Religion and Brand Switching Behavior of Muslim Consumers

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Abstract: Purpose - The rationale behind the study is to get an extensive view and examination religiosity on brand switching mind set of customers. *Design/methodology/approach* - Self Administered questionnaires will be distributed amongst 200 students from four different universities of Pakistan. Brand fascination and marketing mix of cola drinks will be culminated out by correlation and Alpha-tests. *Findings* - Brand switching behavior depends on the marketing strategies that are used by the companies. The findings of this research show that there is positive significant relationship between independent variables (religion, Islamic branding and Islamic marketing mix) and dependent variable (brand switching behavior). *Research* limitations-Although particular effort will be asserted in putting up a sample with high expressing capability, university students may not replicate the full depiction of the cola market. *Originality/value* - This study is unique, which aims to envisage affect of religion on brand switching behavior.

Key words: Islamic Branding · Islamic marketing mix · Religion

INTRODUCTION

Brand switching is the process of choosing to switch from routine use of one product or brand to steady usage of a different but similar product. Brand switching is most common with products that have no great perceived variation in quality across brands such as bottled water, dairy products, or paper towels.

International beverage industry is overwhelmed by five companies: Coca-Cola, Cott, Cadbury, National Beverage and Pepsi covered 95% of soft drink sales worldwide. In Pakistan coca-cola and Pepsi are more captivating brands, whereas Gourmet Cola had been proffering a good competition to Pepsi and Coke locally. Indigenized beverage industry is sprouted from basic tenets of common man values as religion is most alluring factor and considered as a mandatory element [1] behind building customer relationship. However religion can be considered as set of beliefs in which people gradually understand knowledge, particularly do's and don'ts as every religion merits due respect. Islam creates an identifiable culture because it provides a way of life, both at organizational and personal levels. So it is argued that absences of religion in branding, marketing mix leads to switching behavior. In addition to this religion also play a vital role while moving from one brand to another. [2] suggests that by searching the root causes of customer departures, companies with the desire and capacity to learn can identify business practices which can win the customers back and re-establish the relationship on firmer ground.

Firms have to focus on customer's solution or product, customer's cost or price, conveniences or place and communication or promotion to the target market, that create customer value; customer loyalty and retention, market share and customer equity. When companies have been operating in Muslim countries they must work according to Islamic slanders [3]. So it is argued that if firm's have Muslim consumers or desire to target them, their strategic marketing must be aligned with Islamic values, standards and guidelines, yet previous studies have only attempted to understand brand switching based on western ideologies and principles [4] without considering the religion. International marketing requires a different way of thinking between the eastern and western beliefs [5]. The goal of this paper is to develop the understanding of religion on brand switching behavior from consumer perspective.

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The Halal industry includes three main categories: (1) food, which is currently dominated by non-Muslim multinationals such as Kentucky Fried Chicken and Nestlé´; (2) lifestyle, which is dominated by non-Muslim multinationals; and (3) services, including finance, hospitality and logistics, among others. Islamic services, especially finance are currently dominated by Muslims [6].

We have limited our research to the cola drink industry, rather than the entire soft-drink industry. Cola drinks are inexpensive and frequently purchased goods. Trial and brand switching in the cola market are easy to undertake. It seems that, finding out the key factors which influence brand switching is important for beverage companies to improve customer satisfaction, maintain existing customers and in the meanwhile attract new customers.

By keeping in view that present study has been planned to get an extensive view and examination of brand switching mind-set of cola consumers in Pakistani cola market specifically within the context of religion. This study focuses on three factors; Islamic marketing mix, Islamic branding and religiousness of customer. Following are the objectives of study:

- To examine the influence of religion on the brand switching
- To identify the factors that could influence the brand switching of Muslims in cola consumption.

The research paper comprises the following sections: Sections 1 followed by a discussion of related work in terms of marketing mix and Islamic branding to determine its effect on brand switching and empirical work Section 3, Section 4 data gathering and analysis during empirical work. This is followed by finding, conclusion (Sections 5, 6), while at the end list of references.

