A dissertation submitted in partial fulfillment of the requirements for the degree of Corporate Master in Business Administration

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APPROVAL PAGE

I certify that I have supervised and read this study and that in my opinion it conforms to acceptable standards of scholarly presentation and is fully adequate, in scope and quality, as a research paper for the degree of Corporate Master in Business Administration.

A.P Dr. Ernest De Run
Deputy Dean, Centre of Graduate Studies
Supervisor

This research paper was submitted to the Faculty of Economics and Business, UNIMAS and is accepted as partial fulfilment of the requirements for the degree of Corporate Master in Business Administration.

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Name : LAU UNG ING
Matric Number : 08031511

I hereby declare that this research is the result of my own investigations, except where otherwise stated. Other sources are acknowledged by footnotes giving explicit references are appended.

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Date : 23/7/10

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Lau Ung Ing
Faculty of Economics and Business
Universiti Malaysia Sarawak
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ABSTRACT

RELIGION, RELIGIOSITY AND MATERIALISM

By

Lau Ung Ing

(Materialism is a consumer value and believed to be influenced by an individual's religion and its religiosity. This study investigates the significant difference of religion and religiosity towards materialism in Malaysia. The study was conducted by collecting primary data through self-administrated questionnaires from one of the local universities in Malaysia. Collected data was analyzed through factor analysis, reliability test, frequency, mean, ANOVA and T-test. The study demonstrated that there is significant difference by religiosity; Buddhist religiosity; low intra / low inter-personal religiosity; and Muslim intra-personal religiosity towards certain materialism measures. There is no significant difference exhibited between religion and materialism; and inter-personal religiosity and materialism. Data collection for the study could be extended to a wider geographical area. In addition to that, elements such as economic factors, political factors and globalization factors should consider being included into future study. Based on the study's findings, marketers can take note on the country's materialism scenario, and do consumer segmenting appropriately. Nevertheless, marketers can also adjust their communication pattern towards their consumers in order to find tune to generate a better sales persuasion strategy.)
ABSTRAK
AGAMA, KEAGAMAAN DAN MATERIALISME

Oleh
Lau Ung Ing

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INTRODUCTION

1.1 Background

Materialistic, is a word which is commonly used to describe someone who adores luxury car, branded fashion, expensive watches and any other high end possessions. It is a word, when someone is being described, unhappiness may arise. Reason being, such description is being viewed as an evil side of consumer behavior (Burroughs, Denton and Rindfleisch, 1997). It is a value, that belief on the importance of possessions in one’s life, because it can be used to measure success (Dawson and Richins, 1992).

A materialist emphasizes self-wellness rather than the group, which may conflict with religion values (Solomon, 2004). Hence, it is commonly believed that an individual, who adhere to religion and highly committed to its religious faith, has low level of materialism value and vice versa. A phenomenon, or a myth, that religion and its religious faith, are affecting an individual materialism value, is in question.

A common set of assumptions and values about life may exist at every core of culture. For example the Chinese sees moderation in life as a virtue (“Taoism”, n.d.); Indian sees cow as a bringer of good fortune and wealth (“Culture of India”, n.d.); Korean built house against a hill or face south because such configuration generated invisible forces of good and ill (“Culture of Korea”, n.d.); and so on. All of these values and belief influence the members of the society to behave and act in a way, which is socially acceptable by the other group member. One important element of a cultural phenomenon that has
considerably influence on people’s values and attitudes is none other than, religion (Jarratt and Slowikowski, 1997).

Religion affects our goals, decisions, satisfaction and it plays an important role on how we live and experience life (Johnstone 1975; Cole and Ellison, 1982). It also affects consumer behavior by influencing their personality structure (Mittal and Sheth, 2004). However, not all religion’s follower behaves exactly to their religion’s schemas. It still depends on an individual’s religious level (Mokhlis, 2006). For example, highly religious person will evaluate the world strictly through religious schemas and thus will integrate religion into their way of behavior. They typically exhibit a strong sense of commitment towards their belief system and thus they are expected to behave according to the norms as thought by their religion (Mokhlis, 2006). Whereas for low religious person, is believed to behave the other way round.

