying Decisions</td>
<td>33</td>
</tr>
<tr>
<td>Figure 3.2</td>
<td>Classifications of Market Research Design</td>
<td>35</td>
</tr>
<tr>
<td>Figure 4.1</td>
<td>Final Model: Modified Religiosity and Buying Decisions</td>
<td>68</td>
</tr>
</tbody>
</table>

## LIST OF ABBREVIATIONS
% - Percentage
< - Less than
> - More than
= - Equal
& - And
Adj R\(^2\) - Adjusted R-square
BD - Buying Decisions
Dr - Doctor
ED - Experimental Dimension
e.g. - Exempli gratia (for example)
FAB - Faculty of Build Environment
FKA - Faculty of Civil Engineering
FKE - Faculty of Electrical Engineering
FGH - Faculty of Geoinformation and Real Estate
FSKSM - Faculty of Computer Science and Information System
FPPSM - Faculty of Management and Human Resource Development
FP - Faculty of Education
FS - Faculty of Science
FTI - Faculty of Islamic Civilization
FKK - Faculty of Chemical Engineering
FKM - Faculty of Mechanical Engineering
FKBSK - Faculty of Bioscience Engineering and Health Science
H - Hypothesis
ID - Intellectual Dimension
i.e. - In effect
N - Population sample
No - Number
n - Sample size
RO - Research Objective
RQ - Research Question
SME - Small Medium Enterprise
SPSS - Statistical Package for Social Science
Sig - Significant
UTM - Universiti Teknologi Malaysia
# LIST OF APPENDIX

<table>
<thead>
<tr>
<th>APPENDIX</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Questionnaire Form</td>
<td>93</td>
</tr>
</tbody>
</table>
CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter presents the background of the study, problem statement, and significance of the study, objective, and scope. It concludes with the thesis organization of this study, research plan and conclusion of the chapter.

1.2 Background of the Study

Recent trends show that scholars and marketing practitioners have embrace religion as a significant cultural influence in modern day’s consumer behaviors. Religion is stressed as an important cultural influence in the marketplace that needs to be recognized and researched in marketing area (Mittelstaedt, 2002), while practitioners begin to utilized religious teachings and events in marketing their products and services (Story, 2007).
Nonetheless, understanding and measuring the influence of religion on consumer behaviours can be challenging tasks for both. Although religion has always been a cultural element in consumer behavior framework, religion and its influences has long been perceived as a taboo subject matter for investigation in marketing areas (Hirshman, 1983). There is not much known about the influence of religion on consumer and buyer decision making and marketplace behaviours in marketing areas. In fact, there is little common understanding among previous marketing studies in measuring the effects of religion.

On the other hand, culture, subculture and social class are the three parts of culture. Although culture is the most basic in deciding factor of human desire and behavior, it is actually religious group that are one of the major determinants in subculture influencing customer behavior. Everyone is included in many smaller subculture groups, which provide a clearer sense of identification social process. Basically, subculture can be divided into four types: nationality groups, religious groups, racial groups and geographical regions where religion is one of the most influential determinants of human behavior.

Religious commitment plays an important role in people’s lives through shaping their beliefs, knowledge, and attitudes. Different religious groups such as Muslims, Christians, Buddhists, and others with other orientations have different beliefs. These beliefs cannot be avoided when society is analyzed (Fam et al., 2002). These religious commitments and beliefs influence the feelings and attitude of people towards consumption (Jamal, 2003). For example, in England, the consumption pattern of the Indian society as compared to the indigenous white British society is different due to commitment to specific communal or religious groups (Lindridge, 2005). Furthermore, it is the religion which specifies prohibited and non-prohibited things which influence the consumer’s consumption decision. For example, beef is prohibited in Hinduism.
while in Islam it is not forbidden. In effect, religion influences what consumers believe, what they like, and what they dislike (Fam et al., 2002).

