
THE INFLUENCE OF CULTURAL, SOCIAL, PERSONAL, AND PSYCHOLOGICAL FACTORS OF MUSLIM CONSUMERS ON THE PURCHASE DECISION OF MANULIFE SHARIAH PRODUCTS

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ABSTRACT

Background: With the Moslem majority population amounting to 80%, Indonesia has undergone a shift of commodity and services consumption toward sharia and halal products. One of the products is insurance. Some factors which influence the consumers' decision to purchase sharia insurance products include cultural, social, personal and psychological factors. Therefore, it is important to identify consumers' behavior when deciding to invest in insurance.

Objective: This research aims to identify the influence of cultural, social, personal, and psychological factors of Muslim consumers in the decision to purchase sharia insurance products.

Methods: The research method was quantitative method, involving 60 respondents who have sharia insurance products. The data were collected by spreading the questionnaire to the respondents.

Result: From this research result, the correlation between cultural, social, personal and psychological factors of Muslim consumers and the decision to purchase sharia insurance products is found to have a p-value of 0.656, 0.052, 0.260 and 0.0 consecutively (p-value < 0.05). The result of the coefficient determination found the adjusted R square of 64.2%.

Implication: This research result indicates that the psychological factor influenced the most on the decision to purchase sharia insurance products. However, further research needs to have more respondents to get better objectivity. The research result

of the article can be used for the marketing strategy of sharia products to influence the decision to purchase sharia insurance products.

Conclusion: In this research, the factor influencing the decision to purchase sharia insurance products of Muslim consumers is the psychological factor, reaching 62.4%.

Key words: Muslim customers, purchase decision, sharia insurance, consumer behavior

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1. INTRODUCTION

The decision to purchase is the process of integrating all knowledge to evaluate two or more alternative behaviors and to finally choose one of them (Peter, Olson & Grunert 1999). Nowadays, consumers are confronted within a condition where there are many companies competing to sell their commodities and services. The purchase decision made by a consumer is influenced by many factors. Each factor may vary for different buyers, in addition to the products themselves and the time of purchase.

Consumers consider various characteristics before finally taking a purchase decision. Moreover, Indonesia has an enormous number of consumers. With the population amounting to 257.9 million people where more than 80% are Muslims, Indonesian consumers are definitely affected by the religion in purchasing products. In addition, non-Muslim consumers and Muslim consumers will have different characteristics where Muslim consumers must apply the principles of halal and haram in buying a product.

The process of specific purchase decision starts with the identification of need, followed by the search of information, evaluation of alternatives evaluations, purchase decision, and last the behavior after purchase (Pungnirund, 2020; Kotler 2009). This public consumption pattern toward a commodity/service is formed of from cultural, social, personal and sensitive psychological influence after discovering the product they need. After that, so the consumers will take the decision decided to either buy or leave the product. Effective advertisement activity or product identification by mass media effectively also has a big influence on a consumers' on the psychological aspect. Advertisements can give information and knowledge to persuade and remind customers about the products (Burke et al. 1990). The lack of knowledge may result the customers tend not to make or repeat the purchase.

Cultural factor is one of vast and profound influences which affect the consumers' purchase behavior. Cultural factor itself consists of culture, subculture, and social class. The desire and consumers' behavior are mostly affected by the culture which affects the customers. The factors which influence consumer perception of the local products include cultural factors, such as territorial image and the local culture's authenticity (Alzyoud et al., 2019; Pantano 2011; Sadeghpour et al, 2017).

Consumers' behavior is also influenced by the social factors such as reference, family and consumers' social status. The reference group has a direct or indirect influence on one's attitude and behavior (Haseeb et al., 2020). The decision to purchase is also affected by personal characteristics, including age and stage in the life cycle, job, economy status, personality, the concept of life and consumer lifestyle (Kotler 2009). These characteristics

have a direct impact on the consumers. Therefore, it is important for companies to follow them closely.

This research aims to identify the influence of culture, society, personality and Muslim consumer psychology in their purchase decision on Manulife sharia insurance products. These research results are expected to be useful as a marketing strategy of sharia products to influence more purchase decision in sharia insurance products.

2. METHODS

This research employed a quantitative method. The independent variables in this research include cultural, social, personal and psychological factors of Muslim consumers. The dependent variable in this research was the purchase decision. The research samples were 60 people who had sharia insurance products in Manulife life insurance.

The indicators used to measure the cultural factor included:

- i) buying a sharia insurance product because the religion teaches people to get God's blessing in their consuming habits;
- ii) buying sharia insurance products because the society has high consumption on sharia insurance products;
- iii) buying sharia insurance products to reflect social class; and
- iv) buying sharia insurance product to consume commodity or service to get blessing from God.

The indicators used to measure social factor included:

- i) buying sharia insurance products because of the influence from close friends;
- ii) buying sharia products because of the influence of mass and electronic media;
- iii) buying sharia insurance product because the family always consumes commodity/services to get blessing from God;
- iv) buying sharia insurance products because Muslims usually buy commodity/service to get a blessing from God.

The indicators used to measure personal factor included:

- i) age, which influenced the mindset to consume commodity/service to get blessing from God to include sharia insurance product;
- ii) buying sharia insurance products, as a Muslim, to be free from *riba*;
- iii) buying sharia insurance products because a Muslim must consume commodity/service to get blessing from God;
- iv) buying sharia insurance product is very important to get the blessing from God.

The indicators used to measure psychological factor included:

- i) being free from *riba* practice and motivated to buy sharia insurance products;
- ii) sharia insurance products being more qualified than conventional insurance products;
- iii) choosing sharia insurance products to be free from *riba* practices;
- iv) buying sharia insurance products because of the supervision of the National Sharia Council which showed that the sharia insurance products are in compliance with the sharia.

