The Moderating Effect of Product Quality on Religiosity, Price Sensitivity, Personnel Responsiveness and Purchase Intention: an Exploratory Study

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ABSTRACT

Purchase intention is one of the marketing strategies in predicting consumer behavior. By being able to measure consumers’ purchase intention, it offers competitive advantage to a firm as it has a direct link with an actual purchase. This paper aims to explore the relationship between religiosity, price sensitivity and personnel responsiveness towards purchase intention, as per so of its predicting factors. A conceptual framework model is derived from the Theory of Planned Behavior (TPB) in explaining the predicting impact of these variables toward purchase intention, along with the moderating role of product quality. The inconsistency condition faced by the product quality might be figured out through the role of a moderator in the purchase intention relationships. The study is conceptual in nature and draws upon the marketing literatures and theories to present a number of propositions.

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INTRODUCTION

Entrepreneurship Consumer behavior is a vital concept in assisting the marketers, manufacturers and business operators on how the consumers will think, feel and decide from various choices available, like products and services. It also includes on how the consumers’ surroundings will impact them in their decision making process, such as purchase intention (Lada, Tanakinjal, & Amin, 2009). It is worthwhile to look at the purchase intention, as people usually do what they are intended to do. It is proven to have a link with the actual purchase behavior (Gabisch & Gwebu, 2011).

Intention, attitude and behavior are different from one person to another person, especially when it relates to religion and religious implications as consumers of different level of religious commitment differ notably in the purchase behavior (Lada et al., 2009; Soesilowati, 2010). Religion serves as a strong motive in consumer purchase behavior and their intention to behave as a strong link had been found between religion and food choice consumption among consumers (Mukhtar & Butt, 2012; Siala, 2013). Besides, high religious consumers are intense information seeker (Razzaque & Chaudhry, 2013), concerned with price (Mokhlis, 2009) and preferred personal touch (Ahmed, 2008) when making decision to purchase.

Besides, price also plays a vital role in making decision to purchase (Silva, Udugama, & Muralidge, 2012). When a person placed high significant on price, he tend to be sensitive towards the fluctuation of price, even the change is small (Noh, Lee, Kim, & Garrison, 2013); which also known as price sensitivity. Due to the inconsistency of price sensitivity from an individual to another, it might have the ability to alter consumers’ purchasing patterns (Noh et al., 2013), behavior and their intention to purchase (Har, Yaw, Ai, & Hasan, 2011).

In addition, personnel responses are perceived as being an important element in making decision to purchase (i.e. purchase intention). For example, personnel’s friendliness is viewed as vital in encouraging customers to make their purchases. Worthily, personnel responsiveness offers a vital help in enhancing consumers’ perceived value, favourable behavior intention, positive word-of-mouth, repatronage and willingness to recommend others (Kim, Ko, & Park, 2013; Olorunniwo, Hsu, & Udo, 2006).

However, these vital predicting factors; which are religiosity, price sensitivity and personnel responsiveness have not yet been covered as per se the predictors of purchase intention. To bridge the gap, this study will try to explore the impact of aforementioned predictors in influencing purchase intention concurrently; since these factors have been studied separately which might be one of the reasons...
for the inconsistently result reported in previous research (Shaharudin, Pani, Mansor, Elias, & Sadek, 2010). This study will consider all these three variables as might having a higher effect by being studied simultaneously, which might lead to an emergence of new findings that will answer the insufficiency of previous literatures.

Besides, in making decision to purchase, product quality holds an essential effect in the market. As it is important to the firm (Luo & Bhattacharya, 2006; Shapiro & Gomez, 2014), product quality also becomes a crucial concern among the consumers (Sam & Tahir, 2009; Shaharudin, Ismail, et al., 2011; Tsiotsoy, 2006; Yee, San, & Khoon, 2011), especially for consumption purposes. High product quality leads to favourable behavior intention, and vice versa (Olorunniwo et al., 2006).

