Retail Store Attributes In Islamic Perspectives

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Abstract

Current research in Islamic marketing realized that, common attributes used in previous research cannot be generalized to Muslim consumers because they have their special motivation and interest. In order to patronage a store, they will search for "*muslim specific attributes*". Therefore, in this paper, retails store attributes from Islamic perceptive are developed to fulfil the requirement of Muslim consumers. From literature study, five main dimensions are considered that include Muslim product, Islamic atmosphere, humanistic, *halal product* and Islamic values. Mall intercept approach is used to collect Muslim consumers' feedback towards the selected Islamic store. By using reliability and exploratory factor analysis, this study revealed that 45 attributes of Islamic store can be implemented in understanding Muslim consumers' perceptions.

Keywords: halal and pure, Islam, Malaysia, Muslim consumer, Religious, store attributes

1.0 Introduction

The development of new measurement of the Islamic store had been created in the literature mainly because the changing consumer's lifestyle in their choice decision of patronizing a retail store (Sunelle Jacobs, 2010). As Muslim consumers are moving towards the religious consciousness in their daily lives, indirectly it will create an opportunity for the new Islamic retail format to be emerged in the market (refer table 1). The rapidly growth of the new concept of business, such as halal market has experienced a significant increase of 80% of the halal sales in a world in 2012 (Hunter, 2012). In regard to high demand for the Islamic product, the adoption of a new retail format has increased in certain part of a world and shows a significant shift from small traditional market to high volume retail outlets in certain part of a world. With the significant growth of the new retail store format that is tailored to Muslim consumers, the Islamic store start to expand in Malaysia market which is not only offered halal product but also include the Islamic values.

Literature stated that, Muslim people behave differently and their decision is based on their faith and Islamic rules and teaching. They can create a new basic lifestyle that has their own rules and laws. Indeed, the current phenomenon of religious influence on the Malaysia retail industry has deserved formal attention. With the high awareness and adherence towards their religion, Muslim consumers are more discerning in their choice of retailers. Muslim consumers patronize retail stores that are influenced by different store formats and the selection of stores is in accordance with specific preferences, criteria and attributes that meet their own requirements and faith.

Thus, this study intends to investigate a new construct/measurement of Islamic retail store attributes that may have motivated the patrons of such retail outlets among Muslim consumers. Certainly the study believed that, Muslim consumer patronage behavior is possibly influenced by different sets of store attributes, hence a need for further study is needed to verify this new phenomenon among Muslim consumers in Malaysia.

Table 2: Islamic retail store in Malaysia

Islamic Retail Store	Location
Istafa,Mutiara	Kedah
Ie-Mart	Kedah, Selangor
Halalal Toyibba Shoppe	Pulau Pinang, Negeri Sembilan
Metamorf, Hijrah Halal Mart, Halal Mall	Lembah Klang
Az-Zain	Lembah Klang and Johor
Hari – hari, D-halal shoppe	Kelantan
HPA branches	All states in Malaysia

2.0 Muslim and Islamic Attributes

By definition Islamic store is refer to a store that provides comprehensive Muslim made product which is not only *halal* but *tayyib* .The store not only provides muslim product but, also concern about Islamic values in conducting their business. Generally, the mission of the store is to provide Muslim made product which is come from the reliable sources (Alserhan, 2010). Another characteristic of Islamic store are (1) The tenets of Islam is priority in their management, (2) All products have *halal* status and issues by Muslim producer, (3) The priority of the product is towards Muslim entrepreneur who obtain *halal* status, and (4) All staff must keep their dressing code as prescribed in Islam.

Besides that, they also have their own mission and responsibility towards Muslim consumer which are (1) The store is responsible to serve halal and pure (*halalal tayyibba*) product to the society, (2) The store must be the main source of *halalal tayyibba* food, (3) The store is become a model towards Muslim entrepreneur who want to create Islamic business approach, (4) As a platform to help Muslim entrepreneur to market their product, and (5) The store will not abate to sell *haram* product and *produk syubhah*.

Specifically, Islamic retail store consist a numbers of specific unique attributes which is different from conventional retail store. Islamic store attributes are constructs based on several dimensions such as Muslim product, Islamic atmosphere, humanistic, *halal product* and Islamic values. The attributes of the store are detailed out in the following discussion.

