

CONSUMER KNOWLEDGE TOWARD PURCHASING HALAL LABEL PRODUCT IN SELANGOR

Zul Ariff Abdul Latiff¹, Golnaz Rezai² & Nursalwani Muhammad

Senior Lecturer, Faculty of Agro Based Industry
Universiti Malaysia Kelantan (UMK)
Jeli, Kelantan, Malaysia
zulariff@umk.edu.my

² Associate Professor, John Molson School of Business, Concordia University
1455 De Maisonneuve Blvd. W. Montreal, Quebec, Canada
golnaz.rezai@concordia.ca

Abstract— Halal label products are the products recognized by JAKIM of its safety and hygienic ingredients contained. These products are considered as consumable by Muslims as the production process and ingredients used are halal and not prohibited from the aspect of Islam. Malaysia is a country made up of majority Muslims and therefore there is high demand of halal label products in the market. Some of the non-Muslims prefer more on halal label products instead of those without halal label also. Consumer's knowledge is important to influence them in the purchase of halal label products besides preventing them from being deceived by manufacturers using fake Halal logo due to lack of knowledge about it. In spite of knowledge, the purchase of halal label products among the consumers is influenced by several factors. A survey is conducted towards the consumers purchasing halal label products that have participated in MIHAS Expo 2019 held in Kuala Lumpur. A questionnaire consisting 6 sections with total of 28 questions are distributed among 100 respondents who halal label products' consumers are. The questions are designed based on literature review, KAP survey model and basic theory regarding the purchase of halal label products among the consumers. The objectives are achieved and the results show that there is knowledge among the consumers towards the purchase of halal label products, there is no relationship between consumer income and their practice and there are factors influencing the consumers in the purchase of halal label products which are importance, knowledge, attitude, practice as well as intention.

Keywords-Halal label, products \, consumers, knowledge, Halal certification

I. INTRODUCTION

Nowadays, customers are more aware on purchasing the products such as foods, clothes, drinks and others. Abdul Lattif *et al* (2016) also had stated that consumers more aware about what they eat and check the information for each kind of thing they choose before purchase it. Furthermore, according Routledge, Malaysia is also known as halal food manufacturing hub for the OIC member countries. This influences the consumers' perception and interest in purchasing healthier and hygiene foods in which they know Malaysia is one of the countries selling more halal products. Before purchasing the foods or other things, consumers usually refer the information on the packaging of foods or others to make sure the products are really good and halal to be consumed. Also, halal awareness concept also influences the people to purchase halal label products.

The awareness of knowledge about halal concept and process usually considered by Muslim consumer's for purchase in which they have high religiosity intrinsic about the halal and hygiene concept before looking at the brand of products (Azwar et al., 2017). The purpose of designing the halal label is to protect Muslim consumers from fraud and mislabelling besides helping the consumers to make correct choice and spend wisely. The purpose of 'halal' trademark is also to prevent food from being illegally claimed as halal product (Bashar, 2014). Research by Barry (2006) indicates that halal certification is a tool an organization needs to get as permission from JAKIM before claiming the halal logo on the food product.

The perspective of Islamic law showed Halal refers to something that is justified, which is not binding the ban on it, and it is necessary. In the worship of muamalat and mu'asharah, Halal and Haram concepts are something which is universal in its application that covers all aspects of human life (Hamid, 2017). The context of consumable of products used by Muslims is not only used in Halal. The principles and guidelines set by Islam is has a vast space covering the relationship between man, clothing and manner, social and business transaction, trade and service finance to investment or any other person that is in harmony (Samori, 2014). By the Islamic Law, the opposite for halal is haram which is not allowed or forbidden. Halal is normally associated with food products, but it is more than just concerning about food. The ingredient of Haram is not accepted in the right of Islam and the process for the production also is not conforming Islamic orders.

Halal is the product which follows the standard of Syari'at about the application in the process. The ingredient used for making the products which does not have animal source that has been slaughtered, contain toxic, and all the things that are against Islamic law (Syari'at) include in halal. Halal is most often involved in food production and processing. Also, cosmetics, health care products, pharmaceutical and other areas are having been applied to fields. The concept cannot be fully disclosed in product construction, halal reaches deep into discipline management companies, custom organizations, cultural anthropology and sociology such as Halal (Tieman, 2011). The concept of hygiene, sanitation and safety, making halal product easily accepted by consumers who care about safety and healthy lifestyles are Halal which covers not only Syari'at requirements (Baharuddin, 2015).