Religious level or level of faith towards religion, in other word, is religiosity. Religiosity is religious commitment. It is the extent to which an individual’s committed to the religion he or she professes (Johnson, Jang, Larson and Li, 2001). Religiosity is important, as it is capable in influencing an individual cognitively and behaviorally (Mokhlis, 2006).

An individual’s religiosity can be evaluated through its level and type. Religiosity level is simply the intensity of belief. It can be measure by high religiosity, or low religiosity. Religiosity type is divided into intrapersonal religiosity and interpersonal religiosity (Mokhlis, 2006). Intra-personal religiosity is the religion commitment towards personal self (Mokhlis, 2006). This type of people gathered mental support by being faithful to their
religion. They are committed to religion for the sake of themselves. Inter-personal religiosity is the religion commitment towards an organization or other person (Mokhlis, 2006). This type of people committed to religion due to external motivation. For example peers’ influence, business benefits and social status.

Malaysia inherited a multicultural society, which has provided a more complex demographical characteristics and influences towards materialism. The country has different ethnics adopting different religions of belief ("Malaysia", n.d.), which their religiosity may have been further moderated by society modernization. The populace adhered to the four world's leading religions, namely Islam, Buddhism, Hinduism and Christianity ("Malaysia", n.d.). As such, it has created many unknown conditions for marketers to judge on Malaysians’ materialism value. Therefore, a study to examine the variance of religion; religiosity level; and religiosity type towards its materialism is initiated, in order to validate, whether a phenomenon or a myth, that religion and religiosity are affecting an individual materialism value. Such investigation is important, so that sales personnel and marketers can do consumer segmenting appropriately and communicate to their prospect correctly.

Religion’s influence in cultivating Malaysian’s cultural values may have been eroded, when globalization continues to invade into international markets. Symptom of exhibiting common values and behavior between various cultures is getting more and more obvious. Commonalities for example include Louis Vuitton handbag, Mercedes Benz S Class, BMW X5, Apple iPhone, PRADA and so on, are already a global consumers’ demand and wants. Everyone knows it and everyone wants it.
In addition to that, Malaysia economic and political factors had associated the concept of development with science and technology, tallest building and largest airport (Lee, 2001). It had caused the nation to conceptualize development with materialistic form of results (Lee, 2001). Proms attended by our Malaysian teenagers are pricey these days, where they imitated the luxury of western teenage movies and dramas (Yee, 2010). Not to neglect the Malaysian working adults whom some of them are professionals, being cheated by schemes, due to human weakness of materialism (“Ministry: More Professionals Being Cheated by Schemes”, 2009). Therefore, assumption or a fact that, religion and religiosity still play a role in altering Malaysian materialism value will become more hesitant.

Fulfilling consumer’s need and wants is an ultimate goal in the fundamental of marketing. However, to understand consumer’s need and wants isn’t simple, as it exposed to dozens of influences that evolved from time to time. By understanding more on consumer behavior, marketers are able to formulate a more appropriate sales strategy and communication pattern, to tackle consumer’s ever-changing demand’s thirst.

1.2 Problem Statement

An individual’s value, in this context - materialism, which affects the way they behave and act, is influenced by their religion (Jarrat and Slowikowski, 1997). Different religion, different taboos and schemas, induced different kind of consumer value (McCarty and Shrum 1994; Solomon, 2004). Some religion group may only purchase during discount sales. High end product is not necessarily to them. Others religion group may only get attracted towards branded and high end products, because they belief in quality goods.
By studying each religion's taught, marketers may be able to get hold of their prospect's purchasing appetite. However, it is not necessarily the case, when within each religion, there may be follower who behave differently to their religion's group member. In addition to that, within each religion, their follower may not necessarily exhibit a similar value and attitude. It still has to depend on their religiosity level and type (Mokhlis, 2006).