2.1 Muslim Product

Muslim product is refer to products that are produced by Muslim producers and follow Syariah compliance and guidelines (Alserhan, 2010). The product is usually a Muslim made product and produce by Muslim in regard Chinese muslim, Malay muslim,India muslim and etc. With regards to Islam, particularly pious Muslims, they will use a product that is not only lawful, in terms of logo, but they are very concerned about the concept tayyib (*halal and tayyib*). To measure the dimension of muslim product, this study used several items that have been adapted from previous research (Chowdhury & Reardon, 1998; Gayatri, 2008; Kunkel & Berry, 1968; Lindquist, 1974a, 1974b; McDaniel & Burnett, 1990).

2.2 Islamic Store Atmosphere

The most suitable store atmosphere that can be measured in grocery retail stores is more towards cleanliness, appeal of the store and comfortable shopping in the store. A store having modern equipment, good, clean physical facilities and ease of transaction would be able to yield satisfaction and patronage intentions of the grocery retail store (Kaul, 2005). The attributes are adapted from several previous researches such as (Gayatri, Hume, & Mort, 2011).

Even though, the influence of store atmosphere affects the consumer preferences towards a store, however, it is the least important aspect for the Muslim consumer in evaluating criteria in selecting a store. This is shown by Alhemoud, (2008), which found that design and layout, external appearance and ease of mobility are not important considerations among respondents when they choose a store in Kuwait, where the majority of them are Muslim (Alhemoud, 2008). Furthermore, in the Islamic manner, the environment must be guided by *Syariah*, such as listening to Islamic music. The selection of the music which is not distract is more preferable, for example an antiphonal singing, chants and songs that shaped deities bring listeners closer to Allah.

2.3 Humanistic

In general, conventional term humanistic is refer to, in-store service includes providing information on merchandise, responding to consumer queries, guidance to merchandise location, and attendance by sales personnel (Lindquist, 1974a). Basically, the aim of in–store service is to build consumer relationships, increase consumer pleasure of shopping in the store, and encourage the intention to revisit the store (Reynolds & Beatty, 1999).

For Muslim consumer, in-store service is included as one aspect of humaneness that is considered important in attracting them. Besides that, in Islam, the aspect of humaneness is important in order to help other people. The most important part is *humanism*, which relates to human beings and people must be humanistic in society. The findings of the study are consistent and are strongly supported by previous research, which found that religious people are more concerned with sale personnel friendliness and assistance in their store evaluative criteria. This result gives a better understanding that religious people need more humane treatment as compared to other store attributes (McDaniel & Burnett, 1990).

In Islam, this finding is aligned with the most important concept in Islam, which is *tawhid*. The concept of *tawhid* is important in dealing with Muslim consumers; it describes the relationship between humans and their Creator and inter-human relationships based on Allah's law. The practice needs brotherhood (good inter-human relationships) with other people and justice to society (Arham, 2010). The practice is one of the fundamentals in Islamic philosophy of marketing practices.

Thus, the study includes several items to measure the in-store service and personal interaction of the store personnel. The measurement of the items are taken and adapted from previous studies by (Hansen & Deutscher, 1977; Lindquist, 1974b) and (Gayatri, 2008).

2.4 Halal Product

The *halal* product is found to be a unique dimension requested by Malay Muslim consumers in patronizing a store. Furthermore, majority of the Muslim consumers consider the concept of *halal* as an ultimate factor in consuming a product.

In understanding the concept of *halal*, *halal* in Islam means 'permissible' (lawful) and *haram* means 'prohibited' (or forbidden) by the *syariah*. By this definition, *halal* means, anything that is free from any component that Muslims are prohibited from consuming, and it is not just simply "pork free", but it covers a multitude of forms such as certain emulsifiers, gelatins, enzymes, lecithin and glycerin, and also additives such as stabilizers, flavorings, colorings, and breadcrumbs (Kocturk, 2002). In

Malaysia, the assurance of the halal product is refer to halal logo issued by JAKIM. Although the product is produced by non-Muslims, however the product is still possible to get halal certification, as long as they use the materials been certified halal by JAKIM.

