Factors that Influence the purchase of Halal Products

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ABSTRACT

This research focuses on the factors that influence purchase of Halal products by consumers in Malaysia that is religiosity, level of confidence, country of origin and attitude. Questionnaires were distributed to 350 consumers in the Klang Valley using convenience sampling. Multiple regressions were used to identify the relationship between purchasing factors and buying decision. The findings showed that religiosity, level of confidence, country of origin and attitude had significant relationship on buying decision. The paper extends the understanding of TRA to newly emerging contexts such as factors that influence the purchase halal products.

Keywords: Halal Products, Country of origin, Consumer Behavior, Level of confidence, Halal Market

INTRODUCTION

The Halal and Non-Halal issue covers food and beverage, toiletries, pharmaceutical, cosmetics, retailing (Hashim, Hussin and Zainal, 2014) and financial services (Lada, Tanakinjal and Amin, 2009). In relation to food, halal refers to products which have been handled with a high level of hygiene, as well as meeting a certain standard of safety and nutrition (Mohamed, Rezai, Shamsuddin and Chiew, 2010). Halal food has to be produced according to the stringent requirements of the Islamic Dietary Law. The study of consumer behaviour in Malaysia is vital for marketing Halal products. In Singapore, following halal certification McDonald, KFC, Burger King and Taco Bell have all seen an increase in the numbers of customers” (Sabri, 2006). Consumers would turn their attention to a well-marketed product that does not have a Halal mark but they would read its ingredients, in contrast to purchasing one that has less credibility but
sports a Halal logo (AI-Harran and Low, 2008). It is therefore worthwhile to take a closer look at consumer intention to choose Halal products. This research is conducted to investigate the factors that influence consumers to purchase Halal products.

There have been many past researches on this subject but they have been focused only on the awareness and also the perception on Halal food.

More research needs to be conducted in order to provide information on consumer behaviour related to the purchase of halal products in Malaysia. The investigation of Muslim attitude towards Halal products is important in Malaysia where it is generally assumed that products sold are Halal.

This research attempts to explore a number of factors contributing to buying decision of Halal products and identify the factors that most influence consumers to purchase Halal products.

LITERATURE REVIEW

The study by Donner (2015) of consumer perception tries to understand why consumers make the decision they do, and the vital factors that influence decisions. According to Solomon (1999), “consumer behaviour is the process involved when individuals or groups select, purchase, use or dispose of products, services, ideas or experiences to satisfy needs and desires.”

According to Mutsikiwa and Basera (2012), there are several definitions of consumer perception some which have a biological perspective and others have consumer behaviour perspectives. Biological definitions only concentrate on the use of an individual’s sense organs (eye, ear, skin, nose and tongue). The consumer behaviour perspective goes beyond this as it also encompasses the individual’s understanding of the environment to fit his/her situation. From a consumer behaviour perspective, Schiffman, Hansen and Kanuk (2008) define perception as a process by which an individual selects, organises and interprets sensory stimuli to get a better understanding of the world. This psychological variable poses challenges in that two or more individuals subjected to the same stimuli may have varying deductions that seek to satisfy an individual’s personal needs, beliefs and expectations. In the same vein, individuals may have the same socio-cultural orientations but their interpretation of stimuli (Halal food products) may be different.

In marketing, consumer behaviour is related to consumers’ perception of a company’s product or service. People’s perception of something can vary greatly from person to person, with each one forming an individual opinion about the stimuli (agents, action or conditions that elicit a response) being received. Even consumers with similar background may make different purchase decisions due to cultural, social, personal and psychological factors (Flamand, 2010).

Therefore, by knowing how consumers are influenced by their environment, their information-processing abilities and their perception of a product can help companies to more effectively reach consumers.
(Flamand, 2010). Overall, the analysis of consumer perception is very important for us to do especially for those marketers because they need to understand the consumer in order to be competitive in the market.

**Religiosity**

Religiosity is an intricate concept and a variegated human phenomenon, and seems to cover considerable ground such as behaviours, attitudes, beliefs, feelings and experiences (Mokhlis, 2009). Wilkes, Burnett, and Howell (1986) reached a significant conclusion that religiosity influences several aspects of consumer’s lifestyle, which eventually may affect choices and/or choice behaviour. In addition, it is said that consumers with a high degree of cognitive religious commitment viewed sales personnel friendliness, shopping efficiency, and product quality as being of greater importance in selecting a retail store than did those low in cognitive religious commitment (McDaniel and Burnett, 1990).