Review of Literature

Religion in Marketing: [7] modified the conventional model to suit Muslim consumers. They consider the effect of Islamic teaching on their behavior. According to Hamouri, Muslims will choose to consume the most preferred item but must be permissible in Islam. Those items which are not attainable (unlawful item or haram) will not be chosen.

Findings of [8] scrutinize the relationship between religiosity and consumer choice pursues the proposition that religion significantly influences shopping habits of consumers. The authors examine the contrasting shopping behavior of consumers of different religious beliefs. [8] conclude that religious association influence consumers' behavior after studying consumer groups Hindus, Muslims and Catholics. They also suggested its significance and religious affiliations can be included in future cross-cultural research.

[9] states that it is always good to give consumers what they really want and it is a wrong approach that Islam as a religion does not influence the needs and wants of its followers. The Western branding and marketing managers fully understand the main markets they normally deal with, but Muslim markets have never been properly addressed either in Muslim majority or minority countries. Segmenting markets based on religion is always a tricky one, companies are not selling a religion; rather, they are satisfying appropriate and relevant consumer needs and wants by building of brands that appeal to a global religious population.

The importance of religion in marketing can be understood by live examples from the market. For example, Nestle is now manufacturing many of its brands using Halal processes and is working with Halal accreditation agencies to fast-track growth in Islamic markets. In 2008, Nestle achieved US$5.2 billion revenue in Halal products alone. Several Western fast food chains including McDonalds, KFC and Subway are opening more and more outlets that serve Halal products and makers of personal care and cosmetics products such as Unilever and L'Oreal have introduced products and campaigns to gain the loyalty of that fast-growing segment in the developing world. On the other hand Muslims are intrinsically motivated to actively boycott brands that seem to be in violation of some of the teachings of Islamic. The word actively means encouraging others to boycott as well. For example, a majority of Muslim customers who are aware of the Danish brands say that the quality and the price of these brands are competitive, if not superior. However; many Muslims stopped buying them throughout the Muslim world because they were actively branded as bad deeds, a sin; no one wants to be seen sinning! Being branded as a bad deed among Muslim consumers is a marketer's nightmare.

Islamic Branding: A brand is the image of a specific product or service, when that idea or image is marketed, it is recognizable and identified with a certain service or product it's branding. [10] argued that brand conveys unique message to its audience and consumers try to link themselves emotionally with it. Branding is not only to

build brand recognition, but also to build good reputations and an expectation about the company. In the case of Prophet Muhammad SAW, his name was a guarantee for quality, honesty and integrity [11].

According to [12] Brands that are Shariah-compliant originate from an Islamic country and targeted Muslim consumer named as Islamic brands. These brands have four types; true Islamic brands: these brands satisfy the three descriptions of IB; they are Halal, produced in an Islamic country and they target Muslim consumers. They had been named as true because they were anticipated for the Muslim consumer in the first place, Traditional Islamic brands: Brands that are originated in Islamic countries and targeting Muslims. Prior to the globalization of Islamic markets, it was taken for granted that all brands available there are Halal, inbound Islamic brands: Halal brands that target Muslim consumers but originate from non-Islamic countries. These brands were changed in order to make them Halal and outbound Islamic brands: Halal brands that originate from Islamic countries but not target Muslim consumers.

[9] explained why Muslim world would like to develop of its own leading global brands. Firstly, Western branded products are often not Islamic Shariah complaint, it does not affect on luxury cars and fashion accessories, but does impact on hospitality, food and beverage, pharmaceutical, cosmetics and medical products etc. Secondly, the growing educated Muslim middle class has created an impetus to developing indigenous businesses that are competitive with the long established and accepted brands. Thirdly, from a national perspective, Muslim governments would like to see their local brands going global because they know how powerful brands can be in terms of economic contribution and how they shape national images. In particular, they have noticed that the cultivation of intangible assets, such as strong brands, is seen as an essential feature of mature, stable and growing national economies. Fourthly, Muslim countries want to diversify their business interests and rely less on narrow resource-based industries, such as energy. Consequently, there is now a considerable surge in demand from Islamic countries and companies seeking to develop global brands and master the necessary branding and marketing techniques and skills so ably demonstrated by the West.

