CONSUMER PURCHASE INTENTION ON HALAL
PACKAGED FOOD PRODUCTS: DOES HALAL LOGO AND
INGREDIENTS MATTER?

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Abstract: The concept of halal is widely accepted in Muslim and non-Muslim countries. Halal conception is no longer perceived as a marketing jargon but it is a huge business. Manufacturers either from Muslim and non-Muslim countries had struggled to win Muslim and non-Muslim consumers to consume halal products of their brand. Halal not only lawful and permitted but covers the concepts of good, pure and wholesome. For halal packaged food product, packaging is consider as a first impression to lead consumer consumption. Halal logo and ingredients were highlighted as a potential stimulus. Due to in high demand and widely accepted, there is a tendency for misused of halal logo and ingredients. This study attempts to investigate whether halal logo and/or halal ingredients play a significant roles in stimulating consumer’s purchase intention of halal packaged food products. A mall-intercept approach in northern region of Malaysia among 110 respondents revealed that halal logo and halal ingredients significantly affect consumer’s decision. However, halal logo plays a crucial role
in stimulating consumer’s purchase intention. Theoretical and practical implication is discussed at the end of the article.

**Keywords:** Marketing, Consumer Behaviour, Intention to Purchase Halal Product, Halal Logo, Halal Ingredients.

**Introduction**

Halal practices in business is now gain a worldwide acceptance. Halal conception is no longer a marketing jargon in business field. It is well accepted either in Muslim and non-Muslim countries. According to the report by Malaysia External Trade Development Corporation (MATRADE) in Malaysia is world pioneer in halal industry (2015), the global value of halal market in 2015 worth US$2.3 trillion, and is expected to increase to US$6.4 trillion in 2018. The reasons for such development are due to several factors such as an increase in Muslim population and demand for halal products among non-Muslim consumers (Elasrag, 2016). Nowadays, halal concept especially for food goes beyond religious concern. Consumers concern more on healthy product (Mathew, Amir Abdullah & Mohamad Ismail, 2014). Halal refers to what is permitted or lawful in Islam. Halal not only limited to foods and drinks but covers all aspects of Muslim life such as safety, cleanliness, animal welfare, social justice as well as sustainable environment (Baharuddin, et al., 2015). Halal also closely related to ‘Toyyiban’ which is refer to ‘clean and wholesome’. Hence, Halal products relevant and suitable for consumption among consumers of all religions.

In Malaysia, Halal practices not limited to food and drink. In line with Islam as predominant religion in Malaysia, more and more halal or ‘Shariah’ compliance products and services have been introduced and available for consumption. For instance, halal conception has been extended to halal logistic, shariah compliance hotels, finance and banking, halal tourism, cosmetics, etc. (Abdul Aziz et al., 2015; Rohana Sham et al., 2017; Mohd Isa, Chin & Mohammad, 2018). Evidently, it is well accepted by non-Muslim consumers (Abdul Aziz & Chok, 2012; Mathew et al., 2014; Haque et al., 2015). Thus, halal industries play a significant roles in country’s economic development. To ensure the sustainability, halal industry in Malaysia is controlled and monitored by Halal Industry Development Corporation (HDC) and Department of Islamic Development Malaysia (JAKIM) is responsible in issuing halal logo certification mainly to protect consumer right towards halal products and services.

In relation to this development, manufacturers had struggled to attract and retain consumers’ attention and preference towards their product. Halal logo was used widely as brand element and marketing tactic to influence consumer purchase towards certain brands. This is evidence not only being practiced by multinational companies, small and medium enterprises (SMEs) also strategically embedded halal logo in their produce (Mohamed Yunos, Che Mahmood & Abd Mansor, 2014). Numerous studies (such as Nurcahyo & Hudrasyah, 2017; Zakaria et al., 2015) stated that halal logo is recognized as one of the main predictor for purchase intention of halal products. Hassan and Hanif (2017) stressed that, due to high demand of halal products, halal logo was misused by unethical manufacturers. This is include wrongly used of halal logo, misleading of halal logo and non-halal ingredients that claimed as halal. Recently, The Domestic Trade and Consumers Affair Ministry of Malaysia has seized 27 tonnes of packet dates with unauthorized use of halal logo (NST online, 2019)(https://www.nst.com.my/news/crime-courts/2019/04/482401/packets-dates-worth-
Consumers were badly affected when this happened and urged authorized parties to take actions against them.