Previous study by Muhamad (2008), found that education stream is able to influence the religiosity commitment among Muslims and consequently, it will affect their purchase intention in the future. A study by Bailey and Sood (1993) found that Muslim consumers were relatively more impetuous shoppers but less likely to be informed or risky shoppers, compared to other religious groups. In line with previous researches, Fam, Waller and Erdogan (2004) also found religious commitment plays an important role in people’s lives through shaping their beliefs, knowledge, and attitudes. These religious commitments and beliefs influence the feelings and attitude of people towards consumption (Jamal, 2003). For example, in England, the consumption pattern of the Indian society as compared to the indigenous white British society is different due to commitment to specific communal or religious groups (Lindridge, 2005). Furthermore, it is the religion which specifies prohibited and non-prohibited things which influence the consumer’s consumption decision.

It has been argued that religion is highly personal in nature and therefore its effects on consumer behaviour depended on individuals’ level of religious commitment or the importance placed on religion in their life (Mokhlis, 2009). Hashim et al. (2014) found that Muslim consumers expect retailers to possess specific value laden retail mix in order to be recognized as an Islamic retailer. Meanwhile Essoo and Dibb (2004) also found that consumers having different levels of religiosity differ notably in their shopping behaviour, as well as their purchase intention (Lada et al., 2009).

**Level of Confidence**

Rezai, Mohamed and Shamsudin, (2012) also stated that as a result of the complexity of the Halal food production system, consumers have to rely on several factors in the food chain to provide Halal food products. Moreover, Muslim consumers have no means of ensuring that the food they eat is truly Halal in term of its “Halalness”. Hence, conferring trust onto the factors in the Halal food chain, such as farmers
and food manufacturers, as well as the trust in advertisements and Halal logos, enables consumers to compensate for the lack of knowledge and information they have about the cultivation and production process of Halal food (Andersen, Fornell and Lehmann, 1994).

The credence characteristics of Halal food are a matter of trust and confidence in sources that provide information on how the product is manufactured or processed (Morrow, Hansen, and Person, 2004). Ahmadi (2005) had defined confidence as a feeling of trust in a person or thing. It is the level of how people believe on a certain item or issues that they experience. For Muslim consumers, the degree of confidence in Halal food is related to the certainty and uncertainty about the process attributes (i.e. processing and handling leading to the Halal status), as well as the safety in terms of the wholesomeness and “Halalness”. Previous research has shown a very strong link between slaughtering method and health and safety perception; the Islamic slaughtering method is believed to lead to a complete bleed out of the animal and consumers believe less bacterial contamination can occur and hence, resulting in healthier meat (Bonne and Verbeke, 2006).

Ahmadi (2005) stated that the level of confidence in the Halal logo can influence consumers’ buying decision. This is in line with findings of Mohamed, Rezai, Shamsudin, & Eddie Chiew, (2008), who showed consumers were aware about significance of JAKIM’s Halal logo on food products. Even though it is shown that consumers react more positively to JAKIM’s Halal food with local JAKIM’s Halal logo they also stated that consumers do not have full confidence on JAKIM’s Halal logo.

Country of Origin

Previous studies showed that consumer perceptions on country of origin (COO) play a major role in influencing a consumer’s choice of a product (Ghazali, Othman, Yahya and Ibrahim, 2008). The COO of a product has been defined as “the country of manufacture or assembly” (Bilkey and Nes, 1982) identified by “made in” or “manufactured in” labels (Nagashima, 1977). Zhang (1996) defined COO as information pertaining to where a product is made and it is communicated via the word “Made in” and the country name.

However, the growth of multinational companies and the emergence of hybrid products with components sourced from many countries have blurred the accuracy or validity of “made in” or “manufactured in” labels making the identification of COO sometimes very difficult. For example, consumers identify many well-known brands with particular countries, even if the product being evaluated was not manufactured in the firm’s country of domicile (Ahmed, Johanson, Yang, Kheng, Sack Teng and Chee Boon, 2004).

The study of COO research first started by Schooler (1965), and today it has evolved into a body of literature in itself. Tan and Farley (1987) indicated that COO effect is the most researched international
aspect of consumer behaviour. Verlegh and Steenkamp (1997) identified three mechanisms to explain COO effects, namely through cognitive (COO is used as a cue for product quality), affective (COO holds symbolic and emotional value) and normative (COO expresses consumer social or personal norms). However, Verlegh and Steenkamp (1997) concluded that COO is still poorly understood, despite a large body of research. COO effects could be measured using a favourable-non favourable continuum and a positive COO effect is usually linked to greater market acceptance (Amine, Chao and Arnold, 2005). Thus, the overall product evaluation is influenced by country stereotyping and this impacts consumer evaluation of product from the country (Bilkey and Nes, 1982).

