

THE EFFECT OF MUSLIM PRODUCT AS AN ISLAMIC RETAIL STORE ATTRIBUTES: A STUDY ON MUSLIM CONSUMER PATRONAGE BEHAVIOR IN MALAYSIA

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ABSTRACT

As Muslim consumer is more concern towards religious teaching in verifying the halal status, the demand for Muslim product is increasingly in the market. With the spirit of helping the economic of ummah, Muslim consumers tend to give their support for Muslim product. With the high demand towards Muslim product an initiatives of introducing an Islamically retail store is showed a significant growth. Basically the store will provide a range of Muslim product as a substitute towards the formerly known brand. Regard to the phenomenon, the present study is done to investigate the effect of providing Muslim product in an Islamic retail store towards Muslim consumer patronage behaviour. In order to get a feedback, self-administered questionnaires were distributed to a number of 384 patrons in Islamic retail store in the several states in Malaysia. Result of the partial least square analysis concluded that, by providing a Muslim product it have a significant effect towards patronage behaviour of Muslim consumer. By buying a Muslim product it make Muslim consumer feel more confident that there are buying a product that are religiously allowable and it prompting a Muslim consumer buying decision in patronizing a store.

Keywords: Muslim product; Muslim; patronage behavior.

I. INTRODUCTION

Recently consumer specifically Muslim may have various reason for consuming and purchasing a Muslim product. Instead of feel more confident in term of halal status, supporting for the economic of ummah and blessing of barakah can be part of the reason for buying the product. With the high consciousness of halal status, and a various controversial issue regard to halal, the acceptance towards Muslim product is encouraging (Kart 2013). By providing a Muslim product in certain retail store , this seem to be part of effort that helping Muslim consumers in getting Muslim product. Muslim product is assumed to be halal by default due to muslim producer which is comply with Islamic manufacturing practice. Muslim consumers beliefs they have high Islamic sensitivities and produce product as refer to Islamic laws. In addition the phenomenon is encouraging by fatwa declaration relate to such controversial issue such as boycotting various international brand due to the tension of the Middle East (Hutton,2003;Murphy,2003).

React to avoid or prohibite boycotting brand, sensitive muslim try to find solution in finding a muslim product. The changing behaviour of specifically sensitive muslim may urge for the the Islamically concept of business. Besides providing a variety of substitute of international brand produce by muslim producer this store will give a solution of halal curiosity among the consumers. As religion appears to attract Muslim communities, practitioners and scholars tend to consider religion stance in marketing areas. Marketers starts to realize the potential of appealing to Muslim consumers markets followers of Islamic religion. This paper intended to offer some insight of the issues.

2. LITERATURE REVIEW

2.1 PATRONAGE BEHAVIOR

Patronage behavior is the core objective for the retailer business. It becomes the key to success for a particular retail business. It can be defined as the store choice of a consumer based on a set of evaluative criteria, and store loyalty to specific stores. Many definitions have been developed to explain patronage behavior for the store. In early research in this area the definitions of patronage behavior is when customers repeat purchases, have a commitment, and are influenced by strong preferences to purchase at a particular store. The behavior will result in loyalty (Spigell and Sewall, 1987).

The same definition is addressed by (Osman 1993), where patronage behavior refers to repeat purchases for the same product or any other products. A loyal customer will give priority to the particular store as compared to other stores, and this will be on a long-term basis. Moreover, some studies had defined store loyalty, or patronage behavior, based on the revisit behavior of the customer (Dick and Basu 1994). For the purpose of this study, the operational definition is considered as repeat purchase in a particular store as compare to other store in long term basis (Dick and Basu 1994).

2.2 MUSLIM PRODUCT

Normally the dimension of product in previous conventional studies consists of considerations relative to product selection, quality, reputation, assortment and availability (Kunkel and Berry 1968; Hansen and Deutscher 1977; Darden Barry and William 1994). Past research demonstrated that product quality and the image associated with the store brands are likely to have a significant impact on the store image and the image of its patrons (Mitchell 2001; Morschett, Swoboda et al. 2005).

