How Customers Perceive and Accept Halal Products?

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ABSTRACT
Islam has introduced the concepts of halal which includes hygiene, procedures, preparation, slaughtering, display and sanitation. Today, halal has become a vital concern among the customers, especially Muslim communities as well as non-Muslim communities. There are certain elements that influence towards the purchase intentions. This study explored the factors namely; attitude, subjective norm are the variables that duly influence the purchase intention. The data has been taken from various aspects while putting questionnaire to the different dimension, where to analyze the influence regression analysis has been performed while on the other hand relationship is also ascertained, for this correlation method has been adopted to enumerate the results. The study mentioned some significant relationship among the elected variables while some extent of influencing measures has been ascertained.

INTRODUCTION
This research will examine the factors affecting consumer intention to buy halal goods. In short, it will discuss further the elements or factors that influence whether attitude, subjective norm, perceived behavioral control, trust and knowledge are important in explaining the relationship between those variables with the intention of buying halal products among customers. Muslim societies face difficulties in deciding if the food or water they ingested meets Halal principles. The halal status is not primarily focused on food and beverages but includes other products and services as well. Trade Definition Order (use of halal expression) (1975), describes halal as a relation to food as well as the mechanism of trade and trade in its commercial dimension. The word halal guarantees food or goods as permissible in Islam religion to be eaten or used and allowed.

The halal definition is one of the major roles in Muslim consumption and today Islam is either by birth or adoption the fastest ever-growing religion in the world, with the Muslim population expected to surpass 3 billion by 2010 (Rahim & Junos, 2012) Asia Inc., (2007) reporting that the global halal market is estimated at US$ 150 billion a year and the halal food industry is tied to expand. Yes, company will tap rising consumer segment (Ali, 2014). The truth is that Muslim consumers are demanding safe and quality goods that adhere to the requirements of Shariah law (Ali, 2014). To meet Muslim communities’ requirements and demand, many fast-food restaurants and outlets around the world seem to respond to the issue, as they obtained the halal certification as a counter-response in KFC Singapore as an example. KFC, Burger King and Taco Bell have seen a 20 percent rise in customers, having been approved halal by the authority (A. Khan & Azam, 2016; Nguyen et al., 2019; Nikhashemi et al. 2013; Pathiratne et al., 2018; Seneviratne et al., 2019; Tarofder et al., 2019).

Muslims often identify with the Halalan and Toyyiban principle (refers to decent and high quality products). The awareness of halal food market in Malaysia among Muslims is well regulated by all ethnic groups to fulfill the religious duty to eat halal food. Between them, there are mutual understandings although this is a subjective problem. In Malaysia, the halal implementation of certification and logo is focused on food producers’ request, and the halal certification logo has the benefit of targeting a wider audience as there are 60.4 percent Muslim markets in Malaysia (Khalek, 2014)

Looking to this opportunities, government has decided to actively involved in promoting Malaysian own halal logo and certification in reaction to realizing and implementing of halal hub in Malaysia. In order to implement halal hub, the halal value chain in Malaysia should adhere to guidelines and procedures developed by several agencies and government department to meet the objective. Muslims are the majority of the population in Malaysia, and this requires producers of goods or services to sell certain commodities that comply with the shariah rules and regulations, especially in order to comply with halal conditions. To receive halal status, which is granted by JAKIM, the process they must undergo is aspects of slaughtering, storage, show, hygiene, preparation and sanitation. This happens not only in the food and beverage sector, but also in the category of services and non-food. The growth in population, especially Islamic community, has increased demand for halal food as well as creating opportunities in halal food manufacturers. Several biggest players or manufacturing companies such as Nestle, Campbell, Mc Donald, Baskin Robbins and others discussed the needs and increased the increasing demand for foods that fulfill the Islamic Dietary Code. Attitude is by which the conduct in question is evaluated or assessed favorably or unfavorably by the individual degree of the person (M. Ahmad & Salehuddin, 2013). In Theory of reasoned action (TRA), Ajzen and Fishbein (1975) explain that the intent of a person depends solely on the attitude of the person towards the behavior and subjective norms. Ajzen (1987), suggested that subjective norm is a perception of a person’s social pressure to accept or reject the behavior in question. Thus, subjective norms depend on the effect of reflecting an individualism perception on people’s surrounding and the importance to them in suggesting or advising them to perform or not to perform the specific behavior that still in question. This theory explains about three importance antecedents which are
attitude, subjective norms and perceived behavior control developed by Ajzen (1991).