More concern consumers depend much on product information especially product ingredients prior to purchase decision. Omar, Omar and Ab Karim (2014) indicate that consumer attitude which include halal logo, preparation and halal ingredients could influence consumer purchase intention towards halal products. Meanwhile, Shafiq, Haque and Omar (2015) state that depending on halal logo also could be misleading in the case of mixed signal or inconsistent use of logo applied to the product. Hence, consumers judging the ‘halalness’ of the product based on the ingredients displayed on the product’s packet. As a guidance, application of E-number was used to identify the origin of the ingredients to determine the halal or non-halal status of certain product. However, the identification code sometimes not easily understand by the consumers, resulted in frustration.

Prior to the purchase, consumers only manage to judge the packaging of the products by referring to the halal logo as well as the ingredients. This study attempts to examine the relationship and identify which of the factors; 1) halal logo and 2) product ingredients play significant roles in stimulating their purchase intention of halal packaged food products. Understanding this two predictors would enable marketers to invest marketing money accordingly to promote halal food products effectively.

**Literature Review**

**Definition and Concepts of Halal**

Halal is an Arabic word which refers to ‘lawful’ or ‘permitted’. Halal universally applicable in every aspect of life and not limited to foods and drinks. However, halal in this study only refers to foods product. In the context of foods industry, halal closely associate with the concept of ‘toyyiban’ which is not only permissible but also deemed ‘good, pure or wholesome’ (Hassan & Hanif (2017). This is inline as highlighted in the Quran: “Eat of what is on earth, lawful and good” (2:168).

**Intention to Purchase**

Intention to purchase widely used in understanding consumers’ actual behaviour. Based on the Theory of Planned Behavior (Ajzen, 1991), one’s behaviour and intention could be explained by attitude towards behaviour, subjective norm and perceived behavioural control. However, in this study, researchers only focus on attitude towards halal logo and halal ingredients in understanding consumer purchase intention towards halal packaged food products. In short, intention to purchase refers to as a measure of the strength of one’s intention to perform a specific behaviour or make the decision to buy halal packaged food products (Abdul Aziz & Chok, 2012).

**Relationship of Halal Logo Awareness and Halal Ingredients on Intention to Purchase Halal Products**

Halal logo awareness refers to the extent to which halal certificate and halal logo is available prior to consumer purchase decision (Abdul Khaliek & Mohd Mokhtar, 2016). The study among 108 Muslim consumers in Bandung found that halal certificate has a significant positive relationship on intention to purchase instant noodle (Nurcahyo & Hudrasyah, 2017). Halal certification and logo is used as indicator for food security and signalling the halalness of the product. In addition, Zakaria et al. (2015) state that halal logo and religious awareness
statistically significant in influencing consumer to purchase halal food product. The study was conducted among 200 consumers in Terengganu, Malaysia. The study also indicated the interaction effect of trust as mediator in the proposed relationship. Based on the study, the effect of religious knowledge was found to play a stronger roles than halal logo. Meanwhile, the study by Hussain et al. (2016) among 282 Pakistan’s consumers highlighted that halal logo had not positively influence consumers’ purchase intention. Azam (2016) attempted to extend the study. The study among 170 respondents of Saudi Arabia on their purchase intention of halal packaged food products from non-Muslim manufacturer identified that halal awareness and product ingredients were the main predictors. However, halal logo, religious belief and exposure would increase consumers’ awareness towards halal. The study by Abdul Aziz and Chok (2012) in Klang Valley, Malaysia among 226 non-Muslim respondents highlighted that non-Muslims were aware of halal product and consume halal products in their daily life. The findings also revealed that consumers used halal logo/certification as an indicator for food selection. Based on the preceding discussion, it is proposed that:

H1: Halal logo awareness has a positive significant relationship on intention to purchase halal packaged food products.