According to Ghazali et al. (2008), consumer behaviour can be seriously impacted by country of origin factor in two distinct ways. Firstly, buyers may simply use the country of origin as one of the many attributes employed to engage in product evaluation (Johansson, Douglas, and Nonaka, 1985; Hong and Wyer, 1989). Secondly, the country of origin may create a “halo effect” whereby consumers’ attention and evaluation of other product dimensions are affected (Erickson, Johansson and Han, 1984). Since the previous studies found that consumer behaviour can be seriously impacted by country of origin factor Ghazali et al., (2008), therefore country of origin will influence consumers towards buying of Halal products.

**Attitudes**

Thompson and Thompson (1996), stated attitudes towards the behaviour measure the extent to which an individual has a favourable or unfavourable evaluation of the behaviour in question. This in turn is predicted by the sum of the products of beliefs about the outcome of the behaviour and evaluations of those outcomes (Towler and Shepherd, 1991). According to the theory of reasoned action (TRA) (Ajzen and Fishbein, 1980), this theory proposed that attitudes are a function of beliefs. A person who believes that performing a given behaviour will lead to mostly positive outcomes will hold a favourable attitude toward performing the behaviour, while a person who believes that performing the behaviour will lead to mostly negative outcomes will hold an unfavourable attitude. Thus, the beliefs underlie a person’s attitude towards the behaviour are termed behavioural beliefs (i.e. the act consuming or buying Halal or non-Halal products (Ajzen and Fishbein, 1980). As per the TRA, Ajzen (2005) states that the two constructs are control and guided human action. His beliefs are based on certain outcomes of behaviour, appraisal of these outcomes, beliefs about the normative anticipation of others and motivation to comply with this anticipation. Thus, behavioural beliefs and normative beliefs can be the foundation on which to build any further explanation for certain actions toward a certain target. However, this research will focus on only construct attitudes (beliefs) to see the relationship with the purchase decision.
Alvensleben (1997) as cited in Abdul, Ismail, Hashim, & Johari (2009), stated that the attitudes towards a product are not only determined by the consumer’s motives and their consumption experience, but also by their perceptions of the product. Kotler and Amstrong (1993) stated that perception is most likely to be distorted; hence the perceived world and real world do not correspond with each other’s attitudes regarding the perceived properties of the product are linked to selected variables.

Buying decision is not made in isolation by the individual alone. Instead, it is a process of interaction between purchasers, reference group, information search, his or her self-concept, the environment and etc. (Tamboli, 2008). Consumer buying decision was defined as a series of choices made by a consumer prior to making a purchase that begins once the consumer has established a willingness to buy. Then, consumers must decide where to make the purchase, what brand, model, or size to purchase, when to make the purchase, how much to spend, and what method of payment will be used. In addition, marketer attempts to influence each of these decisions by supplying information that may shape the consumer’s evaluation. Thus, understanding Malaysian consumers purchasing behaviour requires knowledge of consumer with respect to above factors and how these factors interfere with each other in course of purchasing.

**Theory of Action Research**

The existing research model is based on the assumptions of the theory of reasoned action (TRA) to investigate the factors influencing Malaysian consumer purchase of Halal Products. TRA is most relevant theoretical model in context of Halal products.

**Theoretical Framework**

This study examined the factors that influence Malaysian consumers to purchase Halal products. This research model is adopted and modified from the Theory of Reasoned Action (TRA), Ajzen and Fishbein (1980). The constructs of the research model are shown in Figure 1. The purchasing decision on Halal products served as dependent variables whereas religiosity, level of confidence, country of origin and attitude served as independent variables.

**Hypothesis Development**

H1: There is significant relationship between religiosity and buying decision on Halal products.

H2: There is significant relationship between level of confidence and buying decision on Halal products.

H3: There is significant relationship between country of origin and buying decision on Halal products.

H4: There is significant relationship between attitude and buying decision on Halal products.

![Figure 1. Theoretical framework](image)
Hypothesis Development

H1: There is significant relationship between religiosity and buying decision on Halal products.

H2: There is significant relationship between level of confidence and buying decision on Halal products.

H3: There is significant relationship between country of origin and buying decision on Halal products.

H4: There is significant relationship between attitude and buying decision on Halal products.

METHODS AND FINDINGS

Data were collected using a self-administrated structured questionnaire. The first sections were related to demographic and personal details of respondents. The second section covers areas such as frequency and budget of Halal products. The third section comprises areas regarding the factors that influence people in purchasing Halal Products. Dependent factors are religiosity (Rehman and Shabbir, 2010), level of confidence (Mohamed et al., 2008), country of origin (Ghazali et al., 2008) and attitude (Lada et al., 2009). Questions use 5-point interval scale from 1 (strongly disagree) to 5 (strongly agree). Last section uses Likert scale to measure buying decision on Halal products.

