

Chapter Three: Consumer Behavior in Islam (Part one)

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Consumer

"A consumer is an individual who purchases, has the capacity to purchase, goods and services offered for sale by marketing institutions in order to satisfy personal or household needs, wants, or desires."

Consumer behavior as: " ... the process whereby individuals decide whether, what, when, where, how, and from whom to purchase goods and services."

"The study of the buying units and the exchange processes involved in acquiring, consuming, and disposing of goods, services, experiences, and ideas". This definition focuses on buying units in an attempt to include not only the individual but also groups that purchase products or services.

Types of consumer

Two different types of consumers can be distinguished, namely **personal and organizational** consumers.

Personal consumers purchase products and services for personal or household use or as a gift to someone else. Personal consumers, therefore, purchase for final consumption.

Organizational consumers on the other hand purchase products and services to run an organization, including profitable and non-profitable organizations, government organizations and institutions.

Importance of consumer behavior

"Consumers determine the sales and profits of a firm by their purchasing decisions. As such, their motives and actions determine the economic viability of the firm". To be a successful seller of products and services (as can be concluded from the statement above), organizations need to understand consumer needs and behavior and draft their marketing strategies to incorporate such behavioral needs of consumers.

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Islamic Consumer

The Islamic consumer is likely the consumer who seeks to consume some specific products and services that create and symbolize a particular Islamic social identity.

Islamic Consumer Theory:

Assumption of Islamic Consumer Theory

Islamic consumer theory has designed some assumptions.

A consumer who satisfies these assumptions will be considered as an Islamic consumer. More precisely, Islamic consumer refers to the consumer whose behavior is not against the principles of Islam

The key assumptions are as follows.

- a) Consumer behavior is based on Economic Rationalism and fear of Allah. A consumer designs his consumption pattern to please Allah, the omnipotent. It is a matter of Gratefulness; it is also an act of worship (Ibadah).
- b) A consumer is regarded as economic and moral utility maximizer. He determines his consumption in terms of moral and ethical principles. Ethics can be defined as the moral principles that make a distinction between right and wrong and between good and bad
- c) He can control his wants as well as demand. He preferred leading a simple as well as moderate life.
- d) Utility or Satisfaction derived from worldly (life before death) and Heavenly (life after death) consumption.
- e) He only consumes useful while avoid harmful goods and services, for himself and for whole society. Moreover, be co-operative and socially responsible, who always consider the disadvantages of other consumers in society.
- f) Spend in moderation neither as miser nor extravagant, both for here (worldly) and hereafter (Heavenly) life.
- g) Strictly consider Halal (legal) and Haram (illegal) in consumption
- h) He does not hoard his wealth.

Principles of Consumption

1. Consumption of Halal Goods and Services are Allowed

Allah declares that useful goods and services are permissible whereas those goods that are harmful are not allowed (AL-Quran: 7: 157). Prophet Muhammad (PBUH) has clearly mentioned that all drinks and food that are harmful are considered Haram and not allowed to consume (Al-Bukhari: 492, Muslim: 4956). In various verses, The Quran persuades consumer to use useful and goods items and deject useless, needless and wasteful expenses in order to ensure good value and transparency (AL-Quran: 2: 172, 5: 4-5, 16: 114). On the other side, The Holy Quran also discourages use of

2. Consumption for Heavenly (life hereafter) and Worldly (life here)

An Islamic consumer considers his life in two periods i.e. life here and hereafter for his options of consumption. His options for consumption have two interrelated stages. The first stage relates to the life before death (worldly life) and second stage relates to the life after death (heavenly life). Now a Muslim consumer picks that consumption pattern that is useful for both stages of life (life here and life hereafter). For example use of interest free loans, gives assistance to the deprived and poor people, spending for benefit of general people and society, etc. all are those activities that are beneficial not only in this world but also in that world.

3. Spending Pattern

Spending for the welfare of people and welfare of society considered as the act of worship in Islam. In the holy Quran, Allah promises to reward those who spend for the needy, for orphans and for welfare of society (Al-Qur'an, 2: 215). The Messenger of Allah, Prophet Muhammad (PBUH) has also said that Allah regards those donations earned from the lawful income directly and this income increases day by day and becomes larger than a big mountain (Al-Tirmidhi: 661).

4. Human Wants are Unlimited but Consumption should be Balanced

Human wants are unlimited and a customer or consumer can never satisfy all of his wants. In this regard, Messenger of Allah Muhammad (PBUH) has pointed out that if Allah gives man a valley full of gold, he will ask for the second; if Allah gives him second, he will ask a third.

5. Standard of Living

Standard of living means approach of living and the comfort level that is necessary to live a life. Islam suggests a moderate level neither miserliness nor extravagance. Both extremes are prohibited in Islam because at one side miserliness creates unnatural asceticism and on the other side extravagant makes people profligate and selfish. The messenger of Allah, Muhammad

(PBUH) has preferred and led a simple and modest life standard. Four caliphs also continued prophet's (PBUH) tradition of living a simple life after him. Therefore, it is recommended in Islam for a Muslim consumer to lead a simple and moderate life. Shariah reassures to live a simple and modest life.

6. Hoarding

A Muslim consumer is not allowed to hoard wealth by Quran and Sunnah. The Holy Quran says; those who hoard wealth in few hands they are directly or indirectly creating scarcity in the level of consumption, production and employment in the community (Al Quran, 102:1). Prophet Muhammad (PBUH) has mentioned that the person who hoards is an offender (Sahih-Muslim: 3910-12). For a Muslim consumer, it is suggested not to withhold their currency by calculating it (or hoarding his wealth) and if he continues hoarding, Allah will also withhold His blessing from that person (Sahih-Bukhari: 514).

7. Consideration of Permissible (Halal) and Not Permissible (Haram)

Halal goods and services are allowed to consume in Quran and Sunnah and Haram goods and services are not allowed to consume. Last Messenger of Allah, Prophet Muhammad (PBUH) informs Muslims that in future a worst era will come where no one will care about Halal and Haram earning methods (Sahih-Bukhari-3:275). Nevertheless, only a true follower will take care of having Halal (permissible) and avoiding Haram (not permissible) in their consumption.