The Role of Religious Commitment and Conspicuous Consumption in Predicting Compulsive Buying of Islamic Goods: A Case Study of Muslim Consumers in Indonesia

Jhanghiz Syahrivar[1,2] and Chairy[2]

[1]*Institute of Marketing and Media, Corvinus University of Budapest, Fővám tér 8, Budapest, Hungary*
[2]*Faculty of Business, President University, Jl. Ki Hajar Dewantara, Bekasi, Indonesia*

Abstract: Despite the fact that halal businesses are mushrooming all over the world, partly as a result of Muslims' mass migration in the last decade, some empirical studies suggest that Halal consumptions are not always religiously motivated decisions. Consumption of Islamic goods as a form of the compensatory mechanism remains an area less explored in Islamic research. This study aims to investigate the role of religious commitment and conspicuous consumption in predicting compulsive buying of Islamic goods among 267 Muslim consumers in Indonesia. The data was processed using PLS-ADANCO software. This study generates three important findings: 1) Muslims consumers who are less committed in religious practices would compensate through status-conveying Islamic goods 2) conspicuous consumption has a strong and positive relationship with compulsive buying of Islamic goods and 3) conspicuous consumption and compulsive buying may belong to a wider construct called compensatory consumption. This research is significant in explaining a form of neurotic and chronic consumption behaviors in the Islamic context, such as compulsive buying of Islamic goods.

1 INTRODUCTION

In the last decade, the world has witnessed the rise of halal businesses fostered by Muslims' mass migration to Western countries. Muslims are a large and lucrative market representing around 24 percent of the global population (Pew Research, 2017), yet they are essentially fragmented; Muslims are different in terms of religious commitment, culture, and education, which makes global offerings quite challenging. It has been reported that big Western fashion brands were unable to crack the Muslim market because of their lack of cultural awareness (The Islam News, 2018); hence, marketing myopia.

Indonesia is the world's largest Muslim majority country in the world, with more than 227 million adherents (The World Atlas, 2019). Muslim and non-Muslim business practitioners alike capitalize on the market by offering Islamic goods and services, from Halal foods to Islamic fashion. However, there has been a growing empirical pieces of evidence that the consumptions of Islamic goods are not solely driven by religious ideals, but instead a compensatory mechanism of some sort (Sobh, Belk & Gressel, 2011; Mukhtar & Mohsin Butt, 2012; Hassim, 2014; El-Bassiouny, 2017; Syahrivar & Pratiwi, 2018).

Compensatory consumption of Islamic goods and services is an area less studied in Islamic research. The term was popularized by Woodruffe (1997), which encompassed a wide range of neurotic and chronic consumption behaviors, such as conspicuous consumption and compulsive buying. One of the early studies which precisely used the term "compensatory consumption" in the context of Indonesian Muslims was conducted by Syahrivar, and Pratiwi (2018) who concluded in their research that religiosity had a significant yet negative correlation with compensatory consumption, indicating that compensatory consumption was driven by self-deficits as Woodruffe (1997) suggested or in this particular case, lack of religiosity. Moreover, a study by Pace (2014) suggested a complex relationship between religiosity and religious brands: a trade-off can occur between the religious brand and religious commitment, meaning the people who are high in religious commitment would be less dependent on religious goods to express themselves.

Woodruffe (1997) previously suggested that both conspicuous consumption and compulsive buying belonged to a wider or latent construct called compensatory consumption, although no empirical evidence was provided to support the claim. However, a study by Roberts (2000), which treated the two as different constructs suggested that conspicuous consumption played a role in predicting compulsive buying among college students.

The purpose of this research is multifold: first, we wished to investigate the relationship between religious commitment, conspicuous consumption, and compulsive buying among 267 Muslim consumers in Indonesia. Second, we wished to know if Woodruffe's theory on compensatory consumption, which is a multi-variable construct, could be empirically proven.