The sample population constitutes general consumers located around the areas of Serdang, Bangi, Puchong and Shah Alam. The respondents indicated no confusion in answering the questions. More importantly for the main study the enumerators were instructed to help in case a person had difficulty in understanding any question. Convenience sampling was used for the selected study area is easily accessible by the enumerator for a limited period of study.

Findings

Data were examined for wrongful coding and analysed for missing values. The data were further tested for its reliability analysis using Cronbach’s α. After the reliability analysis, an aggregate average score of the items for each scale of the variables was computed to create the variants. Table 1 presents the reliability of the scale used in this research and the mean values of these variables.

<table>
<thead>
<tr>
<th>Variables</th>
<th>No. of items</th>
<th>Cronbach’s α</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religiosity</td>
<td>11</td>
<td>0.736</td>
<td>3.75</td>
<td>0.597</td>
</tr>
<tr>
<td>Level of Confidence</td>
<td>7</td>
<td>0.912</td>
<td>3.85</td>
<td>0.826</td>
</tr>
<tr>
<td>Country of Origin</td>
<td>8</td>
<td>0.898</td>
<td>3.64</td>
<td>0.692</td>
</tr>
<tr>
<td>Attitude</td>
<td>8</td>
<td>0.967</td>
<td>4.37</td>
<td>0.963</td>
</tr>
<tr>
<td>Buying Decision</td>
<td>8</td>
<td>0.943</td>
<td>4.14</td>
<td>0.786</td>
</tr>
</tbody>
</table>
A total of 350 respondents participated in the survey, however only 313 questionnaires or 89% were useable. The remaining 37 questionnaires that were not fully completed were excluded from the analysis.

Out of 313 questionnaires collected, there are 43% male respondents and female respondents are 57%. The distribution for education level indicated 44% has diploma or certificate and 21% secondary school and 19% are undergraduates. Muslims and Malays form the largest category since majority of people in the Bangi and Shah Alam areas are Muslim and Malays. Table 2 provides the profile of the respondents.

Table 2
Profile of respondents

<table>
<thead>
<tr>
<th>Religiosity</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Gender</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Muslims</td>
<td>257</td>
<td>82%</td>
<td>Male</td>
<td>134</td>
<td>43%</td>
</tr>
<tr>
<td>Christian</td>
<td>21</td>
<td>6.7%</td>
<td>Female</td>
<td>179</td>
<td>57%</td>
</tr>
<tr>
<td>Buddhist</td>
<td>23</td>
<td>7.3%</td>
<td>Education level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hindus</td>
<td>12</td>
<td>3.8%</td>
<td>Primary School</td>
<td>7</td>
<td>2%</td>
</tr>
<tr>
<td>Race</td>
<td></td>
<td></td>
<td>Secondary School</td>
<td>67</td>
<td>21%</td>
</tr>
<tr>
<td>Malay</td>
<td>257</td>
<td>82%</td>
<td>Diploma / Certificate</td>
<td>139</td>
<td>44%</td>
</tr>
<tr>
<td>Chinese</td>
<td>21</td>
<td>7%</td>
<td>Undergraduate</td>
<td>58</td>
<td>19%</td>
</tr>
<tr>
<td>Indian</td>
<td>23</td>
<td>7%</td>
<td>Master</td>
<td>41</td>
<td>13%</td>
</tr>
<tr>
<td>Others</td>
<td>12</td>
<td>4%</td>
<td>PhD</td>
<td>1</td>
<td>0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Income level</th>
<th>Frequency</th>
<th>Percentage</th>
<th>Occupation</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM1000 and Below</td>
<td>22</td>
<td>7%</td>
<td>Government Sector</td>
<td>88</td>
<td>28%</td>
</tr>
<tr>
<td>RM1001 - RM2000</td>
<td>99</td>
<td>32%</td>
<td>Private Sector</td>
<td>154</td>
<td>49%</td>
</tr>
<tr>
<td>RM2001 - RM3000</td>
<td>111</td>
<td>35%</td>
<td>Own Business</td>
<td>45</td>
<td>14%</td>
</tr>
<tr>
<td>RM 3001 - RM4000</td>
<td>39</td>
<td>12%</td>
<td>Student</td>
<td>17</td>
<td>5%</td>
</tr>
<tr>
<td>RM4001 and above</td>
<td>42</td>
<td>13%</td>
<td>Unemployed</td>
<td>9</td>
<td>3%</td>
</tr>
</tbody>
</table>

Multiple regression procedure was applied to test the hypothesis. The multiple regression results indicate that the model was significant statistically F (134.38), p < 0.05, $R^2 = 0.636$. The results of the final model indicate that level of confidence ($\beta = 0.228$, p < 0.05) and country of origin ($\beta = 0.116$, p < 0.05) and attitude ($\beta = 0.411$, p < 0.05) significantly influence the buying decision on Halal products. However, religiosity ($\beta = 0.072$, p > 0.05) does not significantly influence the buying decision on Halal products. Therefore, the findings support H2, H3 and H4 whereas H1 is not supported.