Islamic Marketing Mix: Companies design marketing mix according to their targeted market. Islamic marketing mix means that it is a strategy that satisfies the entire religious requirement in its each ingredient that is product price place and promotion.

On product, Prophet Muhammad SAW chose to sell products which are needed by all people and are not rotten [13]. In addition to this the manufacturing process must be halal, like the way of slaughtering of halal animals; if the way is not halal it is prohibited for consumption. The ingredients that are used in product must be halal, e.g. if a product is made up of five ingredients and out of five one is prohibited for consumption it made the whole product restricted or doubtful to consume. Moreover if the way of production and all ingredients are according to Islamic standards but there is quality variation, according to [14], Prophet Muhammad SAW also prohibited to mix up the low-quality and the high-quality products on one place. So it is argued that if a company go beyond the religious requirement it would lead to switch off consumers.

On place (distribution), Prophet Muhammad SAW prohibited the act of monopoly. Thus, dominating the distribution channel with the intention to set up the price level is an act condemned by Islamic teaching [13].

On promotion, an advertisement must portray the true picture of product. Islam prohibits the practice of over promising [15] and exaggeration. Products should be communicated within Islamic ethical boundaries so that customers do not feel deceived. On the other hand if companies put behind Islamic boundaries it create an impact of dissatisfaction that lead towards brand switching.

In the above figure brand switching is dependent variable and on the other hand Islamic marketing mix, Islamic branding and degree to follow the religion are independent variables. Among independent variables marketing mix and branding are the controllable factors by the companies while religiousness is uncontrollable factor. This uncontrollable factor shapes the consumer behavior towards consumption and switch off consumption of specific brands. According to [16] Islam has big influence on the Muslim consumers purchase decision. Being Islam as religion is not only an element of culture but it is a complete code of life for Muslims [17]. So it is argued that companies by understanding religiousness of the target market can reshape their controllable factors to stop the switching behavior.

MATERIALS AND METHODS

Research Context: The beverage industry in Pakistan stared in 1953 by coca cola and has grown over the time. The industry produces soft drinks, juices, syrups, milk and squashes. With about 170 units currently in operation throughout the country, both upstream and downstream

industries have grown and are flourishing. The soft drinks market saw slower volume growth in 2010, compared to 2009. Pakistan has been hit by the worst floods in decades, which puts the economy in an unstable state. A significant number of consumers are opting for healthier soft drinks products. Consumer preferences change with the changing times, increasing consciousness and awareness for new products. After the 2010 launch of Sting by Pakistan Beverages Ltd, energy drinks has become competitive. The arch-rivals, PepsiCo Inc and Coca-Cola Beverages Pakistan Ltd have both expanded their product portfolios. There is still growth potential for the entire market and demand for products. Awareness of new categories can easily tempt consumers to sample certain products.

Research Instrument: The instrument is divided into two sections, first is avowing the basic demographics of respondents and second is comprised of two sub sections that were retrieved from Shariah. The decrees of Shariah are mainly dividing into two kinds, devotions (ibadat) and transactions (mu'amalat). First sub section is about devotions (ibadat). [18] used the Islamic practices as a measurement of religiousness as that is more apparent and visible than other dimensions of religiosity. Therefore, the researcher assumed that (for this research only) a person who performs the devotions would be more religious than those who do not consistently performing them. Judgments about the extent of religiosity were gauged using five items. These items were adopted from [19, 20].

