

# Chapter 1

## A Simplified Method for Understanding Judgment and Decision Making of Muslim Consumers

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### **ABSTRACT**

*The large number of Muslims in the world provides many attractive market segments. This then raises the question on how marketers can best understand the judgment and decision making of Muslims toward designing appropriate campaigns that could effectively target their communities. This chapter reviews general human judgment and decision making and proposes a simplified method for understanding this market through identifying the one reason that drives consumer decision making. One-reason decision making is common among consumers. It consumes little information to reach a conclusion, but has similar accuracy with other methods that consume more than twice the amount of information. For marketers, this simplified method would help them penetrate those markets about which they have little understanding. And for marketers who do understand a market, this method can help them in designing their campaigns more efficiently. Simple intervention strategies to attract Muslim consumers are discussed at the end of this chapter.*

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## INTRODUCTION

Muslims and Islamic law have long attracted researchers and business practitioners for further exploration. The large number of Muslims in some countries, and their corresponding purchasing power, are the main two factors that have led to this exploration. Of interest, the Pew Research Center (2011) issued a report on the three markets with the largest projected proportion and overall number of Muslims in the population by 2030: Pakistan (256,117,000), Indonesia (238,833,000), and India (236,182,000). Compared to the number of Muslims in 2010, the report shows a change in ranking with Indonesia becoming the largest (204,847,000), followed by Pakistan (178,097,000) and India (177,286,000). The Pew Research Center also reported on the distribution of Muslims around the world in 2030. The majority of Muslims (78.1 percent) are projected to live in Muslim-majority countries, while a small percentage will live in non-Muslim-majority, less developed countries (19 percent), followed by non-Muslim-majority, more developed countries (2.9 percent). Compared to the data for 2010 (Pew Research Center, 2011), this composition does not change significantly, which suggests that understanding the distribution of Muslims around the world would facilitate profitable access to these interesting markets.

Researchers have investigated Muslims and their behaviours in the past. For example, in their study of Muslim immigrants in a Non-Muslim-majority country, Britto and Amer (2007) found young adult consumers in America adapted to American culture but still maintained their Arab culture, which suggests that one's original culture does not easily disappear and that local culture should not be ignored in forming their behaviour. Similar findings on immigrants were shown in the study of Jasperse *et al.* (2012), who found that Muslim women in New Zealand maintain their identity, such as wearing a hijab, as it is associated with life satisfaction and lowers psychological distress. The latter finding suggests that a proper understanding of the decision making of Muslim consumers requires a broader knowledge on their observance of Islamic principles. In addition to studies on Muslim immigrants, Bakar *et al.* (2013) found that religious symbols in product packaging related to Muslim values influence consumers' purchase intention; in particular, the influence is higher for consumers with high religiosity than for those with low religiosity. This finding of Bakar suggests that Islamic symbols are relevant to Muslims' decision making.

In response to the significant portion and distribution of Muslim consumers in the world, business practitioners have developed products based on compliance to Islamic rules. For example, to fulfil Muslims' need for foods and beverages, companies produce products following halal certification to achieve wider access to Muslim markets. Also, to attract investment from Muslim consumers, companies and government offer *sukuk*, a type of bond that meets Islamic principles. To capture Muslims' needs for insurance, companies that are currently selling insurance

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