Religion adhered by Malaysia populace include Islam, Buddhism, Hinduism and Christianity, may have created a society, with complex value and behavior. Making it worst, rapid modernization and globalization in Malaysia may also functioned as a moderator in altering consumer's materialism value. In addition to that, economic and political influence has confined the fundamental concept of development in Malaysia by associating it with materialism (Lee, 2001). Significant icons of development in the country has been associated with the tallest building in the world like KLCC, longest bridge in Southeast Asia such as Penang bridge, largest shopping mall in Asia such as One Borneo, most exotic street in the country such as Bukit Bintang.

Various kinds of consumer attitudes, creates a difficulty to identify and do consumer targeting. It will be inaccurate and hard to do consumer segmenting also, when understanding towards what a consumer needs and want is insufficient. Sales personnel or marketers will then unable to communicate correctly towards their prospect. Therefore, it will turn a wonderful marketing plan into a useless proposal.

Therefore, it is important to understand consumer starting from their religion, because it is their core of culture, which build up their personal value. Marketing strategy is consider a
failure if it is unable to fulfill consumers’ every changing need and wants. Therefore, a thorough understanding on the significant difference of religion and religiosity towards materialism value in Malaysia is absolutely necessarily.

1.3 Objective of the Study

1.3.1 General Objective
The study investigates whether there is significant difference between religion and materialism. In addition to that, the study also investigates whether there is significant difference between religiosity and materialism.

1.3.2 Specific Objective
In specific, the study is conducted in the purpose to,

- Based on each respective religion (Islam, Christian and Buddhist), to determine whether variance between each religion and materialism exhibits significant difference.

- Determine whether variance between religiosity level and materialism exhibits significant difference.

- Based on each respective religion (Islam, Christian and Buddhist), to determine whether variance of each religion’s religiosity level and its materialism exhibits significant difference.
• Determine whether variance between religiosity type (intra-personal religiosity and inter-personal religiosity) and materialism exhibits significant difference.

• Based on each respective religion (Islam, Christian and Buddhist), to determine whether variance of each religion’s religiosity type and materialism exhibits significant difference.

1.5 Theoretical Framework

Figure 1 illustrates that consumer behavior is affected by an individual value (McCarty and Shrum 1994). Value, which affected an individual need of satisfaction, is cultivated through past experiences, culture and religion (Solomon 2004). Materialism and consumerism, which are grouped as the individual value, is further adjusted by demographical factors. Examples of demographical factors are gender, age, religion, ethnic, income, family background and country.

An individual value is also affected by religiosity. There are two category of religiosity, which is the religiosity level and type. Religiosity level is the intensity of faith towards their religion of belief. Religiosity type is divided into interpersonal religiosity and intrapersonal religiosity. Inter-personal religiosity is the religion commitment towards an organization or other people. Intra-personal religiosity is the religion commitment towards personal self (Mokhlis, 2006). Nonetheless, ethnicity and society modernization also play a role in influencing and individual value.
The study is focusing on the difference of religion and religiosity towards its materialism. Variance of religion towards materialism; religiosity level towards materialism; and religiosity type (intra-personal religiosity and inter-personal religiosity) towards materialism will be examine in detail.

Figure 1: Theoretical Framework of Consumer Behavior and its Independent Variables (Mokhlis, 2006; Solomon, 2004; McCarty and Shrum 1994)
1.6 Significance of the Study

Marketing is a system that provides a certain standard of living to consumers, where it intends to fulfill consumers’ needs and wants (Solomon, 2004). However, consumers’ needs and wants are believed to be widely varied. Therefore, the identification of consumers’ taste will be an important step in ensuring a product is able to fulfill appropriate needs. Value is made accountable in identifying consumer behavior or purchasing motive, as it is consider one of an important factor in inducing such action (Solomon, 2004).

Materialism is a value (Dawson & Richins, 1992), where it determined an individual’s consuming behavior. In cultivating an individual’s value, religion and religiosity are believed to play an important role in it (Johnstone 1975; Ellison and Cole 1982; Mokhlis, 2006). Therefore, by examining whether religion and religiosity has significant difference towards materialism value, consumer behavior can be estimated. Thus, it allowed a better adjustment on sales strategy by doing appropriate segmenting and better communication towards consumer, in order to generate a more remarkable profit.