2.5 Islamic Values

In practicing Islamic values in business, retailers cannot exclude their religious teaching from marketing practice. If they believe in their religion, their practices must follow the Qur'an, the Sunnah and the Hadith. Muslim consumers are looking for those attributes in the modern marketing of today. They are not only patronizing the store and buy the products, but most importantly, the faith and the belief of the owner in conducting the business is crucial.

Islamic values include factors like not being involved in any regulations or acts against *Syariah* that could spiritually burden consumers, are free from doubtful transactions, such as in banking, Islamic bank is not practice *riba* (interest), and they contribute towards payment of *zakat*, and justice and honesty are based on Holy Quran and the Sunnah.

However, the Islamic values attributes is suitable only for the banking industry, and has been validated to evaluate religious values in retail stores. Regarding the importance of religious values in patronizing a store, the study will use the measurement of Islamic values as proposed by (Gayatri, 2008; Gayatri et al., 2011).

3.0 Research Methodology

In this section, we deliver the details of data preparation and data analysis.

3.1 Data Preparation

The research data was collected in a northern region area of Malaysia by using cluster sampling. There are 350 respondents were participated in this survey by mall intercept approach. There are 114 stores as listed by Suruhanjaya Syarikat Malaysia and Persatuan Pengguna Islam Malaysia (PPIM).The selection of the store are bases on simple random sampling. Respondents were asked to complete six pages questionnaires regarding the Islamic store attribute of the store, and several items in demographic section. A complete answered questionnaire was deemed usable for further statistical analysis. The questionnaire consists of five main dimensions, namely; Muslim product (7 attributes), Islamic atmosphere (11 attributes), humanistic (12 attributes), *halal product* (9 attributes), Islamic values (6 attributes). The scale from strongly important (5) to not important (1) has been used in the questionnaire to measure those characteristics.

3.2 Data Analysis

We used descriptive statistics to explain consumers' profile as well as exploratory factor analysis in order to identify the dimensions of each attributes. Factor analysis has been used in various fields of study, for example, (Kadasah, 2013; Lord et al., 2013; Streiner, 2013).

4. 0 Results and Finding

In this section we deliver the statistical results of consumer's profile and exploratory factor analysis.

4. 1 Profile of the consumers

The respondents of this study consist of loyal Muslim consumers of the particular store. Referring to Table 2, there are 146 male and 238 female respondents participated in the survey. Majority of the respondents were age 40 and above (144) and 35.9 percent of them are working in a government sector. The education backgrounds of the consumers are 19.3 percent is come from the religious school, 59.4 percent ordinary school, and 21.4 percent are combination of religious and ordinary school.

Table 2: Consumers' profile

Profile	Frequency	Percentage
Gender		
Female	238	62
Male	146	38
Age		
≤ 19 years	33	8.6
20-29	103	26.8
30-39	104	27.1
40-49	57	14.8
50-59	45	11.7
≥ 60 years	42	10.9
Working sector		
Government sector	138	35.9
Private sector	87	22.7
Self employed	43	11.2
Not working	78	20.3
Pension	38	9.9
Education		
Religious school	74	19.3
Ordinary school	228	59.4
Combination of religious and ordinary school	82	21.4

There are three various stores classified in the study. In Table 3, there are about 41.9 percent preferred Malay store, 44.8 percent of the respondents make their groceries purchases at Islamic store, and others 13.3 percent are considered shop at others store. Most of them shop groceries and food items as compared to the other products. The highest frequencies of visits to the store are stated as 2 to 3 times a week (146), followed by once in a week (111), once in two weeks (67), once in a month (48), and less than once in a month (12).

Table 3: Consumers' Preference

Consumer Choice	Frequency	Percentage
Types of stores		
Malay retail store	161	41.9
Islamic retail store	172	44.8
Others	51	13.3
Types of Product buy		
Frozen food	122	31.8
Groceries item	224	58.3
Cosmetics	14	3.6
Others	23	6
Frequency of visits		
Two or three times a week	146	38
Once in a week	111	28.9
Once in two weeks	67	17.4
Once in a month	48	12.5
Less than once in a month	12	3.1

4. 2 Exploratory Factor Analysis

Exploratory factor analysis (EFA) could be described as orderly simplification of interrelated measures. EFA, traditionally, has been used to explore the possible underlying factor structure of a set of observed variables without imposing a preconceived structure on the outcome (Child, 1990). By performing EFA, the underlying factor structure is identified, and composite scores from the original variables were created.

