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Exploring Islamic consumption and marketplace: Islamic life insurance consumption among Muslims in Malaysia

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INTRODUCTION

The global Muslim population is an expanding market and anticipated to increase to 2.2 billion in 2030, that is nearly a quarter of the world population (Pew Research Centre 2017). Like other global consumers, Muslim consumers, have undergone structural changes and experienced the faith-based consumption landscapes (Sandikci & Ger 2010). They are becoming more aware of the need to apply their faith into their lifestyle as such they assimilate the local cultural values and material consumption (Jafari & Suerdem 2012). This is evident in the increasing number of interests in studying the Muslim consumption further (Sandikci & Ger 2010; Karababa & Ger 2011; Jamal et al. 2013).

In Islam, the Quran is considered the word of God but more importantly, it provides guidelines on living a religiously acceptable life (Fisher 2013). With increasing attention directed on conforming to the halal (permissible) products and services, institutions are shaping their marketplace offering to fulfil these needs. One area that generates much research interest is in Islamic financial services. In today's financial markets across the world, we can see an array of different Islamic financial instruments including Islamic life insurance or commonly known as "Family Takaful" which has gained in their consumption among Muslims and non-Muslims in Malaysia despite the theological arguments Muslims in other countries have on this service.

While there is much interest in the formulation of these Islamic financial services, little is known about its consumption. The majority of existing Islamic consumption literature still adopts a reductionist approach by making idealistic comparisons between the West and Islam (Jafari & Suerdem 2012). This is exemplified by Weber (1965) where he categorized Muslims as emphasizing values of militancy (jihad), short-term self-interest (after-worldly) and emotional motivations (martyrdom). However, this does not entirely reflect the real phenomena where some Muslims, given a certain cultural context will interpret Islam differently. For instance, Malaysian Muslims choose to have a range of conventional financial services that could promise a potentially higher return regardless of the interest condition even though consuming interest is highly prohibited in Islam. Meanwhile, within the Islamic consumption research, consumption was analyzed based on a rigid framework of Halal (lawful) and Haram (unlawful), the Mustahhab (favourable) and Makruh (unfavourable). It would be rather unrealistic to assume that Muslims would choose to consume a product or services because of religion per se. As it is rather unrealistic to assume 'Muslims' are a homogeneous segment of consumer.

Therefore, this research has one main objective that is to contribute additional knowledge in the area of Islamic consumption and consumer culture among Muslims (acknowledging that Muslims are heterogeneous and culturally constituted) through the lens of consumer culture theory. Specifically, this research intends to explore the meanings behind Islamic life insurance consumption? For instance, how are Syariah compliant regulations continuously interpreted and re-interpreted by Muslim consumers in their daily life? Are there any conflicts and if so, how are these conflicts negotiated?

METHODOLOGY

This research employed two phases of in-depth interviews with four different group of consumers. That are consumers who already have Islamic life insurance, conventional life insurance's consumers, consumers who have both insurances as well as those who do not have any sort of life insurance. Agents were also interviewed as they are the closest interaction these consumers have. In-depth interviews deemed appropriate given the sensitivity nature of the topic and its ability to gather an interpretation of meanings through participants' story in relation to the studied phenomena (Kvale & Brinkman 2015).

In-depth interviews were conducted in Malaysia within the area of Selangor and Kuala Lumpur which yielded 1978 minutes of audio recordings from 44 participants. Malaysia was chosen given the unique multi-ethnic community (Malay, Chinese, Indian and other ethnicity) with diverse practicing religions (Islam, Christian, Buddha, Hindu, and others) living in harmony within different subcultures. Although Islam is the official religion professed by the majority of the population (Malay), other religions are freely practiced, and this provides a unique cultural composition. Hence, it is rich of distinctive culture that makes culturally specific research a necessity in this market (Cui 1997). In addition, Malaysia emerged as a leading center for Islamic finance in Asia and second only after Saudi Arabia (Ernst & Young 2014). This further raise the interesting viewpoints of how Muslims in Malaysia view their consumption within the Islamic financial services despite the theological debates on this.