However, the impact of product quality is inconsistent as consumers are likely to have a biased perception against the actual quality. To fill up the crack, several researchers have suggested that product quality might hold the role as a moderator in behavioral intention relationships (John & Brady, 2011; Kafetzopoulos, Gotzamani, & Psomas, 2014; Shapiro & Gomez, 2014; Tsiotsoy, 2006). This study will consider product quality as a moderating variable in strengthening the purchase intention relationships with the variables studied, which are religiosity, price sensitivity and personnel responsiveness.

**Literature Review**

**Religiosity:**

Religiosity is defined as the extent to which an individual is committed to his religion, where it is then reflected in his attitudes, behaviors (Ahmad, Rahman, & Rahman, 2015), beliefs, feelings and experiences (Mokhli, 2008, 2009). In other words, religiosity is the degree of an individual’s being religious (Ahmad et al., 2015). Likewise, religiosity is referred to the importance of religion placed in his life (Mokhli, 2008, 2009).

Despite of being highly personal in nature, religiosity has been covered in various literatures, which then lead to varies in its dimension. In the early days, religiosity has been discovered in two dimensions; which are intrinsic and extrinsic (Allport & Ross, 1967); orientation and affiliation (Delener, 1990, 1994). However, the religiosity dimension is extended to five by Noon, Haneef, Yusof, & Amin (2003), which consisted of ideological, ritualistic, intellectual, experiential and consequential. Khraim (2010)’s study measured religiosity in three dimensions; which are religious education, sensitive products and current issues. Despite of varies in dimension, the most used by researchers are uni-dimensional (Shaharudin et al., 2010) and bi-dimensional (Elzein, 2013; Mokhli, 2009; Mukhtar & Butt, 2012).

Religiosity has been conceptualized as a complex construct. Many authors suggested religiosity as consisting of two dimensions: interpersonal and intrapersonal (Elzein, 2013; Mokhli, 2009; Mukhtar & Butt, 2012). Other than that, Hashim & Othman (2011) used faith and ibadah as the dimensions in their study. For this study, a combination of interpersonal and intrapersonal related criteria to religiosity will be used.

**Price sensitivity**

Nowadays, price also plays an important element in guiding choice to purchase among consumers (Silva et al., 2012). When an individual placed high significant on price, they prone to be sensitive even the price fluctuation or change is quiet small (Noh et al., 2013). Malaysians are proved to be price-sensitive and quality conscious when they are making decision to purchase (Akir & Othman, 2009). Besides, price sensitivity is inconsistent from one person to another, as it is having the ability to alter the consumer purchasing pattern (Noh et al., 2013), as well as it also influenced purchase intention (Lee, Ling, Yeow, & Hasan, 2012).

Price sensitivity is defined as the awareness of the consumer to what they perceive to be the window of cost within which they will buy a particular product or service (Miller, 2006). According to Renison & Hardt (2008), price sensitivity is referred to the price that a customer is willing to pay at a given of time. In this study, price sensitivity is the willingness of price among consumers in purchasing halal food products, whether it affects their intention to purchase it or not.

**Personnel responsiveness:**

Personnel responses are also being treated as vital by the consumers in making decision to purchase (i.e. purchase intention). Muslims are found to be the most preferred to personal touch (i.e. personnel responsiveness) compared to other religions (Ahmed, 2008). Personnel responsiveness is defined as the willingness of personnel, or employees to help customers and provide prompt service, in the generic dimensions of service quality, cited by Lovelock & Wirtz (2007). Besides, personnel responsiveness possessed the ability to enhance the consumers’ perception value, favourable behavior intention, such as positive word of mouth, repurchase intention, willingness to recommend and others (Kim et al., 2013; Olorunniwo et al., 2006).

