

# Portrait of Indonesian Muslim Consumers

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**Abstract.** This study was conducted on the Indonesian Muslim consumers. The problem of the study is what is the portrait of Indonesian Muslim consumers? This study aims to know the portrait of Indonesian Muslim consumers. This study uses descriptive analysis method using secondary data in the form of Susenas 2018 compiled by BPS Indonesia which is operated using Stata 14. The result and conclusion of the study is that Indonesian Muslim consumers are mostly (70.20%) on the island of Java, mostly live in urban areas (59.45%), evenly divided between men and women, low income, quite low education, mostly are working (50.77%) and housekeeping (47.36%), mostly (54.78%) are working in manufacturing (15.49%), wholesale and retail trade (19.58%), agriculture (12.46%), and other service activities sectors (7.25%), mostly (70.38%) are employees (47.74%) and own workers (22.64%), mostly own cellular phone (70.66%), actively using internet (48.90%), and mostly in productive age (78.09%). This study recommends that producers must sell goods and services that are in accordance with the condition of Indonesian Muslim consumers that are goods and services for low income and quite low education consumers, for consumers who are working in manufacturing, wholesale and retail trade, agriculture, and other service activities sectors, and sell goods and services in the online way.

**Keywords:** Muslim Consumers, Location, Main Activity, Economic Sectors, Gender

## 1 Introduction

Islamic economics and finance have experienced rapid development in the last two decades, both globally and nationally. The State of the Global Islamic Economy Report 2018/2019 reports that the amount of food expenditure and halal lifestyle of the world's Muslims reached USD 2.1 trillion in 2017 and is expected to continue to grow to reach USD 3 trillion in 2023 [1].

As a country with the largest Muslim population in the world, the potential consumption of its population is of course very large. So, it is very important for producers to know the characteristics of Indonesian Muslim consumers. This study was conducted to answer the question of how a portrait of Indonesian Muslim consumers.

## 2 Literature Review

The challenges of the economy after a decade of global financial crisis are increasingly complex and diverse. Trade, financial and geopolitical risks place various countries in instability and vulnerability. In responding to various external uncertainties, the ability to seize opportunities and transform is the key to national economic resilience [1].

Indonesia is part of a global society. As a member of the G20, Indonesia contributes greatly in the formation of world gross domestic product (GDP). In addition, it cannot be denied that with the majority of the Muslim population, Indonesia is part of an international Muslim community that helps determine global sharia economic trends [1].

The State of the Global Economic Report 2018/2019 estimates total Muslim spending to reach USD 2.1 trillion in 2017 which is around 0.27 percent of the total world gross product. This figure is mainly derived from the consumption of halal food (USD 1.3 trillion), followed by fashion (USD 270 billion), media and recreation (USD 209 billion), travel (USD 177 billion), and pharmacy and cosmetics (USD 87 billion). This potential is expected to continue to increase along with the growth of the world's Muslim population [1][2].

With the largest Muslim population in the world, Indonesia is the largest consumer of halal products on the international market, so it is very important for entrepreneurs, governments and other parties to know the portrait of Indonesian Muslim consumers.

### **3 Method**

This study uses descriptive analysis method using secondary data in the form of Susenas 2018 compiled by Indonesian Statistics [3] which is operated using Stata 14.

This research uses descriptive analysis method. This method aims to create a systematic review of an issue by analyzing data and facts, formulating hypotheses, and concluding a research object. Descriptive analysis characterizes the world or a phenomenon, answering questions about who, what, when, and to what extent. Whether the goal is to identify and describe trends and variation in populations, create new measures of key phenomenon, or describe samples in studies aimed at identifying causal effects, description plays a critical role in the scientific process in general. Descriptive analysis stands on its own as a research product, such as when it identifies socially important phenomena that have not previously been recognized. In many instances, description can also point toward causal understanding and to the mechanisms behind causal relationships [4].

This study was conducted on the Indonesian Muslim consumers. The problem of the study is what is the portrait of Indonesian Muslim consumers? This study aims to know the portrait of Indonesian Muslim consumers.