Cited in Chen (2007), knowledge is a familiarity with individual, someone or something which can include facts, information, descriptions or skills acquired through experience or education. Generally, knowledge can be concluded as anything individual known including information, skills, facts or description or resides in intelligence, competence of people that pass through several experiences and tertiary education. Today, knowledge is part of important factors that signifies one from the others. Thus, this research will point the knowledge of customers towards intention to purchase halal products. Research framework is based from Theory of Planned Behavior (TPB), Theory of Reasoned Action (TRA), list of independent variables and dependent variables. These concepts need to be identified to develop comprehension of study.

LITERATURE REVIEW

(Ismail & Nasiruddin, 2014) projected that the Muslim population is expected to surpass three billion by 2010 and the global halal market is projected at USD100 billion a year and the halal food industry is tied to expand at a rate of 2.9 percent annually. Halal industry has to be marketable as a modern and competitive source of economic growth in growing and promoting industry. There are 70% of Muslims worldwide who follow the halal standard (Haque, Sarwar, Yasmin, Tarolli, & Hossain, 2015) and it increased up to USD580 billion in 2012. (Ali-Nahdi, Ismail, Haron, & Islam, 2009) reported that 75% of Muslims in United States would still oblige to halal concept although they have migrated from another country. Therefore, the halal element is now recognized as a worldwide standard program that applies to Muslims as well as non-Muslims. Jabatan Kemajuan Islam Malaysia (Jakim) or the Department of Islamic Development Malaysia is the body that oversees and is responsible for awarding and controlling the Malaysian Halal certification. Halal status is not about granting the certification, but it includes site visit inspection of plants, investigating the method of handling the raw material that meets strict protocols, the raw material sources, how the material is stored and tracked at all times. There are two types of certificates in halal certification, with the period depends on the form of food or drug or beverage (Wibowo & Mashitoh, 2016). First, certification granted to site registration certificates that monitor plant, manufacturing facility, slaughter, food establishment, abattoir or any establishment that handles food has been inspected and approved for the production or serving of halal foods. This type of halal certificate is not used as certificate for the halal product. Secondly is a specific product or specific quantity granted to listed product or products meet the halal guidelines of certifying organization (I follow the rules of JAKim). Thus after passing this level certificate issued to specific products for a particular importer or distributor and if product base are meat or poultry products the batch certificate awarded for each consignment, generally received batch or shipment certificate. Each batch consignment is valid as long as specific product is based on their expiring date. The product is remaining halal as long as their meets the entire requirement, establishment, agreed upon production and marketing between the company and halal certified organization (Salman & Siddiqui, 2011). (Mashitoh, Rafida, & Alina, 2013), a given behavioral attitude is determined as favorable and unfavorable by a person’s evaluation of those outcomes. According to (Rahman, Asrarahgighighi, & Ab Rahman, 2015), a person is more likely to participate in a certain behavior if he/she has a positive attitude towards conducting the behavior. According to (Abu-Hussin, Johari, Hehsan, & Mohd Nawawi, 2017) trust is a business relationship that helps to minimize business risk, according to Anderson and (Ayyub, 2015), and a number of researchers say confidence building is an important factor in a business setting. (Briliana & Mursito, 2017) has pointed out that confidence means that someone is sure that his/her transactional partners are trustworthy and truthful. According to (Gurcharan & Mohamad, 2016), provided there are so many different trust definitions, the most straightforward definition is that one believes and is willing to rely on another party.” (Awan, Siddiquei & Haider, 2015) suggested that trust is a cognitive expectation or emotional point of view. (M. M. Khan, Asad, & Mehboub, 2017) reported that customers will rely on sellers or outside observers while at the same time putting their confidence in the sources of information and the information provided. For example, buying meat items, Muslim’s consumer trusting halal meat is related to process attributes (meat processing and handling status) certainty and meat wholesomeness safety. There is a link between method of slaughtering, perception of health and safety. It is assumed that the Islamic slaughter method completes bleeding from the animal resulting in less bacterial contaminant and safer meat (Kamarulzaman, Ghan, & Madun, 2012).