The Muslim confidence in acquiring the halal products and services is important and needs to be aware. The manufacturers that using prohibited ingredients in their products and services with halal certification must be solved. The Muslim consumers being deceived are the problem that happen (Nuradli et. al, 2007).

Malaysia is a country in which majority of the population is Muslim. Therefore, in the market of Malaysia, most of the consumers prefer products that are with halal label. So, the manufacturer feels they need to get a halal label product in order to get users' attentions in Malaysia. However, it is a problem for the manufacturer as it needs to go through the procedure to reach the approval for halal certificate.

Actually, knowledge of halal label is complicated because mostly people only know the product that halal just in the label of packaging without knows the premise or ingredients that use is halal or not. Muslim entrepreneurs should have a greater awareness towards the high demand, halal knowledge and as well as understanding the halal concept of a halal supply chain (Tieman, 2012). Mostly consumers are aware of the halal labels on the products. The problem is consumer should know about the halal methods of product handling and halal traceability of packaging for the halal certification on the packaging (Syazwan, 2012). Consumers need to be more focus on the knowledge about the halal product labelling to ensure the halal status of the products.

After that, the effective label might be cue for quality of the product to get the high purchase. Mostly, consumers are trying to identify elements of assurance sought to enhance their confidence on the products. It

can be shown that consumers would like to see more proactive monitoring of genuine halal certification and greater enforcement against false labelling of non-halal foods as “halal” (Abdul et al., 2009). The knowledge of the consumer toward the label of the right from JAKIM needs to be determined.

II. METHODOLOGY

Knowledge, Attitude and Practice (KAP) survey model was the theory used for this study. Knowledge, Attitudes and Practices survey model is a study that represents the right population who seeks to collect data on what is known, believed and done in relation to a particular subject (Zahedi et al., 2014). KAP studies are vastly focused evaluations that quantify changes in human knowledge, attitudes and practices in response to a specific intervention, usually outreach, demonstration or education. The questionnaire will be constructed based on knowledge, attitude and practices towards purchasing halal label products. Figure 1 below showed the conceptual framework of study which illustrates the independent and dependent variables used in this study. The independent variables are knowledge, attitude and practice while the dependent variable is the intention to purchase halal label products among consumers.

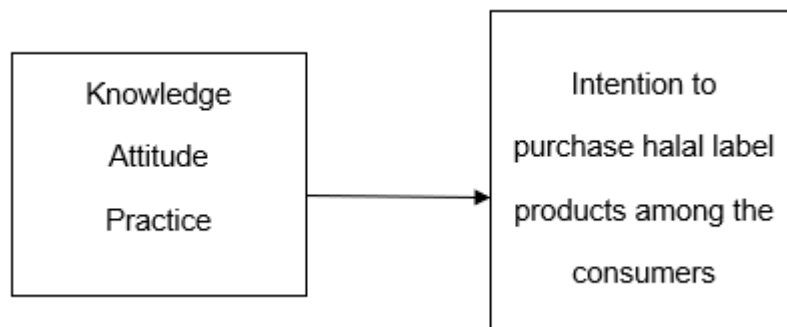


Figure 1: Conceptual Framework of Study

The target population of this study was consumer who attended Malaysia International Halal Showcase (MIHAS) 2019. About 100 consumers were selected using convenience sampling method to become the respondents of this study. The respondents were needed to answer the questionnaire given to them which designed using 5 point Likert scale. The questionnaire consisted questions based on their perception on importance of halal label, consumers' knowledge, attitude, practices towards purchasing halal label products and their intention in spite of the demographic profile. The data collected were then analyzed using SPSS software version 25. The analysis used were descriptive analysis and factor analysis.