### **4 Finding**

This study found that the majority of Indonesian Muslim consumers are in Java, mostly live in urban areas, evenly distributed between men and women, low income, quite low education, most of them are working or housekeeping, physically fit and psychologically, most of them are working in the manufacture industry, wholesale and retail trade, agriculture, and other service activities sectors, most of them are employees and own workers, mostly own cellular phone, actively using internet, and in productive age.

As can be seen in table 1, the majority of Indonesian Muslim consumers live in Java at 70.20%, where the majority live in West Java Province (24.88%), then in East Java Province (18.11%), in Central Java Province (15.59%), Banten Province (5.97%), DKI Jakarta Province (4.23%) and DI Yogyakarta Province (1.43%).

**Table 1.** Indonesian Muslim Consumers Based on Province

No	Province	Persons	Percentage
1	Aceh	1,660,629	1.47%
2	Sumatera Utara	4,914,434	4.35%
3	Sumatera Barat	1,535,925	1.36%
4	Riau	3,780,727	3.35%
5	Jambi	1,835,243	1.63%
6	Sumatera Selatan	2,734,679	2.42%
7	Bengkulu	613,322	0.54%
8	Lampung	2,554,702	2.26%
9	Kepulauan Bangka Belitung	387,931	0.34%
10	Kepulauan Riau	897,314	0.80%
11	DKI Jakarta	4,771,907	4.23%
12	Jawa Barat	28,074,928	24.88%
13	Jawa Tengah	17,590,097	15.59%
14	DI Yogyakarta	1,612,942	1.43%
15	Jawa Timur	20,437,000	18.11%
16	Banten	6,740,063	5.97%
17	Bali	423,739	0.38%
18	Nusa Tenggara Barat	1,350,664	1.20%
19	Nusa Tenggara Timur	230,799	0.20%
20	Kalimantan Barat	960,335	0.85%
21	Kalimantan Tengah	879,429	0.78%
22	Kalimantan Selatan	2,006,614	1.78%
23	Kalimantan Timur	459,031	0.41%
24	Kalimantan Utara	93,835	0.08%
25	Sulawesi Utara	259,384	0.23%
26	Sulawesi Tengah	955,738	0.85%
27	Sulawesi Selatan	2,895,639	2.57%
28	Sulawesi Tenggara	473,594	0.42%
29	Gorontalo	324,737	0.29%
30	Sulawesi Barat	271,093	0.24%
31	Maluku	363,308	0.32%
32	Maluku Utara	332,286	0.29%
33	Papua Barat	147,036	0.13%
34	Papua	293,803	0.26%
	Total	112,862,907	100.00%

Source: Susenas [3], calculated.

Based on urban and rural locations, the majority of Indonesian Muslim consumers live in urban areas, namely 59.45% and the remaining 40.55% of Indonesian Muslim consumers live in rural areas. The difference is quite large, namely 18.90% or 21,326,197 more people who live in urban areas. This can be seen in table 2.

**Table 2.** Indonesian Muslim Consumers Based on Location

No	Location	Persons	Percentage
1	Urban	67,094,552	59.45%
2	Rural	45,768,355	40.55%
Total		112,862,907	100.00%

Source: Susenas [3], calculated.

By gender, the division of the amount between male Muslim consumers and female Muslim consumers is fairly evenly distributed where male Muslim consumers are 50.07% and female Muslim consumers are 49.93%.

**Table 3.** Indonesian Muslim Consumers Based on Gender

No	Gender	Persons	Percentage
1	Male	56,506,002	50.07%
2	Female	56,356,905	49.93%
Total		112,862,907	100.00%

Source: Susenas [3], calculated.

Meanwhile, based on income per capita of Indonesia's Muslim population totaling 112,862,907 people, where per capita income per month is divided into 10 income layers, as much as 99.11% of Indonesia's Muslim population is in the lowest layer, followed by 0.76 % is in the second layer from the bottom. As many as 737 people or 0.00065% of Indonesia's Muslim population are in the highest income layer or tenth layer. With this data (table 4), it can be stated that the majority of Indonesian Muslim consumers have a fairly low per capita income per month.