Muslims, despite adhering to the same Islamic principles, different Muslims in a given cultural context would interpret Islam differently. For instance there are two major group of Muslims that exist around the world today which are Sunnis (87-90 percent) and Shias (10-13percent) of the Muslim population (Hino, 2012; Pew Research Center 2012, 2011). Even within the two groups, there are different school of thoughts. Sunnis are split into four major schools, Hanafi, Hanbali, Shafie' and Maliki. Shias are also split into three main schools of thought (Jafari, Ismaili and Zaidiyah) which are then further split into sub-categories. Malaysia on the other hand is a country that comprises approximately 60 percent Muslims (Department of Statistic Malaysia 2018) where Islam is established as the country's official religion with other religion are free to

practice their faith. There are several Malaysian ethnics as mentioned previously and Malaysian Malay are known to be associated as Muslim. Malaysian Malay Muslims would generally follow the Shafie's school of thought which then fall under the Sunnis. There are arguments as most of the Muslims are 'born' Muslim. They are raised with various socio-cultural factors (e.g. tradition, history, ethnicity, power relations and norm) and religion is one of the constituting forces in shaping their daily lifestyle, consumption choices and worldly view. To them, religion is already a part of their culture and to certain extent it becomes a mundane practices without needing any association to religious rituals.

FINDINGS AND DISCUSSION

Our preliminary findings suggested that Malaysian Muslims would relate to functional reasons such as to cover death, critical illnesses, total permanent disabilities, medical and educational purposes as to initial reason to purchase any sort of life insurance. But to our surprise, once the researcher probe deeper to understand the reasons behind the decision to choose either the conventional or Islamic alternative, their responses get more interesting. There are symbolic reasons to the consumption of Islamic life insurance. Several themes emerged constituting some major reasons behind this consumption.

Sacred money

"As I mentioned earlier, I mistakenly bought an insurance (conventional) with Syariah-compliant investment. Then your return is mixed with Syariah-noncompliant businesses. So how are you going to know how much you want to withdraw? how can you differentiate? This is the haram portion, this is the halal portion of money? You can't do that because you don't get the exact amount. So, how are you going to pay zakat on that? How are you going to use that money? Why are you contributing to the expansion of Non Syariah-compliant business and economy?"

(P17, Takaful consumer)

"... when we see a customer, we want to ask their income, we have to ask for their income, what business are they doing? Because, in Takaful, we want to get blessed money, we can take Chinese as a customer...But we want to know what business are they doing? If it is obvious, they are selling alcohol, we will not cover them... just like if they are doing an indecent job, we will not cover them as well."

(P4, Agent)

Money become the main concern among these participants with regard to the consumption of Islamic life insurance. Majority of the participants would decide which service provider to choose based on the source of money or where the money will be invested. This may derive from how Islam prohibits Muslims to consume interest, gambling or even involve in any sales that the conditions are unknown or uncertain (Ernst & Young 2015). Despite some theological and economical debates on this, there is an increase in consuming this service. Interesting enough, money was not considered as sacred by Malaysian Muslims only. Belk & Wallendorf (1990) argued how money possesses sacred elements in which consists of power to influence the consumers to consume certain items and how certain money would be treated differently. Similar situation goes to the treatment toward inherited sum of money. Where to some extent, different consumption practices may be practiced on inherited money.

Throughout the interview, several sacred elements have been found to be prominent in influencing consumption decision such as:

Money and blessings

Additionally, not only Malaysian Muslim consume Family Takaful due to its functional purposes, the symbolic meaning in choosing Islamic rather than conventional coverage is to gain God's blessings or "Barakah". The idea is that they would rather pay extra sum of money in order to be protected by Islamic-compliance coverage instead of the conventional one and potentially gain God's blessing in return. God's blessings here may refer to the ease of earning money or sustenance in the future. Moreover, the belief that even by earning dividend or interest from conventional insurance, without Barakah, that money could potentially spend unnecessarily elsewhere.