III. RESULTS AND DISCUSSION

A. Descriptive Analysis of Demographic Profile

The descriptive analysis has been done on the demographic profile of the respondents which is divided into 5 categories of age, gender, race, education level and monthly income. Based on the Table 1, majority of the respondents were from the age group 21-30 years old at 61% of respondents, 31-40 years old at 15% of respondents and the remaining falling in the age group of <20 years old, 41-50 years old and > 50 years old at 7%, 13% and 4% of respondents respectively. This shows that the survey was mostly answered by the youth and young adults in the society. Besides, most of the respondents who answered the survey were females at 64% of respondents while male respondents were at 36% of respondents only. Moreover, in the aspect of race the larger part of respondents were Malays at 60% of the total respondents followed by the Chinese respondents at 23% of the total respondents and then followed by the Indians at 17% of the total respondents. As for the education level category, the survey was mostly answered by degree students at 55% from the total respondents, followed by the diploma students at 25% and secondary level and post graduate

students both at 8% from the total respondents with the remaining respondents from the other category and primary level at 3% and 1% respectively. Hence, based the survey it is observed that most of the respondents have some form of education background. Finally as for the aspect of monthly income, most of the respondents at 62% of the respondents have a monthly income at the range of less than RM2, 000 and the least from the monthly income ranging from above RM10, 001 at 2% of the respondents. The remaining respondents are at the monthly income at RM2, 001 to RM5, 000 for 19% of the respondents and at the range of RM5, 001 to RM10, 000 for 17% of the respondents.

Table 1: The demographic profile of respondents

	Characteristics	Frequency	Percentage (%)
Age	< 20 years old	7	7.0
	21-30 years old	61	61.0
	31-40 years old	15	15.0
	41-50 years old	13	13.0
	> 50 years old	4	4.0
Gender	Male	36	36.0
	Female	64	64.0
Race	Malay	60	60.0
	Indian	17	17.0
	Chinese	23	23.0
Education Level	Primary level	1	1.0
	Secondary level	8	8.0
	Diploma	25	25.0
	Degree	55	55.0
	Postgraduate	8	8.0
	Others	3	3.0
Monthly Income	< RM 2,000	62	62.0
	RM 2,001 to RM 5,000	19	19.0
	RM5,001 to RM10,000	17	17.0
	> RM 10,001	2	2.0

(Source: Survey in MIHAS 2019)

B. The Level of Knowledge of Consumers Towards Purchasing Halal Label Product in Selangor

Based on Table 2, the value of means for all the variables are very high and is between the ranges of 3.67 to 5.00. This shows that there is a strong and positive disposition towards all the variables measured among the consumer of the halal label products. The mean value of the knowledge of respondents towards purchasing halal label products is the highest at 4.2414 compared to mean values of attitude, practice, and intention of consumers towards purchasing halal label products. This indicates that the knowledge of the respondents influences the most towards the purchasing of halal label products compared to the other factors which are attitude, practice and intention of consumers. Knowledge includes recognizing and understanding the information regarding the terms and what is Halal is in general. This could be due to the larger part of the respondents having educational background and know the advantages of purchasing halal label products. Hence, based on the survey conducted among the consumers in MIHAS 2019 expo, knowledge factor of consumer influences the most on them towards purchasing halal label products. The mean value of the practice of consumers towards purchasing halal label products is 3.9600. Practice shows how they apply the concept of products with halal label in their daily lives and how strong they believe in following it. On the

other hand, the factor with the least value of mean is attitude at 3.8371. Attitude is generally the group of opinions and dispositions with a particular concept or matter. Hence based on the survey conducted among the consumers in MIHAS 2019 expo, the attitude of consumer influences the least towards purchasing halal label products compared to the other two factors.

Table 2: The Result of Mean Score

Variables		Frequency	Mean
Knowledge	Low		4.2414
	Moderate	12	
	High	88	
Attitude	Low	6	3.8371
	Moderate	25	
	High	69	
Practice	Low		3.9600
	Moderate	30	
	High	70	
Intention	Low	2	4.0200
	Moderate	16	
	High	82	

Notes: Mean values correspond to 1.0-2.33: low; 2.34-3.66: moderate; 3.67-5.00: high