**Table 4.** Indonesian Muslim Consumers Based on Ten Income Layers

Layer	Income per Capita Intervals (Rp)	Persons	Percentage
Layer 1	105.133,93 - 5.576.176,74	111,862,992.00	99.11404%
Layer 2	5.576.176,75 - 11.047.219,54	857,872.00	0.76010%
Layer 3	11.047.219,55 - 16.518.262,35	105,668.00	0.09363%
Layer 4	16.518.262,36 - 21.989.305,16	24,315.00	0.02154%
Layer 5	21.989.305,17 - 27.460.347,97	9,726.00	0.00862%
Layer 6	27.460.347,98 - 32.931.390,77	210.00	0.00019%
Layer 7	32.931.390,78 - 38.402.433,58	1,276.00	0.00113%
Layer 8	38.402.433,59 - 43.873.476,39	111.00	0.00010%
Layer 9	43.873.476,40 - 49.344.519,19	-	0.00000%
Layer 10	49.344.519,20 - 54.815.562,00	737.00	0.00065%
Total		112,862,907.00	100.00000%

Source: Susenas [3], calculated.

Based on the highest school certificate owned, it can be stated that Indonesian Muslim consumers have a fairly low level of education. This can be explained through data where the largest share of Indonesian Muslim consumers, amounting to 22.75%, has the highest certificate in the form of basic school. The second largest part of 19.23% did not have a school certificate because they had never attended school or attended school but did not graduate. This can be seen in table 5.

**Table 5.** Indonesian Muslim Consumers Based on Highest School Certificate

No	Certificate	Persons	Percentage
1	No Certificate	21,700,949	19.23%
2	Paket A	81,080	0.07%
3	SDLB	242,954	0.22%
4	SD	25,670,739	22.75%
5	MI	1,755,451	1.56%
6	Paket B	177,168	0.16%
7	SMPLB	208,733	0.18%
8	SMP	19,183,351	17.00%
9	MTS	3,380,378	3.00%
10	Paket C	376,525	0.33%
11	SMLB	63,487	0.06%
12	SMA	18,809,841	16.67%
13	MA	2,645,981	2.34%
14	SMK	6,012,652	5.33%
15	MAK	50,722	0.04%
16	D1/D2	536,148	0.48%
17	D3	1,789,890	1.59%
18	D4	269,227	0.24%
19	S1	6,316,605	5.60%
20	S2	514,776	0.46%
21	S3	48,980	0.04%
Total Indonesian Muslim Consumers		112,862,907	100.00%

Source: Susenas [3], calculated.

Based on daily activities, the majority of Indonesian Muslim consumers have daily activities in the form of working, where the number reaches 57,296,810 people or 50.77% of the total number of Indonesian Muslim consumers as many as 112,862,907 people. Then the second largest number is having daily activities in the form of housekeeping where the number reaches 53,447,023 people or 47.36%. The third largest number is having daily activities in the form of personal activities not working, not schooling, and not housekeeping. The number reached 36,699,945 people or 32.52%. Examples of such activities include taking care of one's own home with the cost of living borne by others who are neighbors or relatives. Generally, people who are in this category are in economically apprehensive circumstances. Complete information can be seen in table 6.

**Table 6.** Indonesian Muslim Consumers Based on Daily Activities for Last Week

No	Daily Activities	Persons	Percentage
1	Working	57,296,810	50.77%
2	Attending School	22,681,838	20.10%
3	Housekeeping	53,447,023	47.36%
4	Others Except Personal Activities	36,699,945	32.52%
5	No Activities	2,103,927	1.86%
Total Indonesian Muslim Consumers		112,862,907	100.00%

Source: Susenas [3], calculated.

Based on the main employment status, the majority of Indonesian Muslim consumers who are working have the status of Labors/Employees at 47.74%, followed by the status of Own Workers at 22.64%. More detailed data can be seen in table 7.

**Table 7. Indonesian Muslim Consumers Based on Main Employment Status**

No	Main Employment Status	Persons	Percentage
1	Own Workers	13,132,903	22.64%
2	Own Workers with Temporary/Unpaid Workers	5,251,405	9.05%
3	Own Workers with Permanent/Paid Workers	1,858,878	3.21%
4	Labors/Employees	27,687,050	47.74%
5	Free Labors	5,543,281	9.56%
6	Family Workers	4,521,496	7.80%
Total		57,995,013	100.00%

Source: Susenas [3], calculated.