The other section is about exploring the alluring factors of brand switching that is mu'amalat. These factors are Islamic marketing mix and Islamic branding that were discussed in detail in the previous

section. Judgments about the Islamic marketing mix and Islamic branding were determined using five items and seven items respectively. These items were developed by the researcher for this research. Responses to all the items were made on a 5-point scale (1 - strongly agree, 2 - agree, 3 - neutral, 4 - disagree and 5 - strongly disagree). A pilot run with 25 respondents that were excluded from the main study was conducted to test the questionnaire. The respondents indicated no confusion in answering the questions.

The Sample: The aim was to determine a sample with as much diversity as possible. Data were congregated from 200 students at four different universities (Agricultural University, G.C University, Punjab University and Madina University) in adjacent Pakistan cities Lahore and Faisalabad by using judgmental sampling. It had been more convenient to apply questionnaire to university students for some reasons. First, they had been come from different regions, represent different subcultures and purchase habits within the country. Second, cola drinks consumption had been high among young people, especially in university students and this made the rate of response high.

Research Hypotheses: Based on the review of existing literature, research objectives and the model (Figure 1), following hypotheses were developed:

H1: Religion will be positively related to the Brand switching behaviour.
H2: Branding will positively influence brand switching behaviour.
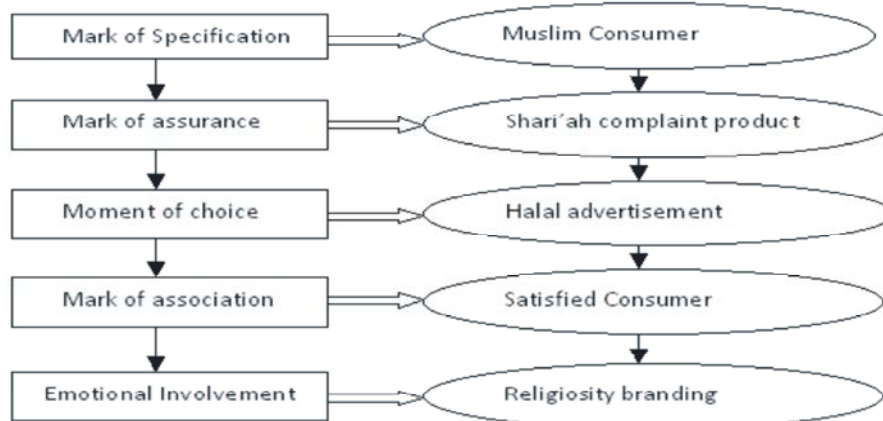**H3:** Marketing mix will positively influence the brand switching behaviour.
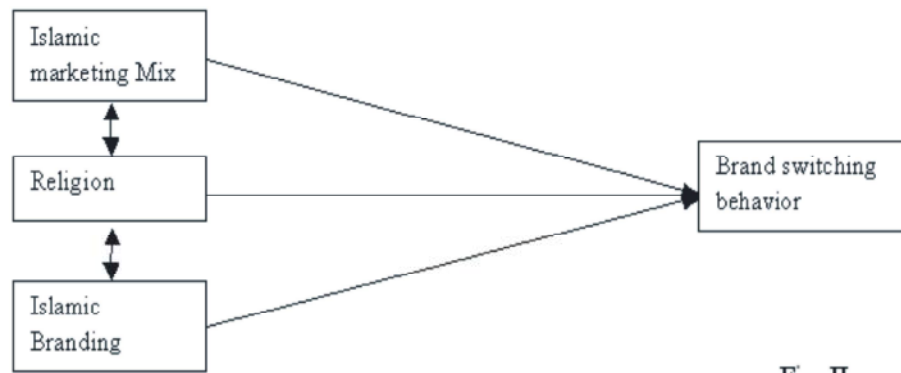

Fig I: Islamic branding model

Fig II: Conceptual Framework

Table I: Demographics of respondents

Category	Frequency	Percentage
Gander		
Female	55	27.5
Male	145	72.5
Total	200	100.0
Religion		
Islam	196	98.00
Other	4	2.00
Total	200	100.0
Age group (in years)		
15 to 25	167	83.5
25-35	24	12.0
35 to 45	9	4.5
Total	200	100.0
Working status		
Student employed	43	21.5
Student unemployed	157	78.5
Total	200	100.0
Education		
Graduate	125	62.5
Postgraduate	75	37.5
Total	200	100.0
Marital status		
Single	178	89.0
Married	22	11.0

Table II: Correlations between dependent and independent variables

Independent variables	brand switching behavior
Religiosity	.175**
Marketing mix	.300**
Islamic branding	.415**

`** = Correlation is significant at the 0.01 level (2-tailed).