C. The Most Influencing Factor of Consumers Towards Purchasing Halal Label Product in Selangor

Factor analysis was used for this part. Firstly, Kaiser Meyer Olkin and Bartlett's Test was run for each factor. Presence of correlation between variables, factor analysis suitability and sampling adequacy were measured using Keiser–Meyer–Olkin (KMO) sampling adequacy test and Bartlett's test of sphericity in this study. Table 3 showed the results of KMO and Bartlett's Test of importance, knowledge, attitude, practice and intention towards purchasing halal label products. All of the results of KMO test and Bartlett's test of sphericity were significant. Range between 0 and 1 are statistic value of KMO. The acceptable KMO values are above 0.5, mediocre are between 0.5 and 0.7, good are between 0.7 and 0.8, great are between 0.8 and 0.9 while superb are above 0.9. KMO values for practice and intention are between 0.7 and 0.8 which are considered as good while KMO values for importance, knowledge and attitude are between 0.8 and 0.9 which are considered as great. So, factor analysis functions for the data that have been collected. The purpose of conducting Bartlett's test is to test the null hypothesis to indicate the original correlation matrix is either identity or not. It is considered as significant when the significant values of Bartlett's test are below 0.05. Based on Table 3, the significance values for all of the variables are 0.000 and are considered as significant. So, R-matrix is not identity and among the variables there is inter-correlation. Factor analysis can be used to analyze the data collected.

Table 3: KMO and Bartlett's Test

		Knowledge	Attitude	Practice
Bartlett's Test of Sphericity	Approx. Chi-Square	225.459	352.112	141.665
	df	21	21	10
	Sig.	0.000	0.000	0.000

Secondly, the percentage of variance explained was run. Percentage of variance explained is used to determine the total variance accounted that has been explained by each factor. Table 4 shows the percentage

of variance explained by all of the factors. By referring Table 4, the variances explained values for all of the factors are more than 50%. The most influencing factors of consumers in purchasing halal label product was attitude because the variance of attitude was the highest which was 59.729%.

Table 4: Variance explained for each factor

Dimension (Factor)	Variance (Percentage of explained)
Knowledge of purchasing halal label product	50.889
Attitude towards purchasing halal label product	59.729
Practice towards purchasing halal label product	53.179

IV. CONCLUSION

In a conclusion, the mean value for consumer knowledge towards the purchase of halal label product falls between 3.67 and 5.00 which considered as high. For factor analysis, all of the variables have variance of explained of more than 50% and they are significant. Attitude was the most influencing factors of consumers in purchasing halal label product as the variance explained was the highest.

REFERENCES

- [1] Abdul Latiff, Z. A., Rusless, N. A., & Ayob, M. A. (2016). Factors Influencing Consumer Purchasing Intention-based on Food Labels. *International Business and Management*, 13 (1), 41-45.
- [2] Abdul, M., H. I., H. H., et. al. (2009). Consumer decision making process in shopping for halal food in Malaysia. *China-USA Business Review*, 40-47.
- [3] Azwar, H., Hasrul, Nasution, Muhammad, Anggraini, & Fauziah (2017). The Effect of Halal Label, Halal Awareness and Brand Image on Consumer Intention To Buy. *International journal for innovative research in multidisciplinary*. 3. 2455-0620.
- [4] Baharuddin, K., N. A. (2015). Understanding the Halal Concept and the Importance of Information on Halal Food Business Needed by Potential Malaysian Entrepreneurs. *International Journal of Academic Research in Business and Social Sciences*, 170-180.
- [5] Barry, N. (2006). Halal Meets Kosher in Health- Food Aisle. *The Wall Street Journal*, New York USA.
- [6] Bashar, H. M. (2014). Food labelling and Halal mark. *Intellectual properties right: Open access journal*. 2:1 DOI: 10.4172/2375-4516.100e103
- [7] Hamid, N. A. A., F. M. (2017). Challenges and Ways Improving Malaysia Halal Food Industry. *Special Issue*, 149-153.
- [8] Nuradli R. S. M. D., S. S., et. al. (2007). Halal Product from The Consumer Perception. An Online Survey. *Faculty of Economy and Muamalat, Kolej Universiti Islam Malaysia*, 1-64.
- [9] Samori, Z., A. H. (2014). Understanding the Development of Halal Food Standard: Suggestion for Alwahaishi, S. (2013). Modeling the determinants affecting consumers acceptance and use of information and communications technology. *International Journal of E-Adoption*, 5(2), 25-39.

- [10] Syazwan, M. A. T. & Remie, M. M. J. (2012). Issues in Halal Packaging. *International Business and Management*, 94-98.
- [11] Tieman, M. (2011). The application of Halal in supply chain: in depth interviews. *Journal of Islamic Marketing*, 186 – 195.
- [12] Zahedi, L. S. E. (2014). Knowledge, attitudes and practices regarding cervical cancer and screening among Haitian health care workers. *International Journal of Environmental Research and Public Health*, 11541–11552.