A detailed examination of the multiple regression results indicates that $R^2 = 0.636$. This shows that 63.6% of buying decision is influenced by the four independent variables which are religiosity, level of
Purchase Halal Products

influence on buying decision of Halal products. Based on Table 3, an equation has been constructed is,

\[ \text{Buying Decision} = 0.774 + 0.228 \times \text{Level of confidence} + 0.411 \times \text{Attitude} + 0.116 \times \text{Country of origin} \]

Apart from that, the F value is 134.38 which is significant value 0.000. This result reflects that 63.6% of the variance (R-Square) in buying decision has been significantly explained by the four variables. For the β value the highest number is attitude 0.412 which shows that attitude has the highest

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>F</th>
<th>Significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.7973</td>
<td>0.6357</td>
<td>134.38</td>
<td>0.000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Variables</th>
<th>B</th>
<th>B</th>
<th>T</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
<td>0.7738</td>
<td>0.1968</td>
<td>3.931505</td>
<td>0.000104</td>
</tr>
<tr>
<td>Religiosity</td>
<td>0.0718</td>
<td>0.051864</td>
<td>1.384349</td>
<td>0.167254</td>
</tr>
<tr>
<td>Level of Confidence</td>
<td>0.2278</td>
<td>0.062085</td>
<td>3.669883</td>
<td>0.000286</td>
</tr>
<tr>
<td>Country of Origin</td>
<td>0.1157</td>
<td>0.057847</td>
<td>2.000678</td>
<td>0.046305</td>
</tr>
<tr>
<td>Attitude</td>
<td>0.4115</td>
<td>0.045052</td>
<td>9.134947</td>
<td>0.00000</td>
</tr>
</tbody>
</table>

RESULTS AND DISCUSSION

This research investigates the factors influencing customer’s decision to purchase Halal products. The findings showed that of the four factors only three factors have a significant relationship on the buying decision; that is level of confidence, country of origin and attitude. In this study, religiosity did not significantly influence the buying decision of Halal products. In terms of level of confidence, the results are consistent with earlier studies which show that confidence affects evaluations and purchasing decision of products (Bonne and Verbeke, 2006).

The finding it shows that, attitude (\( \beta = 0.4115 \)) is the most important factor that influence Malaysian consumers to purchase Halal products. This is followed by level of confidence (\( \beta = 0.2278 \)) and country of origin (\( \beta = 0.1157 \)). The results are consistent with findings from Shah Alam and Mohamed Sayuti (2011) and Mukhtar and Mohsin (2012) with high positive values for attitude and this variable appeared to influence intention to purchase Halal products. It is possible that attitude towards Halal products are probably higher for foreign brands than the local brands. Furthermore, in case of foreign brands, brands originating from Muslim countries
have less influence on Muslim consumers than Western brands.

Another factor that consumers take into consideration when deciding to buy Halal products is their country of origin and is consistent with the finding of Shirin and Kambiz (2011). The last factor that has significant relationship with buying decision on Halal products is attitude. From this study, attitude has strongest relationship with buying decision compared to other factors. The result of this study is contrary to findings which suggested religiosity has a significant relationship with the decision towards buying kosher products. Here it was found that religiosity dimension does not significantly influence the buying decision of Halal products. This suggests that regardless of religion, users of various religions will place priority on Halal products. This may be because Halal products are recognized as products that are pure and safe to use or eat.

Our study has made a contribution to theory by exploring the level of confidence and country of origin in the field of consumer behaviour research.

Limitations
The data collected for this study used convenience sampling and it only investigates consumer general attitude towards buying decision on Halal products. Furthermore the data may not be representative of the attitude for entire population in Malaysia. The sample size of 350 may also be deemed to be too small and therefore not representative of the entire population of Malaysian consumers.

CONCLUSION
The results indicate that for Malaysian consumers, attitude and level of confidence are important factors when buying Halal products. The findings of this study provides an insight on how consumers are becoming more conscious about Halal products. This research may help in understanding the buying behaviour of Malaysian consumers of Halal products.

REFERENCES


