

Chapter 2

Consumer Behavior in Islam

Abdul Hadi M. Alkhasawneh
American University in the Emirates, UAE

ABSTRACT

Consumer behavior in Islam has emerged as a promising area of interest to researchers in Islamic economics in recent years. This chapter aims to develop an understanding of consumer behavior in Islam, reflecting on the teachings and values of Islam. It also goes on to identify the nature and characteristics of the utility function in the context of Islamic economics. Islam has given great attention to the consumer as a member of the community. Many of the verses of Holy Quran and sayings of the Prophet Mohammad (PBUH) indicate the need for consumer protection in accordance with the provisions of the Islamic Shariah. Consumer protection in Islamic economics can be achieved by a set of Islamic guidelines established in the Holy Quran and Sunnah that indicate the need for Muslim consumers to control the source of spending through the consumption of lawful and beneficial goods and services.

INTRODUCTION

Islam is the second largest religion and one of the fastest growing religions in the world based on the increasing number of Muslims by more than 235 percent during the last 50 years. Muslims account for 23% of the world population (1.6 billion), so there is an essential need to understand the consumption patterns of Muslim consumers. Religion comes on top of the factors that determine the food of Muslim

DOI: 10.4018/978-1-4666-8139-2.ch002

consumers. Islam is a complete way of life to control and restrict the behavior of Muslim consumers to achieve satisfaction and happiness in this life and hereafter (Mustafar and Borhan, 2013). (Shiffman, Kanuk 1997) indicated different religious groups buying decisions are influenced by religious identity, knowledge and beliefs so that religion and beliefs are sources of awareness towards consumer behavior. Religious beliefs are the best guidelines to identify food consumption. Islamic religion imposes some restrictions, for example eating pork and meat that does not mention the name of Allah when slaughtering is not (halal) /permissible.

Recent decades have witnessed a proliferation of research studies examining and analyzing consumer behavior. In fact, a formidable body of knowledge has emerged focusing on consumer behavior (Belk, 2006). Curiously enough, despite the existence of 1.6 billion Muslim consumers in the world and the emergence of the Islamic economy on the landscape of global business activities, serious conceptual and empirical studies of the behavior of Muslim consumers have not taken place in the literature. This study seeks to bridge the gap in contemporary literature in the hope that it would be of great interest to academics and practitioners all over the world. It is estimated that demand for Sukuk issuance—a prominent Islamic product, continues to outweigh supply by \$230 billion, while demand will grow to \$936.79 billion by 2018, according to Thompson Reuters (2014). It is just one example of the business potential of Muslim consumers in the world.

Conventional wisdom indicates that consumer behavior is the study of individuals, groups, or organizations and the decisions they make to select, secure, and dispose of products, services, experiences, or ideas to satisfy their needs. Consumer behavior is anchored in disciplines such as psychology, sociology, social anthropology and economics.

Consumer behavior is a pattern of behavior of the consumer in the procurement and use of goods, services and ideas that are expected to satisfy his/her needs and wants. Studying consumer behavior is important in terms of its impact on individuals, families and organizations with respect to the purchase decision. (Al –Jeraisy, 2008)

The conceptual and ethical foundations of consumer behavior in Islam are derived from the Shariah or Islamic law which serves as a legal and moral framework for controlling and shaping the self-interest of individuals in the Islamic community (Kurshid, 1992). The achievement of utility and satisfaction of individuals is governed by laws introduced by the Islamic Sharia. For example, Muslims are not allowed to yield to their desires and whims in being stingy and profligate, instead, the Muslims are ordered to have control over their consumption patterns in accordance with Islamic law. (Ramli and Mirza, 2007). The Islamic concept of consumption is based on the principles and rules including the lawful (halal), forbidden, ethical values and the rule of moderation.

18 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/consumer-behavior-in-islam/126590

Related Content

A Case-Based Identification of Internal and External Issues for Branding Strategies

Abu Sayeed Mondaland Dilip Roy (2018). *Digital Marketing and Consumer Engagement: Concepts, Methodologies, Tools, and Applications* (pp. 106-123). www.irma-international.org/chapter/a-case-based-identification-of-internal-and-external-issues-for-branding-strategies/195089

Urban Design and the Entrepreneurial City: Place Branding Theory and Methods

Alamira Reem Bani Hashim (2017). *Advertising and Branding: Concepts, Methodologies, Tools, and Applications* (pp. 204-227). www.irma-international.org/chapter/urban-design-and-the-entrepreneurial-city/175223

Examining the Awareness and Persuasive Effects of Online WOM

Irina Grinberg, Sanjib Bhuyan, Yanhong Jinand Lei Wang (2015). *International Journal of Online Marketing* (pp. 1-19). www.irma-international.org/article/examining-the-awareness-and-persuasive-effects-of-online-wom/127068

Understanding the Psychology of Mobile Phone Use and Mobile Shopping of the 1990s Cohort in China: A Lifestyle Approach

Matthew J. Haught, Ran Wei, Yang Xueruiand Jin Zhang (2014). *International Journal of Online Marketing* (pp. 68-84). www.irma-international.org/article/understanding-the-psychology-of-mobile-phone-use-and-mobile-shopping-of-the-1990s-cohort-in-china/119682

The Role of Value Co-Creation on Brand Image: A Conceptual Framework for the Market Performance of SMEs in Malaysia

Pravina Jayapaland Azizah Omar (2018). *Digital Marketing and Consumer Engagement: Concepts, Methodologies, Tools, and Applications* (pp. 326-348). www.irma-international.org/chapter/the-role-of-value-co-creation-on-brand-image/195099