Based on the business sector or economic activities, the majority of Indonesian Muslim consumers namely 54.78% are working in the Wholesale and Retail Trade, Repair and Maintenance of Cars and Motorbikes (19.58%), the Manufacturing Sector (15.49%), Paddy and Secondary Crops (12.46%), and Other Service Activities Sector (7.25%).

**Table 8. Indonesian Muslim Consumers Based on Economic Activities**

No	Main Activity	Persons	Percentage
1	Wholesale and Retail Trade, Repair and Maintenance of Cars and Motorbikes	11,356,223	19.58%
2	Manufacturing	8,984,315	15.49%
3	Paddy and Secondary Crops	7,228,031	12.46%
4	Other Service Activities	4,207,323	7.25%
5	Construction	3,890,754	6.71%
6	Education	3,526,678	6.08%
7	Provision of Accommodation and Provision of Food and Drink	3,208,951	5.53%
8	Plantation	3,159,863	5.45%
9	Government administration, defense and mandatory social security	2,564,442	4.42%
10	Transportation and Warehousing	2,459,470	4.24%
11	Fishery	945,369	1.63%
12	Horticulture	936,310	1.61%
13	Human Health and Social Activities	901,829	1.56%
14	Animal Husbandry	887,734	1.53%
15	Financial and Insurance Activities	876,146	1.51%
16	Mining and Quarrying	462,383	0.80%
17	Information and Communication	456,914	0.79%
18	Professional, Scientific and Technical Activities	311,064	0.54%
19	Household Activities as An Employer	257,564	0.44%
20	Forestry and Other Agriculture	253,310	0.44%
21	Arts, Entertainment and Recreation	246,071	0.42%
22	Rental and Leasing Without Option Rights Activities, Employment, Travel Agents, and Other Business Support	236,817	0.41%

23	Supply of Electricity, Gas, Steam/Hot Water, and Cold Air	230,768	0.40%
24	Water Management, Waste Water Management, Waste Management and Recycling, and Remediation Activities	200,356	0.35%
25	Real Estate	193,614	0.33%
26	Activities of International Agencies and Other Extra Internationals	12,714	0.02%
Total		57,995,013	100.00%

Source: Susenas [3], calculated.

Indonesian Muslim consumers are also having many assets. This is based on data that 83.02% of them own residential buildings with self-owned ownership status.

**Table 9.** Indonesian Muslim Consumers Based on Dwelling Ownership Status

No	Dwelling Ownership Status	Persons	Percentage
1	Private	93,702,279	83.02%
2	Lease/Rent	8,808,698	7.80%
3	Free Occupy	9,071,340	8.04%
4	Official Residence	929,989	0.82%
5	Others	350,601	0.31%
Total		112,862,907	100.00%

Source: Susenas [3], calculated.

Besides the fact that 83.02% of Indonesian Muslim consumers own residential buildings with self-owned ownership, most of them also have refrigerators (65.13%), have motorbikes (85.20%), own land (73, 64%), and cellular phones (70.66%). This can be seen from table 10.

**Table 10.** Indonesian Muslim Consumers Based on Ownership of Asset

No	Description	Yes		No		Total	
		Persons	Percentage	Person	Percentage	Person	Percentage
1	Have Dwells/House (Private Ownership)?	93,702,279	83.02%	19,160,628	16.98%	112,862,907	100.00%
2	Have Another House, Other Than the House Currently Occupied?	12,015,038	10.65%	100,847,869	89.35%	112,862,907	100.00%
3	Have a Fridge/Refrigerator?	73,505,875	65.13%	39,357,032	34.87%	112,862,907	100.00%
4	Have Air Conditioner?	10,494,490	9.30%	102,368,417	90.70%	112,862,907	100.00%
5	Have Water Heater?	3,080,222	2.73%	109,782,685	97.27%	112,862,907	100.00%
6	Have Landline/PSTN?	3,255,640	2.88%	109,607,267	97.12%	112,862,907	100.00%
7	Have Computer/Laptop?	28,331,918	25.10%	84,530,989	74.90%	112,862,907	100.00%
8	Have Precious Metals?	24,326,664	21.55%	88,536,243	78.45%	112,862,907	100.00%
9	Have Motorcycles?	96,160,158	85.20%	16,702,749	14.80%	112,862,907	100.00%
10	Have Cars?	15,625,512	13.84%	97,237,395	86.16%	112,862,907	100.00%
11	Have Flat Screen Television (Minimum of 30 Inches)?	18,562,469	16.45%	94,300,438	83.55%	112,862,907	100.00%
12	Have Land?	83,110,754	73.64%	29,752,153	26.36%	112,862,907	100.00%
13	Have Handphone/Cellular Phone?	79,698,340	70.66%	33,085,020	29.34%	112,783,360	100.00%