Halal ingredients is refers to the extent to which consumer’s familiarity with the ingredients and quality, as well as the safety of the food contents (Azam, 2016). The study among Saudi Arabia consumers showed that intention to purchase halal packaged food product from non-Muslim not only affected by their halal awareness but also knowledge on halal ingredients used in the product (Azam, 2016). This is supported by the study of Flamboyant, Among Praja and Ruswanti (2017) among 120 respondents in Indonesia revealed that halal logo not directly influence intention to purchase halal product. Besides, attention to halal ingredients found to significantly affect consumers’ intention to purchase. It indicates that consumers are now aware and begun to consider the importance of information on ingredients of product to be consumed. In Malaysia, the study by Jamari, Samingin and Sundram (2014) among 116 consumers in Johor Bahru indicate that product ingredients positively and significantly affect Muslim’s purchase intention. However, study of Husin et al. (2013) discover that ingredients has a strong relationship on purchase intention but in negative correlation. The result implies that the more consumer concerned with product ingredients, the lesser their likely to purchase the cosmetic product. Based on the preceding discussion, it is postulated that:

H2: Halal ingredients has a positive significant relationship on intention to purchase halal packaged food products.

Methodology
This study is quantitative in nature and based on cross-sectional study. The unit of analysis is an individual consumer. As an initial study, the target population of the study consist of Muslim and non-Muslim consumers of packaged food product in northern region of Malaysia. However, due to time constraints and cost factors, researchers often cannot test every individual in the population. According to Ary, Jacobs and Razavieh (1996), it is not necessary to study all cases or individuals to understand the phenomenon under consideration. This is why researchers have to rely on sampling (Castillo, 2009). As population is unknown, a rule of thumbs by Tabachnick and Fidell (2013) was followed. The scholars proposed the adequate sample size by using formula of “50 + 8m” where “m” is the number of factor. Based on the current study, two factors were under consideration. Hence, the sample size supposed to be 66.
However, for the purpose of the study, 120 questionnaires were distributed based on convenience sampling using mall-intercept approach.

For the purpose of the study, 7-point Likert scale was used. Most of the measurements were adapted from past studies. Measure for intention to purchase was adapted from Abdul Aziz and Chok (2012) with 6 items, halal logo was adapted from Abdul Khalek and Mohd Mokhtar (2016) with 7 items and halal ingredients from Azam (2016) with 5 items. For the purpose of data analysis, Statistical Package for the Social Sciences (SPSS) version 25 was used. Descriptive analysis was used to analysis respondent's profile and understanding general behavior of halal purchase. Inferential analysis such as multiple regression was employed to test the relationship understudy and to identify the most influential predictor.

Findings and Discussion

Respondent’s Profile

Overall, 110 usable data were proceed for further data analysis. The following Table 1 summarized the profile of the respondents in this study. Based on the Table 1, majority were female (63.6%), aged between 21 to 30 years old (48.1%). Almost 80% of the respondents were Malays, followed by 16.4% Chinese, 3.9% Indian and 0.9 Thai. In term of religion, about 80% were Muslim, 14.5% Buddhism, 2.7% Hindu and 2.8% Christian. Majority of the respondents (47.3%) also recorded as a students which earned less than RM1000 monthly.