(Newaz, Fami, & Sharma, 2016) found that the mindset and purpose to buy halal goods are significantly and positively constructed. The analysis reveals that the TPB model clarified 29.1 percent variation in purchasing intentions of halal goods. This indicates that attitude is an important factor in influencing the intention of consumers to buy halal products, as those with a high positive attitude seemed to have greater purchasing intentions. Another observation by (A. N. Ahmad, Rahman, & Ab Rahman, 2015), he said attitude is an important factor in the prediction and explanation of human behavior. (Newaz et al., 2016) found that trust has a major positive relationship with buying intent. A total of 473 respondents participated in their online survey, and only 458 respondents find data to be decent and willing to use it. The findings showed that confidence is capable of understanding 25.2 percent of the variance against purchasing intent. That variable can therefore be used to explain the relationship between the two. (Yener, 2015) found that consumers have knowledge on the certified halal logo as issued by JAKim, which therefore influenced their decisions towards halal product. The results proven that they know which product are halal and which are not and they are able to avoid products coming from other countries based on halal logo and accepted the local logo produced by JAIm. When building a research design, it is important to acknowledge the design or the structure before data collection or analysis can take place. In fact, sampling method and the design of the questions themselves are critical in matters of obtaining reliable information (Mohtar, Amirnordin, & Haron, 2014). Descriptive approach is taken as the fundamental design of this research. Descriptive design is a design of research in which the main goal is to portray an accurate profile of persons, events, or objects. In descriptive design ad studies, the researcher is typically concerned with
taken into consideration the importance of highlighting with providing a profile of variables such as age, race, religion, occupation and marital status (Hasan, 2016). Price is a sensitive issue and some products or services affected, some of them are unaffected to the price changes and some of them the higher the better. However in halal products, the price is considered as sensitive and companies specifically need to identify the market pricing as failure in determining the exact-market-appropriate price may lead to failure. Pricing determination strategy, it involves few considerations before the company finalized the price which includes fundamental selecting approaches to effective pricing. In engaging with a research, a research must firstly engage in sampling. Without sampling no research can be conducted and developed. As no sample represents any data, data are sustainable through some type of sampling. The type, size, composition and the nature of sampling depends on the purpose of study, the population available, the research design and others (Hasan, 2016).

According to (Abdul Rahman, Rezai, Mohamed, Shamsudin, & Sharifuddin, 2013), the purpose of using t-test is to determine whether two sets of scores differ. T-test has three main groups, one study, a group of independents and a group of repeats. Independent sample tests were used in this research to analyze whether "sector in which respondents were" is relevant towards the intention to buy halal goods. The t-test results are shown. (Abdul Rahman et al., 2013) further clarified in evaluating hypothesis acceptance and rejection by examining Levene’s test with a magnitude greater than 0.5. Then the variances in population can be assumed to be relatively equal. They elucidated in their notes, "For without an additive, the two-tail significance indicates that p > 0.05 is not significant, therefore. You can therefore accept the null hypothesis and reject alternative hypothesis, (Battour, Hakimian, Ismail, & Bošjan, 2018). Today’s business strategy hardly put promotion as a part of their strategy. Promotion is a vital and popular strategy which have has proven effective in creating awareness about the products in the market. This strategy can be divided into two types; push and pull strategy. In push strategy, the company uses their own company sales force and resources in stimulating sales as well as customers' demand, for example using intermediaries such as agent, wholesaler and retailer in promoting the products to customers. Whereas pull strategy is by launching of promotion via advertising, road shows, vouchers, discount and etc.