Because religion is one of the critical elements of culture, it would seem that a more complete knowledge of the dominant religion and its effects on consumer behavior would be essential to an intimate understanding of consumer choice in a particular culture. One reason for this is that religion directly affects individual behavior by the rules and taboos it inspires (Harell, 1986). Another reason is that religion indirectly affects behavior by classification of all phenomena, development of codes of conduct, and establishment of priorities among these codes. The priorities of the codes of conduct are the accepted norms, values, and attitudes of the culture. Thus, religion is an important part of the socialization process whereby parents condition their children to fit into the cultural pattern of their society (Terpstra and David, 1991).

In short, individual’s religiosity is an important aspect to study because it’s related with human habit or in the other words, individual’s intention to do something. Moreover, it includes patterns of behavior, learned responses, basic assumptions, habits and traditional ways of thinking, feeling and reacting (Shweder, 1991).

1.3  Problem Statement

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 (Mokhlis, 2009). Religion is a set of beliefs that are taught since childhood, and people gradually
commit to the religion as they have greater understandings towards its teachings. According to Kotler (2000), religion is part of culture that can shape people’s behavior. Specifically, what this means is that people who have religion hold certain values that are able to influence their actions and decisions.

The buying decision varies from one person to another (Daghfous et al., 1999) according to individual characteristic, such as demographics (age, location, etc.), socioeconomics (income, social class, etc.), psycho-graphics (personality, open-mindedness, etc.), and culture (ethnicity, value system, etc.), as well as other factors (Rogers, 1995). Unfortunately, most research has a little research focuses on factors that inhibit buying decision (Rogers, 1995). Although some studies have focused on religious values, the phenomenon is complex and requires further investigation to identify specific factors affecting buying decision among Muslim customers, especially for majority in Malaysia (Frambach and Schillewaert, 2002). As stated above, there is a lack in prior research regarding cultural and religious factors that may play a role in customer’s buying decision among Muslim peoples and this paper proposes a model designed based previous research to partially fill this gap.

There are many studies that have been done by other researchers regarding customer religiosity (e.g. see Alam and Hisham, 2008; Rehman and Shabbir, 2010; Fam et al., 2002). Different approaches and models have been used by the researchers to determine the customer’s religiosity in various aspects. In this study, the two dimensions of religiosity were used to measure the buying decisions. The two dimensions are intellectual and experimental. Therefore, the buying behaviors model was used as the basic of the theoretical framework to build a model to determine the buying decision among Muslims because it is commonly used by the researchers.
Religious values lead the person not only with particular form of acts and spiritual rituals, but also with certain way of behavior and a general worldview. Individuals with high commitment to religion attributes usually have relatively higher level of motivation to avoid uncertainty and change and relatively low importance to values expressing motivations to follow one’s hedonistic desires, or to be independent in thoughts and actions (Roccas, 2005). Therefore, there is possibility of the relationship between religiosity and an individual’s buying decisions.

Recently, there is growth in the number of Muslims in Malaysia who have understood and show concern for the Islamic teachings and practices. Since most individuals make decisions on what and how much to consume, does the growth of Islamic teachings among them really give an impact on what and how much to buy? It will be expect that Muslims will follow every guidance of Allah and thus this can influence Muslim consumers more than any other factors such as gender, occupation, education, salary, to name a few, can.

Specifically, customer’s religious beliefs seem to resonate in their consumption choices. Consequently, Proctor and Gamble is one of the several companies which has cut back millions of dollars in advertising in television show such as Will and Grace and Queer Eye for the Straight Guy in reaction to pressures from some religious organizations (Han, 2005). Additionally, large retailers, such as Wal-Mart and Target, have received widespread criticism for avoiding the explicit use of religious references in national advertising and promotional campaigns during the Christmas holidays (French, 2006).
This trend of growing religious conservatism raises a number of questions for market researchers and managers. For example, will an increase in Malaysian customer’s religiosity spill over in the marketplace and manifest itself through a change in shopping behavior? More specifically, will Malaysian customers change their buying decision if they perceive their religious beliefs to be violated by a company’s actions? Will consumers voice their disagreement with company policies? Will customers change where they shop? Will they attempt to influence others to shop elsewhere? Will they simply do nothing? These questions seem to be particularly appropriate in today’s social and political climate.