However in Islamic perspectives, product evaluation may vary among Muslim consumers in regard to their religious adherence. A definition of a muslim product must be comply with “*halal tayibba*” product which can be defined as a product that, according to Islamic law, does not contains unpermitted elements originating from a forbidden substance, material or animal, that is processed using equipment that is clean from impurities, and processed in an area reserved for *halal* and *haram* products (Kocturk 2002). Therefore muslim product is not only product produce by muslim producer accordingly but it must follow Islamic laws to make sure that the product is religiously allowable and can be acceptance. In other words the muslim product is not only halal but it must fulfill halal and tayyib.

2.3 MUSLIM PRODUCT AND PATRONAGE BEHAVIOR

Product has a positive effect on patronage behavior of the people. According to many studies, product is an important aspect of attracting customers to patronize a store (Mitchell and Kiral 1998; Morschett, Swoboda et al. 2005; Oppewal and Koelemeijer 2005). Previous studies found that people are concerned with the quality of a product, product varieties in the store and the product brand names (Mitchell 2001). However, there are other different product criteria used by religious people and this will affect their patronage behavior (Rahadian 2008).

Previous studies found that, the distinctive behavior of muslim appears due to their adherence to Islamic doctrines. Their shopping style, ethical beliefs as a consumer, sensitivity towards offensive advertising are different to other religious group (Essoo and Dibb 2004; Fam, Waller et al. 2004). Religious people may have different evaluations in product selection in regards to their beliefs in religious rules and laws. In fact some research in marketing area found that Muslim consumers have an orientation to purchase muslim made product (Jeannot Abdul Karim 2011) instead of any others factor. The high tendency to purchase muslim made product is similar with the ethnocentrism which refer as preference for domestic product as compared to foreign made product. The high sentiment of buying muslim product is reported to be high among muslim consumers (Razli 2004; Mokhlis 2008). In fact muslim consumers have a significant effect in relationship towards buying preferences and domestic product evaluation.

Moreover, some studies have stated that highly religious people have a preference for national brands (Wilkes, Burnett et al. 1986). A national brand refers to local brands that are manufactured by Muslim manufacturers and follow Syariah principles in terms of raw materials, processing and storage. Some of them are formerly known as Islamic brands, which are follow syariah compliant, originate from Islamic country and the brand must be targeted to Muslim consumers (Alserhan 2010).

The changing behavior of the muslim consumer regard to halal product preference will give an effect towards muslim product acceptance in the marketplace. Some research indicated that, muslim product is become one of the attributes that describe the image of halal in certain retail store. Moreover muslim product is includes as a basic structure to form up an individual halal standards in buying process (Abang Sulaiman Abang Saleh 2010). Past studies on store attributes had focus on product in term of the quality, variety and others criteria related to store patronage. Nevertheless, very few study look further investigate product in Islamic viewpoint or in muslim consumer perspectives in evaluating a store to patronage. Based on certain argument as stated in the literature, the present study will hyphotesis that:

H1: Muslim product will positively influence Muslim consumer patronage behavior.

3. RESEARCH METHODOLOGY

The research data was collected in a northern region area of Malaysia by using cluster sampling. There are 384 respondents were participated in this survey by mall intercept approach. Respondents were asked to complete six pages questionnaires regarding the muslim store attribute of the store, and several items in demographic section. The complete answered questionnaires were deemed usable for further statistical analysis. The items for store attributes and patronage behavior are adapted from the various author such Lee Fairhurst and Dillard (2002), Jantan and Kamaruddin (1999), Eackman et al. (1999), (Hansen and Deutscher 1977; Chowdhury and Reardon 1998). The additional items of store attributes related to Muslim consumer are adapted from the (Gayatri 2008; Mort and Hume).

4. DATA ANALYSIS

The data of the study was analyzed by using smart PLS 2.0. The analysis involved two stage processes: first the assessment of the reliability and validity of the measurement model and secondly the assessment of the structural model. A brief finding of the study are discussed in the following section.

5. FINDING

5.1 INTERNAL CONSISTENCY OR RELIABILITY

Finding of the study indicated the value that meet internal consistency and reliability criteria. To measure the internal and reliability of the measurement, the Cronbach Alpha value must exceed 0.70. The study reported that the measurement model has satisfactory internal consistency reliability when the Cronbach Alpha (CA) of each construct exceeds the threshold value of 0.7582 and the composite reliability exceed 0.8378. The following figure 5.1 showed result of Cronbach Alpha exceed 0.7 and composite reliability is above 0.8. According to the result, the value proven that, the items used to represent the construct have satisfactory internal consistency reliability.