A study has showed that the creation of strong relationships between customers and service personnel has a positive impact on customer-to-firm relationships (Guenzi, Johnson, & Castaldo, 2009). Customer relationships are primarily with the salesperson rather than with the firm itself. Thus, it have a substantial impact on important relational outcomes for the firm, because it promotes customer satisfaction, commitment and trust in the supplier, as
well as purchase intentions and willingness to recommend the provider to other potential customers (Kafetzopoulos et al., 2014; Naylor & Frank, 2000).

**Personnel responsiveness:**
Product quality is vital to a company as the superior product quality benefited the company with long-term survival and success within the companies (Luo & Bhattacharya, 2006). As the product quality improved, the sales performance also increased (Shapiro & Gomez, 2014). According to Silva et al. (2012), product quality is multidimensional, so there is no definitive list of all attributes of quality. Even so, the authors mentioned on how consumers learn on the quality of purchased goods, which are through search, experience and credence attributes. Besides, product quality is defined by Alex & Thomas (2011) as the degree of how well the product specification fits the customer’s expectation.

**Purchase Intention:**
Intention is considered as a good predictor of actual behaviors (Fishbein & Ajzen, 1975). In the cases where actual behaviors are difficult to measure, intentions have frequently been used in social science studies. Purchase intention had been studied out extensively as there is no doubt that it is an important concept in the business world. Purchase intention is defined as the likelihood that the consumer buys a particular product or services (Dodd & Supa, 2011; Sam & Tahir, 2009). In fact, it is also referred as a measure of the willingness to buy a product (Shih & Chien, 2014). An increase in purchase intention is always looked forward by every player in the industry as it is the most crucial part in capturing the market, as well as it enables to foresee the behavior of consumers; especially that are related to purchase behavior. In order to boost purchase intention, its' constructs needed to be evaluated considerably (Borzooei & Asgari, 2014).

**Theory of Planned Behavior:**
The grounded theory in predicting the intention is the Theory of Planned Behavior, as a person’s behavior is controlled by his intention in performing certain types of behavior or action (Ajzen, 1991; Fishbein & Ajzen, 1975). According to the theory, a person’s intention is guided by three constructs, which are attitudes, subjective norms and perceived behavior control. Attitude is the sum of beliefs about particular behavior weighted by the person’s evaluations of these beliefs, while subjective norm is the beliefs of people weighted by the importance of one attributes to each of their opinions (Miller, 2005; Schifffman & Kanuk, 2006). Perceived behavior control is the extent control over internal and external factors upon behavior performance; whether facilitate or restrain it. It is consisting of control beliefs and perceived facilitation; which control beliefs refer to the person beliefs toward the factors available that facilitate or prevent performing a behavior, while perceived facilitation refers to the condition that the person perceived as being able to perform the behavior (Fishbein & Ajzen, 1975; Ajzen, 1991).

Numerous researchers had proved the applicability of the theory in predicting purchase intention across various industries, products and services (Alam & Sayuti, 2011; Jani & Han, 2011; Lada et al., 2009; Lee et al., 2012; Mukhtar & Butt, 2012; Omar, Mat, Imhemed, & Ali, 2012; Shaari & Ariffin, 2010; Shaharudin et al., 2010; Shaharudin, Ismail, et al., 2011). A firm will be at the competitive advantage when it has clear understanding on what influenced consumers in term of their decision making process, which then will contribute to a better meeting of customers’ needs and expectation. So, it is important to measure them as close to behavioral observation as possible to ensure an accurate prediction, as well as intention can change over time (Padgett, 2009).

**Theoretical Framework:**
A conceptual framework is constructed based on a depth-review of the existing literatures. Religiosity, price sensitivity, personnel responsiveness and product quality are integrated into the framework to explain the relationships of purchase intention clearly. Thus, this framework is developed to study on the relationship between religiosity, price sensitivity and personnel responsiveness (independent variables) towards purchase intention dependent variable), with the moderating impact of product quality (moderator).