2 LITERATURE REVIEW

Religiosity is a multidimensional construct. Over the years, various researchers have come up with their constructs to explain religiosity. While there are some common features across different religions, there are also dissimilarities in terms of doctrines and practices which make assessing different religious groups using a single measurement quite challenging. One such attempt was made by Huber and Huber (2012), who came with a so-called The Centrality of Religiosity Scale (CRS) consisting of five dimensions: intellectual, ideology, public practice, private practice, and religious experience. Some Muslim scholars would rather use a tailored construct to assess Muslim consumers. For instance, Zamani-Farahani and Musa (2012) measured Islamic religiosity using three dimensions: belief, piety, and practice. Meanwhile, El-Menouar (2014) measured Islamic religiosity using five dimensions: basic religiosity, central duties, experience, knowledge, and orthopraxis. Regardless of the dimensions, we argued that one's claim of religiosity should be proven at some point through religious practices. In this research, we focused our attention on the religious practice of Muslim consumers, which we called religious commitment. Therefore, we defined religious commitment as the commitment of Muslim consumers on upholding prayer, fasting, and halal dietary.

Compensatory consumption is a consumption-driven by perceived emotional deficits (Woodruffe, 1997) and self-discrepancy (Mandel, Rucker, Levav & Galinsky (2017). The concept of "compensatory consumption" was popularized by Woodruffe in 1997. The researcher mentioned that the concept was linked to other known consumption behaviors, such as addictive consumption, self-gift giving, compensatory eating behavior, and conspicuous consumption. Later, Kang & Johnson (2011) introduced the term "retail therapy" into the concept along with its measurement; however, their research more focused on therapeutic aspects of shopping activities rather than the symbolic benefits of the goods purchased. Mandel et al. (2017) introduced the first model of compensatory consumption behavior, which includes five factors; however, no validity and reliability testing was provided. Finally, Koles, Wells, and Tadajewski (2018) came up with a quite useful meta-analysis of compensatory consumption literature, but this time another term which was "impulsive buying" was being introduced into the concept. Therefore, as Woodruffe (1997) had also noted, compensatory consumption was a complex concept that encompassed both neurotic and chronic consumption behaviors.

Compensatory consumption is not only linked to generic goods but also religious goods. A study by Sobh, Belk, and Gressel (2011) among Muslim women in the Arabian gulf revealed that Muslim women might favor Halal fashion because it gave them a sense of uniqueness and superiority over expatriates and foreigners. Similarly, a study by El-Bassiouny (2017) among Muslim consumers in the UEA revealed a unique intersection between halal and luxury brands – between modesty and vanity – where Muslims engaged in conspicuous consumptions in order to reflect their modernity, luxury, and uniqueness. The intention to show off, coupled with perceived self-congruity, may influence customers' purchase decisions (Raut, Gyulavári & Malota, 2017). In this research, conspicuous consumption is defined as the consumption of Islamic goods driven by the need to signal one's positive attributes, whether true or false, to others. Whereas, Islamic goods are defined as goods marketed towards Muslim consumers for the purpose of upholding specific Islamic tenets.

In a comparative study by Lindridge (2005) among Indians living in Britain, with Asian Indians and British Whites, suggested that people with low religiosity (or religious commitment) would rely more on status-related products. In their study, Syahrivar and Pratiwi (2018) found an inverse relationship between religiosity and compensatory consumption. Moreover, Pace (2014) stipulated a trade-off between religiosity and religious dependency. In this research, we hypothesized as follows:

H1: The higher the religious commitment, the lower the conspicuous consumption.

Compulsive buying is the preoccupation to excessively and repetitively spend money – owned or borrowed – for goods and services as a result of negative events (Lee & Mysyk, (2004). Compulsive buying is also reported occurring in the Muslim context; a study by Islam et al. (2017) among young adult Pakistanis revealed that materialistic young adults were more prone to compulsive buying, although it is discouraged in Islam. A study by Thomas, Al-Menhali, and Humeidan (2016) among Emirati women indicated that cultures highly influenced by Islam, which restricted much freedom for Muslim women, fostered compulsive buying activities. Compulsive buying may be facilitated through the ownership of credit cards; however, a study by Idris (2012) suggested that Muslim consumers spent less per month on Islamic credit cards suggesting the role of religiosity in minimizing compulsivity. In this research, we hypothesized as follows:

H2: The higher the religious commitment, the lower the compulsive buying.