"Researcher: Don't you mind paying more?"

Participant 13: I don't mind, we think in long term...I mean we believe in something that is certain.

Researcher: Certain?

Participant 13: I mean like the hereafter "akhirah". It is something that we already know. The way I think of it is like this, we're afraid to pay now or to be afraid of something to wait? Of course, there's something to do in future, we are actually paying for it now because the sustenance will always be there, we already know that this is a good way, the God will ease our sustenance"

(P13, Takaful consumer)

Religiocentrism

Religiocentrism was found to some extent play part in consumption of Family Takaful. Conceptually, religiocentrism here refers to religious-based sentiment of exclusiveness on believing one's religion in comparison to others either in positive or negative way (Ray &

Doratis 1971). As in this study, the elements of religiocentrism emerged as one of the reasons behind the decision to choose Family Takaful over conventional insurance. It is exemplified as below:

"Researcher: You said that conventional insurance offered interesting package, why not choose conventional rather than Islamic?"

Participant 12: Because we are Muslim, we support Islam. After all, Islam has Islamic law, right? But still people said it is just the same between the two, the owners are still Chinese. So, we just believe in Islam, we are helping other Muslims...The main factor is because it is Islamic, then the medical or health reasons. That's it.

Researcher: Even if conventional insurance offers you better?

Participant 12: Definitely! Because we are Muslims. If we don't support Islam, then who will?

(P12, Takaful consumer)

Money and safeguarding own flesh and blood

Consuming life insurance goes beyond the functional motives of it. Rather, consuming Islamic alternative of life insurance act to safeguard one's own flesh and blood in the future. Consuming conventional version of life insurance deemed profane and causes unfavourable emotions within the consumer. Which will then be passed on to their future generations through the consumption of money.

"...We can't take conventional. I don't know. I feel that yeah, from which source do we get it from? Because it will become our flesh and blood"

(P30, Takaful consumer)

These findings are very preliminary and still a work in progress. Hence, this may not illustrate the whole picture as of now.

CONCLUSION

There are emerging symbolic meanings that Malaysian Muslims assigned to the consumption of Islamic life insurance given the multicultural ethnic and religious background, it somehow influences the way Malaysian Muslims think about their consumption decision. In this case, Islamic financial services which are an intangible product that is ideally different than the obvious soft product such as fashion, food or cosmetics where there is a distinct need to comply with Islamic Syariah law.

Thus, this research hopes to explore at contributing to the domain of Islamic consumption and marketplace. In this domain, Muslims have been oversimplified and the assumption that Muslims is a homogeneous market segment (Karataş et al. 2013). Moreover, deductive methods have been used in drawing the Islamic consumption picture (Jafari & Suerdem 2012) whereas their consumption is more complex and interweaving within various social and culturally drives.

In addition, this research hope to contribute to the existing literature on sacred and profane consumption within the religious context. The introduction of sacredness with the consumption of mundane commodities has causes many researchers to find holiness in every aspect of daily commodities. It is understood that the sacred and the profane is unable to co-mingle together. The sacred will always at risk of profanation (Arnould 2004). It would be applicable when religion is not a concern within the research setting. However, it is recognised that given a religious setting, the sacred and the profane may have a complex relationship. This is recognised earlier on when O'Guinn & Belk (1989) questioned the sacredness within religious context and they asserted that "it is evidence of refashioned contemporary linkages between an economic system and religion" (O'Guinn & Belk 1989, p. 237). Higgins & Hamilton (2011a) on the other hand emphasised the need to distinguish between the two terms of sacredness either on worldly material or other-worldly related. Several researchers agrees that the sacred and the profane are complexly interwoven within the marketplace (Cova & Rinallo 2015; Higgins & Hamilton 2011b; McAlexander et al. 2014; Rinallo et al. 2012). Therefore, this study would build from these findings and following several calls for more research within the intersection of religious, the sacred and the profane consumption (Jafari & Suerdem 2011; Higgins & Hamilton 2011a; Cova & Rinallo 2015).

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