Brand is divided by three categories; national brand, private brand and generic product. National brand was offered by manufacturer such as Colgate, Gatorade, Swatch, Toshiba and Sony. The private brand is product offered by wholesaler or retailer which is not referring to any manufacturers' products such as Tesco or Mydin products. Finally generic products, this product have plain packaging or little advertising and little labeling. The sales of this product will be declined when the country economy is improved. The factor as brand loyalty emerges in new type of business in today’s environment. In some cases, customers will insist a specific brand when making purchasing. This is simply because the customer is comfortable with some particular product and performs their own preference in specific brands strategy is a consistent and compatible with the target market in the company objectives. For instant, the pre packed lunch food target market is based on low income the price charge could as low as possible in order for everybody to purchase the products. Customers are very familiar with the brand and customers are more likely to purchase the recognize product rather than unknown products. With this familiarity the customer has an intention to purchase customer put loyalty if the brand is available in the store. The customer will start to look for the brand and if there is no brand the higher then the customer will purchase other brands (Newaz et al., 2016).

Thus, this study opts for the biggest city in Malaysia which is Kuala Lumpur the capital of Malaysia as to represent the population in intention to purchase halal product. But for future study, the researcher should consider other cities such as Kota Kinabalu, Tawau, Miri, Kuching, Kuala Terengganu, Penang, Johor Bahru, Putrajaya, and Kajang as their study area. Finally, there are only 150 respondents out of 180 questionnaires that can be used in the study due to limited resources and time constraints. Perceived behavior control reflects individual perceives over performing the behavior in intention to purchase. If self-desire to have intention they will influence expectation that they would buy it and should perform behavior, then the individual should be likely to do or not to do so. In this case, if perceived behavior control is seen as self-desirable behavior that individual is more likely have an intention to believe and buy it. Consistent to the studies, the research found that knowledge was significantly related to believe. Another factor that influenced intention to purchase is trust which is score at 0.927. Trust is based by individual willingness to depend on another party, (Abu-Hussin et al., 2017). Thus, individual has willing to put his/her trust to those particular product then they will buy that product.

Following are the hypothesis of this study,

H1 There is significant relationship between attitude and intention to purchase.

H2 There is significant relationship between subjective norm and intention to purchase.

METHODS

The researcher will investigate whether the two variables, namely attitude, subjective norm, affect the willingness to make them purchase halal products intentionally. This research will examine the factors affecting consumer intention to buy halal goods. In short, it will discuss further the elements or factors that influence whether attitude, subjective norm, perceived behavioral control, trust and knowledge are important in explaining the relationship between those variables with the intention of buying halal products among customers. This research will analyze and run on the association between independent variable and variable dependent. Below is theoretical framework that has been developed:-

![Diagram]

**ATTITUDE**

**SUBJECTIVE NORMS**

**INTENTION TO PURCHASE**
The discussions include the scientific approach, research design, sampling and sampling procedures, target population and sample size, research instruments and analysis procedure. The first collection of data is measured, second section is about population and sample and finally third section explains the data analysis technique. In this particular research, cross-sectional survey will be conducted. The data obtained from the survey were analyzed using statistical techniques such as distribution of frequencies, t-testing, ANOVA one way, correlation and multiple regression analysis. Cross-sectional surveys are studies aimed at evaluating a particular attribute’s frequency (or level) at a specific point in time in a given population. For example, we can conduct cross-sectional surveys to determine the desires of consumers when purchasing in a given population at the time of the survey.

**ANALYSIS**

This chapter focuses on results obtained from the analysis in detail. The data is processed in version 17.0 by SPSS software and displayed in tables. Data was analyzed using various methods. The respondents, who were employees of the public and private sector in Kuala Lumpur, were given a set of 180 questionnaires. Yet the questionnaires were only responded to by 150 respondents. All questionnaires were used for data processing. To evaluate the degree of interaction between the variable, the correlation coefficient (r) is measured. Significance level is set at 0.05 or less.

**Table 1: Correlation between Attitude and Intention to Purchase.**

<table>
<thead>
<tr>
<th>Attitude</th>
<th>Intention to Purchase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude Pearson Correlation</td>
<td>1</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>150</td>
</tr>
</tbody>
</table>

Correlation is significant at the 0.01 level (2-tailed).