A study by Roberts (2000) concluded that conspicuous consumption played a role in predicting compulsive buying among college students. Similarly, Phau & Woo (2008) argued that the desire to compete in the ownership of status-signaling goods and services could lead to compulsive buying. A study by Palan, Morrow, Trapp, and Blackburn (2011) among U.S. college students indicated that the desire to acquire status-related goods (e.g., power and prestige) influenced compulsive buying. In this research, we hypothesized that the greater the need to acquire status-signaling Islamic goods, the greater the compulsiveness tendency towards Islamic goods.

H3: The higher the conspicuous consumption, the higher the compulsive buying.

3 METHODOLOGY

Researchers gathered convenience sampling of 267 valid Muslim respondents (159 females: 108 males) who lived in Jakarta, the capital city, where there are wide options of Islamic businesses. The descriptive analysis suggested that about 73 percent of our respondents engaged in conspicuous consumptions, and about 66 percent of them engaged in compulsive buying of Islamic goods. Our respondents were considered moderate in religiosity.

The 5-item Likert scale questionnaires were distributed in several big shopping places, particularly where there were Islamic retailers. The data was then analyzed using PLS-ADANCO software, promising better features than other PLS software. We analyzed the data based on the guideline provided by Henseler, Hubona, and Ray (2016).

The measurement for religious commitment was adapted from the Islamic religiosity scale developed by El-Menouar (2014). The measurement for both conspicuous consumption and compulsive buying was adapted from Syahrivar and Pratiwi (2018) and Edwards (1993) consecutively. Table 1 presents valid variables, indicators, and their reliabilities used in this research.

Table 1: Variables, Indicators, and Reliability.

Variable	Indicators	Measurements	Reliability
Religious Commitment	1. Frequency of performing the ritual prayer (PRT1). 2. Fasting during Ramadan (PRT2). 3. Halal consumption (PRT3).		0.7680
Conspicuous Consumption	1. Purchasing Islamic goods to signal one's positive image (STA1). 2. Purchasing Islamic goods to signal one's status in society (STA2). 3. Purchasing Islamic goods to signal one's faith (STA3).	Likert Scale 1-5	0.8252
Compulsive Buying	1. The preoccupation with purchasing Islamic goods that one normally cannot afford (COM1). 2. The preoccupation with purchasing Islamic goods even if one has to pay using credit cards or installments (COM2). 3. If one has some money left at the end of the pay period, he or she just has to spend it on Islamic goods (COM 3).		0.8512

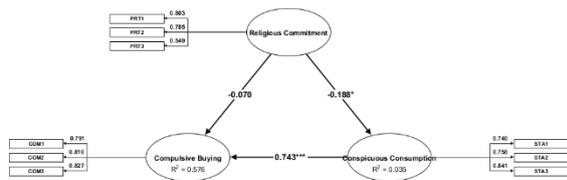Figure 1 presents the theoretical model of this research:

Figure 1: The theoretical model generated by PLS-ADANCO.

As can be seen in Figure 1, our model has 1 exogenous, namely Religious Commitment, and 2 endogenous variables, namely Conspicuous Consumption, and Compulsive Buying.

4 DATA ANALYSIS AND DISCUSSION

Table 2: The goodness of model fit (saturated and estimated model).