1.4 Research Objective

The objectives of this study are as follow:

Research Objective 1: To examine the relationship between elements of religiosity on Muslim’s customer buying decisions.

Research Objective 2: To examine significance differences in buying decisions according to gender.
1.5 Research Question

The purpose of this study is to identify the customer religiosity and their impact on buying decisions. The research questions addressed in this study are:

Research Question 1: Does a relationship exist between religiosity and buying decisions among Muslim customers?

Research Question 2: Is there any significance difference in buying decisions according to gender?

1.6 Scope of the Study

The scope of the study is vital for this research to be carried out according to the objectives that have been set. Due to the nature of the research, the research was conducted in the Universiti Teknologi Malaysia (UTM) which is located in Skudai, Johor on the issue of individual’s religiosity and the relationship with buying decisions. This research involved a total of 322 Muslims staff from the all faculties in UTM for both female and male based on the sample size table suggested by Krejcie and Morgan (1970). Besides that, the sample size was divided according to the ratio into 12 different faculties at the UTM. An only staff consists of academic and non-academic staffs were eligible to answer the questionnaire and respondents will be picked randomly and the data were collected via questionnaire.
Figure 1.1 Research Plan

Figure 1.1 illustrates the research plan. This research consists of 6-stages process. Firstly, the problem has been identified and gathered what information is required and how it can be obtain. This study might have to link previous research to create an idea about the general concept of religiosity and buying decisions. A review of the relevant academic and past research about customer religiosity and buying decision are implemented in the literature review. Under quantitative study, 322 respondents will be identified who are willing and able to answer the questionnaire. This research will
use simple random sampling among staffs. Data from the quantitative study will be analyzed and interpreted using SPSS software. Finally, this study will be discussed based on the research evidence and conclude the results of this whole research. The results also will be summarize and will be explain what insights have been gained through the research by focusing on the individual’s buying decisions.

1.8 Importance of the Study

This study was carried out is to fill this knowledge gap through collecting evidence from the Muslim’s people at UTM, through analyzing the impact of customer religiosity on customer’s buying decision. Since the impact of religiosity on buying decisions is a new research topic, especially within the Islamic markets, the results of this study will provide a significant contribution towards a better understanding of the Muslim customer’s attitude in relation to the buying decision and behavior. The practical contribution of this study is business owner and individuals are able to gain insight of the customer’s buying behavior. Such an understanding will help both, marketers in designing their marketing practices according to their Muslim customer’s convictions, and academicians in their research endeavors. With this information, the findings of the research can be used as a guideline for the businesses and individuals to plan their marketing mixes and offer the best to meet Muslim customer’s requirements. This will indirectly increase customer’s satisfaction and establish a long term relationship with them that will surely lead them into repurchasing again. Although many researchers have been done on religiosity using different types of models and methods, research on religiosity directly on buying decision has not been done in Malaysia.
Researcher believes that findings of this study will help the development of the customer behavior and customer satisfaction in the future. Hence, this will create a new way of win-win situation in business deal for Muslim customers to get their goods and a vendor that try to fulfill Muslim customer needs and wants. This will indirectly increase our future entrepreneur knowledge and gain understanding of Muslim customers buying pattern.

Besides that, this study contributes in terms of academic too as this study is still new in the business field where is a lack of studies about this topic. Hence, by having this study it can add up more studies to be read and as a guide to the researchers. Moreover, the model proposed in this study would be a new model that can be used by other researchers in the future. Besides that, this research can add another empirical study in the field. This study can also be a new guide and new information to be kept in the library as the reading material for future reference.

1.9 Conclusion

While Malaysia is an Islam country that consists of majority Muslim society, it’s important for local marketers to know deeply their customer’s buying decisions. Likewise, this research implements how the elements of religiosity give an impact on buying decisions among Muslim customers. Buying decisions is one of the customer behaviors. This study utilized the elements of religiosity to examine people especially focus to the Muslim customers on buying decisions. It has introduced the background to the research, problem statements, and objectives of the study, scope of the study, research plan, and importance of the study. Based on this research foundation, the researcher proceeds to the next chapter where literature review is written down.
REFERENCES