**Hypotheses Development:**
**Relationship between Religiosity and Purchase Intention:**
A study done by found that religiosity has a positive effect on purchase intention (Ahmad et al., 2015; Ahmed, Anang, Othman, & Sambassivan, 2013; Borzooei & Asgari, 2014; Mukhtar & Butt, 2012; Tabassi, Esmaeilzadeh, & Sambasivan, 2012). Despite that, different in religiosity level displayed a notable difference in purchasing behavior patterns. High religiosity differs notably in term of salespeople perception, shopping efficiency, product quality, satisfaction with life and consumption pattern (Mokhlis, 2009). It has been argued that religion is highly personal in nature as its’ effects on consumer behavior depend on individuals’ level of religious commitment or the importance placed on religion in their life (Mokhlis, 2008, 2009). Besides, religiosity found to have significant impact on several aspects of consumer’s lifestyle, which then, may eventually affect decision making, choice and behavior (Lada et al., 2009; Mukhtar & Butt, 2012; Siala, 2013).

This study anticipates the well-established link between the religiosity and purchase intention to hold on and make the following proposition:
H1: There is a positive relationship between religiosity and purchase intention.

**Fig. 1: Proposed Theoretical Framework.**

**Relationship between Price Sensitivity and Purchase Intention:**
Price sensitivity is an imperative item for the marketing professionals as with the ability of assessing it in the target market, it will give huge effect to the company's bottom line, or profits. Besides, Porter (1985) has defined two primary types of competitive strategy that can provide a source of competitive advantage: differentiation and low cost strategy. By practicing low cost strategy, a firm is able to maintain the continuity of competitive advantage, while by differentiation the firm is able to create uniqueness (Santonen, 2007). Thus, price is an important element in the low cost strategy, and it is found as a vital factor in purchase decision making (Silva et al., 2012). Aliman & Othman (2007) proved that price is one of the most important attributes in purchasing goods, or daily consumption. The authors also argued that consumers will look at the price, then their purchasing power, and followed by brand or quantity, in making a buying decision of a product category, in order to maximize immediate utility. This showed that consumers have certain degree of price sensitivity in making choice (i.e. purchase intention). In some extent, the price consciousness was highly significant, as it is indicating strong differences in the level of price consciousness among the religious groups.

In a study done, it is found that highly religious individuals are most likely to be concerned with price (i.e. prone to look for deals), look for quality in product when they are making shopping decision (Mokhlis, 2009). Besides, a study also found that purchase intention for high price products was lower than those with the low price, or in other words, customers are hesitate to purchase high price products (Boonpattarakan, 2012). This study anticipates the well-established link between the price sensitivity and purchase intention to hold on and make the following proposition:

H2: There is a positive relationship between price sensitivity and purchase intention.

**Relationship between Personnel Responsiveness and Purchase Intention:**
A research found that salespeople’ responsiveness had the ability to increase customers’ perceptions of value and that customer relationships, are primarily with the salesperson rather than with the firm itself. By having positive perception of value, it leads to increase in purchase intention (Naylor & Frank, 2000). Besides, it have a substantial impact on important relational outcomes for the firm, because it promotes customer satisfaction, commitment and trust in the supplier, as well as purchase intentions and willingness to recommend the provider to other potential customers (Guenzi et al., 2009). In addition, a study recommended in considering other additional factors that will likely to be studied along with the personnel responsiveness in influencing purchase intention (Kafetzopoulos et al., 2014). This study anticipates the well-established link between the personnel responsiveness and purchase intention to hold on and make the following proposition:

H3: There is a positive relationship between personnel responsiveness and purchase intention.

**Product Quality as Moderator:**
High quality (as viewed by the customer) often leads to favorable behavioral intentions while a low service quality tends to lead to unfavorable
behavioral intentions (Olorunniiwo et al., 2006). Besides, previous research had found that the superior product quality is vital for long-term survival and success within companies (Luo & Bhattacharya, 2006). They also found the moderating role of product quality on financial returns towards CSR, which then the relationship is mediated by customer satisfaction. It is known that customer satisfaction leads to the increase in purchase intentions as well as sales performance (Shapiro & Gomez, 2014). Besides, in a study, it is found that the consumers accept lower price product with the acceptable quality level in making decision on their purchase intention. Thus, it is a relevant proof for having product quality as the moderator in the relationship between price sensitivity and purchase intention (Boonpattarakan, 2012).