1.7 Limitation of the Study

Geographical area constraints have restricted the study to be carried out into more places. Thus, it disallowed a more thorough investigation. The findings may not be representing the entire response of Malaysian, because the study only approached respondents from one of the local university in Malaysia. Nevertheless, sincerity of the respondents in answering questionnaires is difficult to measure. Therefore, it may affect the credibility of findings.
Materialistic culture is founded on the human craving for more attitudes, where people never satisfied with what they already have (Vohra, 2009). It is a value, that belief on the importance of possessions in one’s life, because it can be used to measure success (Dawson and Richins, 1992). Materialistic people appreciate goods that can be consumed publicly and possess public meaning, rather than personal or subjective denotation (Muller and O’Cass, 1999). It’s a mindset of people to own possessions to resemble their status. Things that used to show off status often associated with luxury goods (Fournier and Richins, 1991). A negative way to recognize materialist are avarice and greed (Roberts and Tanner, 2000).

Materialism assumes that by fulfilling desires are all that is required to make us happy and contented (Belk 1988; Richins 1994). It is necessarily because it serves as an important role as symbolic ties to inter-personal relationship as well as successful functioning in modern society (Yankelovich, 1982; Vohra 2009). Thus, it should be assume as a value of consumer behavior in nature, which has no good or bad perspective.

However, a materialist behavior may conflict with some religion values, because they emphasize on personal wellness (Solomon, 2004). Therefore, an interaction may exist between materialism value and its religion. Jarratt and Slowikowski (1997) explained that
one important element of a cultural phenomenon that has considerably influence on people’s values and attitudes is none other than, religion

Religion is a system of beliefs and practices by which groups of people interpret and responds to what they feel is supernatural and sacred. In cultural context, it is known as the unified system of beliefs and practices that pervades the value structure of a society, which, in turn, forms a central part of the cognitive or ideological elements of a country’s culture (Geertz, 1993). In some societies such as in Israel, Iran, Iraq, India and Saudi Arabia, religion is a major solid force, whereby its value system is accepted unquestioningly by all members of the society and become a part of daily life.

The effects of religious belief on behavior emanate from two main sources. First, there are taboos and obligations which people who belong to and follow a certain religion have to practice. For example Muslims are forbid to drink liquor and consume pork, whereas Buddhist is excluded to consume beef. The second way behavior is associated with religion as it contributes to the formation of culture, norms, attitudes and values in society (Al-Habshi and Syed-Agil 1994). For example Buddhist society promotes moderation in life. Anything extra than normal needs is unnecessary. However, value or culture associated to religion may not necessarily to be true when influence such as religious commitment counts.

Religious commitment, also termed as religiosity, is the extent to which an individual’s committed to the religion he or she professes and its teachings, such as the individual’s attitudes and behaviors reflect this commitment (Johnson, Jang, Larson and Li, 2001). It is
the degree of belief towards specific values and ideals are held, practiced and become badge of identity. Religiosity is divided into interpersonal and intrapersonal (Mokhlis, 2006). Interpersonal religiosity is the religion commitment towards an organization or other people. Intrapersonal religiosity is the religion commitment towards personal self. Highly religious person will evaluate the world through religious schemas and thus will integrate the religion into their way of behavior. Highly religious individuals typically exhibit a strong sense of commitment to their belief system and thus they are expected to behave according to the norms as thought by their religion (Mokhlis, 2006).

Religiosity is capable in influencing an individual cognitively and behaviorally. Religious persons have value systems that differ from those who are less religious and the non-religious. The supposition is that a highly religious person will evaluate the world through religious schemas and thus will integrate his or her religion into much of his or her life (Mokhlis, 2006)

2.1 Value and Materialism

Materialism is a consumer value (Richins, 1994; Dawson and Richins, 1992), rather than a behavior or personality variable, which affects on an individual purchasing pattern. Materialistic people appreciate goods that can be consumed publicly and possess public meaning, rather than personal or subjective denotation (Muller and O’Cass, 1999). Solomon (2004) suggested that it is important that people to attach on worldly possessions in order to gather the feeling of happiness and contented, as the value believes that an individual possession and others success can be measured by the things one owns (Ahuvia and Wong, 1998).