Table 4: Factor Loadings for Retails Store Attributes

Patronage Dimensions		Factor loadings	Variance explained (%)	Communalities
	Dimension 1: Muslim Product (7 Attributes)			
D11	Everything I need is at this store	0.642	13.71	0.621
D12	Numerous Muslim product with varieties brands	0.681		0.626
D13	Wide varieties of guaranteed *halal* product from Muslim owned companies	0.659		0.590
D14	Feel confident with a Muslim product eventhough, there is no *halal* logo.			0.346
D15	Provides quality product with famous brand.	0.322		0.547
D16	Product which is satisfied by the consumer and meet consumer expectation	0.619		0.414
D17	The price is cheap	0.322		
	Dimension 2: Islamic store atmosphere (11 Attributes)			
D21	Islamic retail environment	0.651	26.12	0.630
D22	Store comfortability	0.497		0.461
D23	Islamic music played	0.741		0.588
D24	Muslim owner with Islamic rules	0.706		0.612
D25	Store image and reputation	0.473		0.446

Code	Attribute			
D26	Place to perform *solat*	0.590		0.530
D27	Islamic dress code	0.434		0.554
	Convenience of the store			
D28	Cleanliness of the store	0.355		0.484
D29	Product arrangement	0.578		0.588
D210	Facilities provided	0.701		0.653
D211	Strategic location	0.627		0.538
	Dimension 3: Humanistic (12 Attributes)			
D31	Honest with consumers	0.553	34.64	0.535
D32	Friendly	0.572		0.485
D33	Service is excellent	0.554		0.515
D34	Quick response	0.559		0.595
D35	Helpful salesperson	0.625		0.56
D36	Courteous store personnel	0.692		0.623
D37	Knowledgeable store personnel	0.562		0.496
D38	Service based on brotherhood and human touch	0.442		0.494
D39	Toleration during transaction	0.684		0.624
D310	Good relationship among Muslim	0.409		0.584
D311	Entertain the consumer well	0.525		0.508
D312	Gives a full attention	0.508		
	Dimension 4: *Halal* Product (9 Attributes)			
D41	Provides product that follow rule of *halal/haram*	0.656	42.27	0.609
D42	Clearly declare product according to Islamic rule of *halal/haram*	0.581		0.507
D43	Holds a halal certificate for product especially non-muslim product	0.515		0.545
D44	Only provide *halalal toyyibba* product	0.668		0.632
D45	Provides *halal* product according to Islamic rules and values	0.649		0.6
D46	Does not sell *haram* product	0.655		0.509
D47	Confident of the source	0.657		0.579
D48	Improve the community economy	0.350		0.447
D49	Express *akad jual beli*	0.405		0.341
	Dimension 4: Islamic Values (6 Attributes)			
D51	Follow the Islamic rules	0.324	49.05	0.611
D52	Accommodate Muslim needs	0.496		0.631
D53	Appreciate Muslim consumers	0.696		0.687
D54	Religiosity tolerance to consumers	0.504		0.644
D55	Respect Muslim	0.612		0.657
D56	Provide attention to Islamic activities	0.334		0.501

Table 4 summarizes results of exploratory factor analysis. It was analyzed by using principal component factor analysis (PCA) with Varimax Rotation. The analysis was performed based on 46 variables that influence consumer patronage Muslim retail store. Result of the study indicated that, Barlett's Test of Sphericity was significant (Chi-square = 9020.39, *p*-value < 0.000). The measure of sampling adequacy by Kaiser-Meyer-Olkin (KMO) is 0.936 and it is accepted as the value is greater

than 0.6 (Kaiser, 1974). In other words, the result showed the data is adequate to proceed with Factor Analysis.

The result portrays the factor analysis results and the items that load on each dimension. Seven items loaded on first dimension (Muslim product), eleven items loaded on second dimension (Islamic atmosphere), twelve items loaded on third dimension (humanistic), nine attributes loaded on fourth dimension (*halal product*), six items loaded on fifth dimension (Islamic values).