	Value	HI95	HI99
SRMR	0.0602	0.0999	0.1261
d_{ULS}	0.1631	0.4489	0.7154
d_G	0.1335	0.1339	0.1900

The goodness of model fit of the PLS model is measured through SRMR, or standardized root means square residual. Based on Table 2, the SRMR of the model is 0.0602. According to Henseler, Hubona, and Ray (2016), the cut-off of less than 0.08 is adequate for the PLS model. Moreover, for the theoretical model to be true the value of dULS cannot exceed the values of the 95%-percentile ("HI95") and the 99%-percentile ("HI99") (Henseler, 2017). Moreover, both saturate and estimated models have the same values indicating a relatively good model.

Table 3: Construct Reliability.

Construct	Dijkstra-Henseler's rho (ρ_A)	Jöreskog's rho (ρ_c)	Cronbach's alpha(α)
Conspicuous Consumption	0.8274	0.8240	0.8252
Compulsive Buying	0.8512	0.8508	0.8512
Religious Commitment	0.7833	0.7608	0.7680

Table 3 presents the construct reliability. According to Henseler, Hubona, and Ray (2016), for each construct to be reliable, Dijkstra-Henseler's rho

(ρ_A) should be higher than 0.7, and Cronbach's alpha(α) should be higher than 0.7. In this regard, all constructs in the model satisfy the requirements for construct reliability.

Table 4: Convergent Validity.

Construct	The average variance extracted (AVE)
Conspicuous Consumption	0.6102
Compulsive Buying	0.6554
Religious Commitment	0.5210

Table 4 presents the convergent validity. According to Henseler, Hubona, and Ray (2016), the Average Variance Extracted (AVE) for each variable should be higher than 0.5. In this regard, all variables satisfy this requirement.

Table 5: Discriminant Validity: Fornell-Larcker Criterion.

Construct	Conspicuous Consumption	Compulsive Buying	Religious Commitment
Conspicuous Consumption	0.6102		
Compulsive Buying	0.5714	0.6554	
Religious Commitment	0.0354	0.0440	0.5210

Squared correlations; AVE in the diagonal.

According to Henseler, Hubona, and Ray (2016), factors with theoretically different concepts should also statistically be different. Table 5 presents discriminant validity using Fornell-Larcker Criterion. According to Henseler, Hubona, and Ray (2016), a factor's AVE should be higher than its squared correlations with all other factors in the model. In this regard, all factors satisfy the requirement.

Table 6: Loadings.

Indicator	Conspicuous Consumption	Compulsive Buying	Religious Commitment
PRT1			0.8028
PRT2			0.7854
PRT3			0.5493
STA1	0.7404		
STA2	0.7584		
STA3	0.8410		
COM1		0.7910	
COM2		0.8098	
COM3		0.8274	

Table 6 presents the factor loadings. Each indicator is statistically placed in the right factor as theorized.

Table 7: R-Squared.

Construct	Coefficient of determination (R^2)	Adjusted R^2
Conspicuous Consumption	0.0354	0.0318
Compulsive Buying	0.5761	0.5729

Table 7 presents the R-squared. Compulsive buying has an adjusted R^2 of 0.5729, meaning about 57.29 percent variance in compulsive buying of Islamic can be explained by the variables included in the model. The rest is due to other variables not included in the model.

Table 8: Effect Overview.

Effect	Beta	Indirect effects	Total effect	Cohen's f^2	Note
Conspicuous Consumption -> Compulsive Buying	0.7427		0.7427	1.2554	Significant
Religious Commitment -> Conspicuous Consumption	-0.1882		-0.1882	0.0367	Significant
Religious Commitment -> Compulsive Buying	-0.0700	-0.1398	-0.2098	0.0112	Not Significant

Table 8 presents the direct and indirect effects among the variables included in the model. Religious commitment significantly influenced conspicuous consumption, and the nature of the relationship is negative; hence, hypothesis 1 is accepted. This result is in line with Lindridge (2005) and Syahrivar & Pratiwi (2018). Religious commitment does not significantly influence compulsive buying; hence, hypothesis 2 is rejected, although the direction of the relationship between the two variables was correctly predicted. A study by Idrus (2012) provided a hint that there might be some mediating factors at play in the relationship between the two, such as whether Muslim customers owned a credit card or not. Moreover, a study by Harnish & Bridges (2015) concluded that irrational belief was associated with compulsive buying only for those who scored high on narcissism, suggesting the role of personality (disorder). Finally, conspicuous consumption

significantly and strongly influenced compulsive buying, and the nature of the relationship is positive; hence, hypothesis 3 is accepted.