Source: Susenas [3], calculated.

Based on table 11 below, it can be stated that quite a lot of Indonesian Muslim consumers are accustomed to accessing the internet at 48.90%. This shows that Indonesian Muslim consumers are quite familiar with the latest technology and information. This can be an entry

point for Indonesian Muslim consumers to obtain information and knowledge that can be used to improve their financial performance.

**Table 11.** Indonesian Muslim Consumers Based on Ownership of Gadget, Internet, and Savings Account

No	Description	Yes		No		Total	
		Persons	Percentage	Person	Percentage	Person	Percentage
1	In last 3 months, did you use handphone/cellular phone?	90,690,600	80.41%	22,092,760	19.59%	112,783,360	100.00%
2	In last 3 months, did you own/control handphone/cellular phone?	79,698,340	70.66%	33,085,020	29.34%	112,783,360	100.00%
3	In last 3 months, did you use computer?	26,932,844	23.88%	85,850,516	76.12%	112,783,360	100.00%
4	In last 3 months, have you ever used internet?	55,155,291	48.90%	57,628,069	51.10%	112,783,360	100.00%
5	Did you have a savings account either in your own name or collective at a financial institution?	36,959,548	32.77%	75,823,812	67.23%	112,783,360	100.00%

Source: Susenas [3], calculated.

In addition to having sufficient assets, the majority of Indonesian Muslim consumers, namely 78.09% or 88,120,206 people are at productive ages, i.e., aged between 15 years to 64 years. A total of 18.08% or 20,396,193 people aged 14 years and under and as many as 3.84% or 4,346,508 people aged 65 years and over.

Based on above explanation, producers must sell goods and services that are in accordance with the condition of Indonesian Muslim consumers that are goods and services for low income and quite low education consumers, for consumers who are working in manufacturing, wholesale and retail trade, agriculture, and other service activities sectors, and producers can sell goods and services in the online way.

In conventional economics, consumers have behavior i.e., consumer's behavior which are referring to how a user allocates an amount of money on various combinations of goods or services in order to maximize their satisfaction. While Muslim consumers, in addition to behavior, they also have ethics that should be considered by every individual Muslim in selecting, purchasing, and using the products or services of any kind [5]. Producers must concern with this ethics while they are servicing Indonesian Muslim consumers. Chandra's study found that the consumer behavior of the Ekis FIAI UII students has actually been in accordance with the principle of *aqidah*, *amaliyah*, and spirituality, even though it has not yet represented the simple and modest principle [6]. Producers must also concern with this phenomenon while they are servicing Indonesian Muslim consumers.

## 5 Conclusion and Implication

The conclusion of this study is that Indonesian Muslim consumers are mostly (70.20%) on the island of Java, mostly live in urban areas (59.45%), evenly divided between men and women, low income, quite low education, mostly are working (50.77%) and housekeeping (47.36%), mostly (54.78%) are working in manufacturing (15.49%), wholesale and retail trade (19.58%), agriculture (12.46%), and other service activities sectors (7.25%), mostly (70.38%) are employees (47.74%) and own workers (22.64%), mostly own cellular phone (70.66%), actively using internet (48.90%), and mostly in productive age (78.09%).

This study recommends that producers must sell goods and services that are in accordance with the condition of Indonesian Muslim consumers that are goods and services for low income and quite low education consumers, for consumers who are working in manufacturing,



wholesale and retail trade, agriculture, and other service activities sectors, and producers can sell goods and services in the online way.

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