The stated factors loading for each item are range between 0.300 and 0.714 with a six factor analysis solution. Total variance explained was 55.13 percent of the total variances. In this case, forty five item are acceptable (refer Table 4). The first dimension which is Muslim product are loaded together into a common factor with the factor loading of *D11* (0.642), *D12* (0.681), *D13* (0.659), *D15* (0.322), *D16* (0.619) and *D17* (0.535). All items are acceptable for the first dimension, as mentioned by Hair (2001) factor loading of 0.30 is significance and can be acceptable because of the large numbers of sample size in this study which is over 350.

The second variable loaded in the store image is Islamic store atmosphere. The dimension of Islamic store atmosphere is divided into two sub-dimensions. Items *D21* until *D25* are loaded together as Islamic store atmosphere; meanwhile, item *D28* until *D211* are grouped in the other dimension of the factors. There are two items in Islamic values dimension are grouped as Islamic store atmosphere to be named as *D26* and *D27*.As refer to the other previous research, the suitable label and name for the new dimension in Islamic store atmosphere is refer as convenience of the store. The factor loading for these items are range from 0.3 to 0.741.The other two additional items *D26* and *D27* are added in the Islamic retail store atmosphere because of the highly inter-correlated items similar to describe the store environment factor rather than explained Islamic values.

Other factors that grouped together successfully in EFA is humanistic. All the items that measure humanistic are loaded in the same factor solution which is refer as items number *D31* to *D312*. The lowest loaded value for the variables is 0.409 and the highest is 0.692.With that value, all items in the humanistic is accepted for this study and there is no item are rejected.

The same outputs of the factor analysis are referring to *halal* product. From the analysis, *halal* items are grouped together start from the items *D41* to *D49*, however, in this variable, there are other two additional items in Islamic values stated as *D48* and *D49* are includes together in the *halal* factor. This make the items which measure *halal* are increase to nine items instead of seven items previously. Result indicated that factor loaded at 0.405 to the highest as 0.656.

The last variables that explained the store image of the store is Islamic values. Islamic values are grouped as ten items previously, however, result of the factor analysis derived that there are only six items left to explain the Islamic values of the Muslim retail store. The factor loaded from the items *D51* to *D56* with the lowest value of 0.330 and the highest value as stated as 0.612. Items *D57* and *D58* are remove to Islamic store atmosphere dimension, meanwhile items *D510* and *D511* are include in halal product dimension. However, there are one items had been removed, which is *D59*.

As a conclusion, there are five dimensions explained the patronage behavior of the Muslim store with two separate sub-dimension that measure Islamic retail store atmosphere. It is similar with the other previous research that had done before (Theodoridis & Chatzipanagiotou, 2009; Wan Hassan & Awang, 2009; Wan Marhaini Wan Ahmad, 2008; Wenger & Yarbrough, 2005).

5.0 Conclusion and Discussion

In conclusion, the finding indicates that there are five dimensions exist in the Islamic retail store attributes. Factor analysis results showed items *D14* and *D59* should be removed due to the reason of

high factor loading of the items in correlation anti image output. By removing both of the items the result of the factor analysis is more reliable.

Thus, as a result, the finding of each dimension in Islamic retail store attributes is summarized in Table 4. By referring to the result, we can see that, items *D11* to *D17*, exclude *D16* are loaded in the same factor which is Muslim products.

From the EFA output, Islamic store atmosphere dimension loading in two different factors to be named as convenience of the store *D28, D29, D210* and *D211*. Two items in Islamic values (*D57* and *D58*) are grouped together in Islamic store atmosphere with the new label of *D26* and *D27*. *D31* to *D312* are grouped together as humanistic, while the others dimension are grouped with some additional items. While *D510* and *D511* items from the Islamic values include in *halal product* dimension and to be name as *D48* and *D49*.The remaining items in Islamic values are loaded from items *D51* to *D56*. The result from this study hoped that the findings can serve as important inputs for consideration in order to design the questionnaire items for the Islamic Store attributes in Islamic Perceptive.

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