As noted earlier in this article, Woodruffe (1997) speculated that both conspicuous consumption and compulsive buying were parts of a wider construct called compensatory consumption. We wished to test this assumption by merging the two variables into one latent construct (composite) called compensatory consumption. During the process, we had to omit one indicator of conspicuous consumption (STA2) in the compensatory consumption for a better fit. The alternative model also generated a relatively good fit, as presented in Table 9:

Table 9: Good Fit Alternative Model.

Measurements	Religious Commitment	Compensatory Consumption	Cut-off Values
Cronbach's alpha(α)	0.7680	0.8510	> 0.7
Dijkstra-Henseler's rho (ρA)	0.7814	0.8535	> 0.7
The average variance extracted (AVE)	0.5236	0.5236	> 0.5
Cross Loadings			
PRT1	0.7785	-0.1816	
PRT2	0.7980	-0.1862	
PRT3	0.5727	-0.1336	
STA1	-0.1616	0.6927	
STA3	-0.1804	0.7733	
COM1	-0.1574	0.6747	
COM2	-0.1614	0.6918	
COM3	-0.1880	0.8059	
SRMR	0.0742		< 0.08
Adjusted R^2	0.0509		
Religious Commitment -> Compensatory Consumption	-0.2333		Significant

Although the alternative model (Figure 2) is not necessarily better than the original model, it is nonetheless a good indication that conspicuous consumption and compulsive buying can be joined into a composite variable called compensatory consumption. Also, by comparing the original model with the alternative model, a consistent and negative relationship between religious commitment and the elements of compensatory consumption can be found.
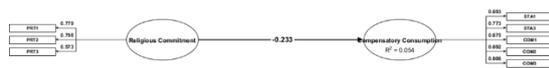
Figure 2: Alternative PLS Model.

5 CONCLUSIONS

After more than two decades of its introduction, research on compensatory consumption is the Islamic context is relatively scarce, perhaps due to its sensitive nature. However, we believe that the study of compensatory consumption in an Islamic context is necessary for two reasons: 1) to better understand the motives of religious consumptions and 2) to come up with Islamic goods and services that actually address the needs of Muslim consumers in the world.

Our research is consistent with the previous studies (Pace, 2014; Lindridge, 2005; Syahrivar & Pratiwi, 2018), who proposed a negative relationship between religiosity and religious brands. Our findings suggest that Muslims consumers who are less religious would rely higher on status-conveying Islamic goods. As Muslim consumers relied higher on status-conveying Islamic goods, they were also prone to engage in compulsive buying of Islamic goods. Our finding also confirmed the previous studies (Roberts, 2000; Palan et al., 2011) that proposed a positive relationship between conspicuous consumption and compulsive buying. Finally, our study managed to prove empirically regarding the theory proposed by Woodruffe (1997) that conspicuous and compulsive buying belonged to a wider and latent construct called compensatory consumption, thus closing the gap in the theory.

6 LIMITATION AND FUTURE STUDIES

The findings of this study limit to investigating the relationship between a single-dimensional behavioral construct of religiosity, which we called religious commitment with two elements of compensatory consumption. The relationship between religious commitment and compulsive buying cannot be supported, although the direction of the relationship was correctly predicted. This demands further investigation in the future by adding moderating variables, such as credit card ownership and materialism. Apart from conspicuous consumption and compulsive buying, Woodruffe (1997) also theorized other constructs, such as self-gift giving, compensatory eating, addictive consumption, etc. All other constructs that were theorized to be parts of compensatory consumption merit further investigations in an Islamic context.

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