Data Analysis and Results: Correlation technique was used to determine the relationship between brand switching and religion, Islamic marketing mix and Islamic branding. Co relational research method has the ability to prove a positive or negative correlation between independent and dependant variables.

Before proceeding to the main analyses data were examined for missing values. It is hardly possible to obtain a large dataset without any missing values [21]. Mean score substitution procedure was used to restore the missing values [22, 23]. The data were further tested for its reliability using Cronbach's a. Table I states the co relational values of variables and Table II presents the reliability of the scale used in this research and the mean values of these variables.

Out of the total respondents 72.5 % were males and 27.5 % females. 98% respondents were practicing Islam and 2 % other religion. The age group also had been justified by the usage pattern 83.5 % 15 to 25 and remaining 12 % and 4% between 25 to 35 and 35 to 45 respectively. If we see the education profile of the respondents, approximately 62.5 % of them were graduates and 37.5 % were postgraduate. 21.5 % of them had employment and leftovers continuing their studies. Data were mainly collected from students and only 11% respondents were married and 89% were single.

Correlation procedure was applied to test the model. In the model three independent variables were used to predict brand switching behaviour. The correlation results

Table III: Reliability test

Variable	No. of items in Matrix Question	Mean Score	SD	Alpha value
Religiosity	5	23.12	1.72	.7367
Marketing mix	5	19.81	2.76	.7223
Brand preference	7	25.62	4.82	7.160

indicate that the model was significant statistically. The results of the final model indicate that religiosity, marketing mix and Islamic branding have a highly significant positive relationship with brand switching.

The above table presents the reliability of the scale used in this research and the mean values of these variables.

CONCLUSION

Pakistan is a high potential country for a soft drink company. Not only is it the 6th most populous country in the world, the consumption of soft drink per head is still comparatively low in society; but it is increasing all the time. Soft drinks, offering fast relief from thirst are becoming a regular part of the daily diet and people's intake of soft drinks is particularly increasing at events and festivals as an essential item on the menu. Thus the growth in consumption has been strong in Pakistan over a period of time, with changing lifestyle and food intake, which interestingly enough is often a combination of international and local dishes. The soft drinks consumption reaches a high level during Ramazan and the warm season, particularly in the main metropolis, but intake is also surging in smaller cities and even in villages.

The context of this research was quite unique that explored the relationship among brand switching behaviour, Islamic marketing, Islamic branding and religion. The empirical investigation demonstrates that there is a significant relationship among the above mentioned variables. One of the objectives of this study is to examine the influence of religion on brand switching behaviour. Muslims are conscious and have a very positive attitude towards shari'ah compliance products that positively influences their intention to purchase those products, on the other hand consumer don't hesitate just for a moment to switch off non shari'ah compliance product from their daily consumption. Furthermore, their brand switching attitudes are heavily influenced by religiosity. In addition to this all the hypotheses of this study have supported the assumption that religion affects their consumption behaviour.

From this study, it can be concluded that in order for international companies to be successful and gain competitive advantage on the local market, it is vital that they implement a combination of the studied factors in their marketing strategy so to best reach target groups. More specifically, the strategies should be adapted in accordance to the target groups' religion, seeing as

consumer preferences depending on religious standards. Advertising campaigns are efficient in reminding and persuading consumers of brands and products, companies must differentiate themselves in their promotional messages by highlighting consumer religious preferences in order to stop the switching behaviour.

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