The indicators used to measure the dependent factor included:

- i) quality, level and suitability with the sharia is the standard to consider buying sharia insurance products;

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- ii) the supervision by the National Sharia Council gives clear information about the sharia compliance of the insurance products;
- iii) buying sharia insurance products because the halal certificate of the products
- iv) the complete information from the National Sharia Council influences the decision to buying sharia insurance products
- v) choosing sharia insurance products because it has been tested;
- vi) the decision of buying sharia insurance products because they complies sharia principles and to gain God’s blessing;
- vii) recommending sharia products to friends; and
- viii) buying sharia insurance products.

The questionnaire has undergone validity and reliability test before the research. The data were collected by asking the respondents to fill out the questionnaire. The analysis tests used to examine the hypothesis included multiple linear regression and coefficient test (R2). Each test indicated p-value of less than 0.05. The statistic test employed SPSS Application 22 version for Windows.

3. RESULTS

Based on the research results, the characteristic of the respondents can be seen in the Table 1. Most of the respondents were within 26-40 years old group, amounting to 43.3%. Most respondents were male, reaching 56.7%. The respondents’ last formal education was dominated by diplomas/undergraduates, amounting to 48.5%. In terms of income, most of the respondents (63.3%) earned less than 5 million rupiahs.

Table 1 Respondents’ Demography

	Quantity	Percentage
Age		
<25 y.o.	12	20.0
26-40 y.o.	26	43.3
>40 y.o.	22	36.7
Sex		
Male	34	56.7
Female	26	43.3
Education		
High School	8	13.3
Undergraduate (S1)	29	48.3
Others	23	38.4
Salary (IDR)		
<5 million	38	63.3
5-12 million	22	36.7

The research questionnaire has passed the validity and reliability test. The validity test for culture, society, personality, and psychology of Muslim consumers shows valid scores in

All 16 questions with Pearson coefficient value greater than 0.3. The validity test for each variable suggested Cronbach Alpha value of greater than 0.6. Therefore, the questionnaire fulfilled the validity assumption.

The correlation between the independent variables and the dependent variable can be observed in Table 2. Based on the research result, the researchers found that the factor which

significantly influenced the purchase decision was the psychological factor. Meanwhile, the other factors did not affect the purchase decision.

Table 2 The Correlation between the independent variables

Independent variables	p-value
Cultural factor	0.656*
Social Factor	0.052*
Personal Factor	0.260*
Psychological Factor	0.00**

The results on the coefficient determination test found the adjusted R square of 64.2%. Therefore, it can be interpreted that Muslim consumers' behavior, consisting of cultural, social, personal, and psychological factors can simultaneously explain the phenomenon of purchase decision in buying sharia insurance products by 64.2%

4. DISCUSSION

Some studies in marketing suggest that religion often becomes the key element in culture, which highly influences the behavior and purchase decision (Al-Hyari et al. 2012; Siala 2013). Religion's influence on purchase decision goes through two channels. The first is the direct channel through ethical codes in personal decisions and the second one is indirect channel through religion influence on behaviors and norms. The research result identified that the most influential factor in purchase decision was the consumers' psychological factor, including motivation, perception, learning, memory, behavior, and emotion.

Motivation is one of the factors causing someone do an activity. Motivation would increase when the biological and psychological needs reach sufficient intensity. Perception is one of the processes which change raw information into an important aspect. This idea means that every person has different perceptions since it is human nature to select among the perception processes, such as selective attention, selective distortion, and selective retention. In the learning aspect, the researchers obtained the conclusion that learning means the permanent change of behavior that can become a clue for the next step. Motivation is one of the important centers to start the learning process. Therefore, the activity of searching for information is done. In memory aspect, the brain selects every information perceived by human senses which is then classified into long and short term memories. The last aspect is the behavior factor which is built from the learning process that has been experienced (Barkhi & Wallace 2007; Dörtyol, Coşkun & Kitapci 2018; Rehman et al. 2017).

The society's consumption pattern toward a commodity/service is formed because of cultural, social, personal, and psychological influences. After knowing the product he/she needs, a customer will decide to whether buy or leave it. Advertisement activity or product introduction through mass media have big and effective influences on the consumers in terms of their the psychological aspect. By holding an advertising activity, the product quality of a company can be identified in the society by the consumers. Based on the research, it can be assumed that the advertisement is an important factor, causing the consumers psychologically influenced to buy a commodity/service.

There are several correlations between Muslim consumers' psychological factor and the buying decision. The first is that every religious Muslim believes every result of an action in life is God's will. It may be interpreted that every religious Muslim can be brave to take risks and to innovative. Under the same reason, every Muslim can also experience lack information about the things they buy. It can be concluded that Muslims are more practical and innovative

in terms of their shopping behavior. Muslim consumers also want healthy and quality products which qualify the sharia requirements (Shaharudin et al. 2010).

Islam, as the complete lifestyle, acts to control and limits human behavior as consumers to achieve peace and happiness in the world and the afterlife. This reason becomes the basis for a company to gain the factors behind customers' behavior, especially consumers' cultural, social, personal and psychological factors towards their purchase decision of a commodity/service. This research shows that psychological factor has a big influence to purchase decision of sharia insurance. However, further research needs to involve more respondents to get better objectivity. The research results can be used for marketing strategy for sharia products to influence the purchase decision of sharia products.

5. CONCLUSION

Out of the four factors studied, psychological factor is the only factor that influences consumers to buy sharia insurance products. Muslim consumers' psychological factor influence of decision buying sharia insurance the most.

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