In another study, it is suggested for future research on the consideration of potential moderator in assessing the personnel responsiveness relationships (Guenzi et al., 2009). It is also agreed that the link between personnel responsiveness and product quality needed to be explored and the extension may vary (Kafetzopoulos et al., 2014). Product quality showed a significant impact in affecting purchase intention among consumers (Sam & Tahir, 2009; Shaharudin, Mansor, & Elias, 2011; Yee et al., 2011). Added to that, there is a suggestion for further studies on the link between product quality and purchase intention, which lead to a possibility of product quality to play a moderating role (John & Brady, 2011; Shapiro & Gomez, 2014; Tsiotsou, 2006). Yet, previous studies on purchase intention have not covered on the impact of product quality as a moderating factor in the relationships of purchase intention (Hussin, Hashim, Yusof, & Alias, 2013). This study also makes the following proposition:

H5: Product quality moderates the link between religiosity, price sensitivity and personnel responsiveness towards purchase intention.

**Conclusion and recommendations:**

This study draws upon the literature and it proposed a conceptual model outlining predicting factors likely religiosity, price sensitivity and personnel responsiveness to impact the purchase intention, along with the moderating role of product quality. Admittedly, this model draws upon a number of well-established constructs within the marketing literatures, but this study differs on several aspects.

The study will be conducted in the halal industry, focused on the segment of halal food products. The total halal export in the year of 2012 is amounted to RM32 billion, as reported by the Halal Industry Development Corporation (HDC) in their official site. The halal export is comprised of major halal exported products, such as food and beverages (RM12, 276.96 million – 38.4%), halal ingredients (RM10, 615.18 million – 33.2%), industrial chemicals (RM1, 933.82 million – 6%), palm oil derivatives (RM5, 061.57 million – 15.8%), cosmetics and personal care (RM1, 731.83 – 5.4%), and pharmaceutical (RM375.59 million – 1.2%). From the above data, food and beverages hold the utmost percentages of the total halal export which implies the importance of the product category to be ventured in by the local manufacturers (Malaysia's Halal Export Report, 2013).

The study will be covered the halal food products in northern region of peninsular Malaysia. Even so, it is hoped that the result will be generalised as the culture across the country is quiet similar from one state to another. Despite the core issue of halal products reside on the religious beliefs of Muslims (Mukhtar & Butt, 2012), individual as in most cases also differ in their attitudes, intention and behavior when it comes to religion and religious implications. Religion is a system of beliefs and practices that served as a strong motive in consumer purchasing behavior. It is found to have a strong link with the food choice and consumption, which proven that religion have an impact on their purchase intention as well as their consumption on certain items (al-Nahdi et al., 2009).

The study addressed on several issues that have been identified that related to the Malaysian halal food industry. Most of the companies started to embrace and reach out to the Muslims market which equivocally defines itself by faith. Halal food products are essential to this growing society, especially and they are similar to any other consumer segments, which are demanding for healthy and quality products, which must also conform to Shariah requirements (al-Harran & Low, 2008). Certain religions prohibit the consumption of certain foods completely or restrict them at only specific time (Aliman & Othman, 2007). They are seeking for specific products that tailored in meeting their religious needs. The same goes to the Muslims all over the world. Halal products are sought by Muslims in order to abide to a set of dietary laws that is accordance to Shariah requirements (Ismail & Fatt, 2008). Thus, the halal food industry is important to them due to its’ main role in assuring that their food items consumed daily are Shariah-compliance (Bohari et al., 2013).

**REFERENCES**


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