**Table 2: Correlation between Subjective Norms and Intention to Purchase.**

<table>
<thead>
<tr>
<th>Intention to Purchase</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase</td>
<td>1</td>
<td>.982**</td>
<td>150</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**

The findings showed that there is a positive relationship between two dimensions because the p value is lower than the relevant value (p = 0.000 which is < 0.05) and the coefficient of correlation (r=0.982) is considered to be high correlation.

The summary model shows that R is equivalent to 0.993 for the association of five independent variables with dependent variable intention to buy. In fact the square of R (0.986)2 is created after inter-correlation R square. It means that the dependent variable has an effect of 98.6 percent of the five independent variables. In other words, the independent variables clarified 98.6 per cent of the difference in intention to buy. Depending on the rule of thumbs, the number of interpretations on regression analysis is just 1.4 per cent.

**Table 3: Regression Analysis on Model Summary**

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.993*</td>
<td>.986</td>
<td>.788</td>
<td>.01337</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Attitude, Subjective Norm, b. Dependent variable: Intention to Purchase

The ANOVA shows that at level 0.000, the F value of 98.031 is important. This finding reflects that the five independent variables substantially demonstrated 98.6 percent of the variation effect in purchasing intention.

**Table 4: Regression Analysis of ANOVA test**

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>11.015</td>
<td>7</td>
<td>1.574</td>
<td>98.031</td>
<td>.000*</td>
</tr>
<tr>
<td>Residual</td>
<td>2.806</td>
<td>157</td>
<td>.018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>13.822</td>
<td>164</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), attitude, subjective norm b. Dependent Variable: intention to purchase

This research has shown that the attitude and subjective standard predict the intention to buy halal goods. Study shows that attitude can also influence people to build trust in making intent to buy halal products.

**DISCUSSIONS AND CONCLUSIONS**

This chapter, which focuses on summarizing the results and explaining the findings in details for the entire report. Generally speaking, the primary objective of this study is to define the key factors that affect the consumer’s understanding of buying halal products with new literature-derived variables. Using these implications in the construction of a theoretical and empirical context, the
researcher attempted to investigate the consumer’s perception of buying intention and to analyze how these perceptions vary in relation to respondents’ personal characteristics, such as gender, age, ethnicity, religion, educational level, respondent’s income and industry. In some degree, the sample size and physical distribution affected the consistency of the research findings and their generalized efficiency. The scope of this research was a limited sample size of 150 respondents and the town of Kuala Lumpur due to time constraints and some other limitations. The results showed that using the five-dimensional independent variables as an instrument for predicting the intention to buy halal products is accurate. The result shows that of the variables chosen; because of the acceptance and intention to buy halal goods, only some have significant relationship. This implies the response provided by the respondent in the survey, which agreed to their belief in the positive conduct and intends to buy in halal goods. As regards collection methods, the present work uses only quantitative approach where questionnaires are used in data collection.

Price is a sensitive issue and some products or services affected, some of them is unaffected to the price changes and some of them the higher the better. However in halal products, the price is considered as sensitive and companies specifically need to identify the market pricing as failure in determining the exact-market-appropriate price may lead to failure. Pricing determination strategy, it involves few considerations before the company finalized the price which includes fundamental selecting approaches to effective pricing. In engaging with a research, a research must firstly engage in sampling. Muslims are the majority of the population in Malaysia, and this requires producers of goods or services to sell certain commodities that comply with the shariah rules and regulations, especially in order to comply with halal conditions. To receive halal status, which is granted by JAKIM, the process they must undergo is aspects of slaughtering, storage, show, hygiene, preparation and sanitation. This happens not only in the food and beverage sector, but also in the category of services and non-food.

The normal assumptions about attitude and purpose will be the more favorable the attitude of an individual towards any object the more optimistic he intends to behave and the less negative he intends to behave towards that object. This indicates the respondent’s answer in the survey, which referred to their belief in positive actions and decided to buy in halal goods. With regard to this work, there are few limitations. First of all, this study covered only Kuala Lumpur area which is tentatively too limited to represent the entire population. This research has not covered the entire population of this country. Consequently the findings cannot be assumed to justify Malaysian consumers’ overall confidence in purchasing intention.

REFERENCES