Then the measurement model's convergent validity is assessed by examining its average variance extracted (AVE) value. Convergent validity is adequate when constructs have an average variance extracted (AVE) value of at least 0.5 or more. Table 5.2 showed that all the items that measure muslim product have value loading that is above 0.5, AVE (0.5081) and composite reliability index of (0.7582).

Next the structural model is test to confirm the hyphotesis of the present study which stated that: Muslim product predict are positively associated with Muslim consumer patronage behavior. The analysis of the structural model showed the relationship of the hypothesis is supported. The result proven that, there is a statistically significant relationship between Muslim product and patronage behavior of the Muslim consumer in patronizing Islamic retail store. The relationship of the two variables are relatively significant at ($\beta=0.165$, $t\text{-value}=2.2416$, $p<0.01$). The finding of the study may lead to certain conclusion, discussion and a valuable recommendation for the practitioner.

Table 5.1: Internal Consistency or Reliability

Constructs	Numbers of items	Composite Reliability	Cronbach Alpha
PM	5	0.8378	0.7582

Table 5.2: The Convergent Validity Assessment Results

Model Construct	Measurement Items	Loadings	AVE	CR
PM	b1	0.712	0.5081	0.8378
	b2	0.704		
	b3	0.721		
	b6	0.733		
	b7	0.693		

Table 5.3: Hypotesis testing relationship

Hyphotesis		Beta	Standard Deviation (STDEV)	T value (O/STERR)	Decision
H1	PM -> PB	0.165	0.0738	2.2416**	supported

* $p<0.05$, ** $p<0.01$

6. CONCLUSION AND RECOMMENDATION

The finding of the study indicated that Muslim consumer acceptance towards Muslim product is significant with t-value (2.2416) and it becomes one of the major criteria in patronage behavior. However the finding is contradicted with the previous studies which found that people are concerned with the quality of a product, product varieties in the store and the product brand names (Verhallen and de Nooij 1982; Mitchell 2001; Yavas 2003; Theodoridis and Chatzipanagiotou 2009).

The probability of the finding is contradict with previous research might be because the support for Muslim made product is increase among Muslim consumer. With the issue such as "Muslim in Gaza" muslim consumers have showed their social responsibility in supporting economic of ummah and the responsibility of buying local product was increased (Razli 2004; Al-Ajmi, Hussain et al. 2009) . They believe that it is a part of Muslim responsibility to support others Islamic businesses. In several cases, local products are produced to serve as alternatives to the boycotted products. In a similar call for economic jihad is the increasing interest among concerned Muslim consumers to support Muslim owned (e.g. Sandicki), and Muslim friendly businesses (e.g. Best Buy).

Accordingly Muslim product is more preferable in the market as compare to the other conventional product as, Muslim consumers is always search for lawful (*halal*) and wholesome (*tayyib*) products as stated in Al-Quran. It is a part of their "*ibadah*" to get pleasure from Allah s.w.t. Muslim product considered as *Halalal tayibba* products as it is comply with several factors such as the source of raw materials and biological and chemical safety. Essentially, the product is only considered as the best product when it comes from the right source, is useful, clean, wholesome and beneficial morally and ethically, and is not in conflict with what is forbidden by Islam in every sense (Kocturk 2002; Power 2009).

The finding of the study will be great value to marketers because it will help in improving their strategies in targeting Muslim consumer and engaging in Islamic market. By having a selection of product made by Muslim producer, it become a good opportunity for Muslim retailer to expand their business and searching for the Muslim product to be sell in their store. All manufacturer who have IMP certified must be given equal opportunity to market their product to be assured that *halal* and the *tayyiban* aspect are well addressed as a part of their "*fardu kifayah*" in serving Muslim community. In summary, the finding of the study conclude that Muslim product give a significant positive effect to patronage behavior of the Muslim consumer. Thus, as a retailer who targeted their businesses to Muslim, it is their responsibility to provide and search for substitute's product or brand which is manufactured by Muslim producer. By this consideration it will create a great opportunity for the retailer to serve Muslim consumer specifically in Malaysia market.

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