<table>
<thead>
<tr>
<th>Demographic</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male 36.4</td>
</tr>
<tr>
<td></td>
<td>Female 63.6</td>
</tr>
<tr>
<td>Age</td>
<td>Below 21 years old 0</td>
</tr>
<tr>
<td></td>
<td>21 to 30 years old 48.1</td>
</tr>
<tr>
<td></td>
<td>31 to 40 years old 13.6</td>
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<tr>
<td></td>
<td>41 to 50 years old 31.8</td>
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<tr>
<td></td>
<td>51 to 60 years old 4.5</td>
</tr>
<tr>
<td></td>
<td>Above 60 years old 0</td>
</tr>
<tr>
<td>Race</td>
<td>Malay 79.1</td>
</tr>
<tr>
<td></td>
<td>Chinese 16.4</td>
</tr>
<tr>
<td></td>
<td>Indian 3.6</td>
</tr>
<tr>
<td></td>
<td>Thai 0.9</td>
</tr>
<tr>
<td>Religion</td>
<td>Islam 80</td>
</tr>
<tr>
<td></td>
<td>Buddha 14.5</td>
</tr>
<tr>
<td></td>
<td>Hindu 2.7</td>
</tr>
<tr>
<td></td>
<td>Christian 2.8</td>
</tr>
<tr>
<td>Occupation</td>
<td>Public sector 20</td>
</tr>
<tr>
<td></td>
<td>Private sector 24.5</td>
</tr>
<tr>
<td></td>
<td>Self-employed 8.2</td>
</tr>
<tr>
<td></td>
<td>Student 47.3</td>
</tr>
<tr>
<td>Monthly income</td>
<td>Less than RM1000 47.3</td>
</tr>
<tr>
<td></td>
<td>RM1001 to RM2000 3.6</td>
</tr>
<tr>
<td></td>
<td>RM2001 to RM3000 6.4</td>
</tr>
<tr>
<td></td>
<td>RM3001 to RM4000 5.5</td>
</tr>
<tr>
<td></td>
<td>RM4001 to RM5000 8.2</td>
</tr>
<tr>
<td></td>
<td>More than RM5000 29.1</td>
</tr>
</tbody>
</table>
General Behaviour of Halal Purchase
Beside demographics profile, respondents also were asked several general question pertaining their purchase behaviour of halal packaged food products. As almost 20% of the respondents were non-Muslim, they were asked few questions on halal purchase behaviour. When respondents were asked on their familiarity of halal concept, only one out of 22 non-Muslim respondent indicate he/she not familiar with. Among the popular reasons for halal product selection cited by the respondents were religion factor, followed by hygiene factor, health and safety. Majority of Muslim consumers (60%) indicate product information as a main criteria to be consider before purchase meanwhile non-Muslim prefer the price tag. Most of the respondents (i.e. 48.9%) bought their halal product from supermarket and about 80% of them depend on social media and online to acquire relevant information on halal product.

Multiple Regression Analysis
In order to answer the research objectives, namely to test the relationship and identify the most influential predictor, multiple regression analysis was performed. Multiple regression enable researcher to predict the value of a variable (dependent variable) based on the value of two or more predictors (independent variables). In this current research, dependent variable is intention to purchase halal packaged food products while independent variables are halal logo and halal ingredients. Based on the analysis, the result indicate that 75.2% variance in intention to purchase halal packaged foods is explained by halal logo and halal ingredients. This is also indicate that, only 24.8% of the prediction in intention to purchase could be explained by other predictors. Beside, halal logo (β=.634) and halal ingredients (β=.256) were statistically significant at 0.05 level. Hence, H1 and H2 were supported. However, based on the beta value (β), halal logo had a stronger influence on intention to purchase halal packaged food product as compared to halal ingredients. The following Table 2 summarized the multiple regression result.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>B value</th>
<th>t-value</th>
<th>Sig.</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 Halal logo---&gt; Intention to purchase</td>
<td>.634</td>
<td>6.397</td>
<td>.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2 Halal ingredients --&gt; Intention to purchase</td>
<td>.256</td>
<td>2.580</td>
<td>.011</td>
<td>Supported</td>
</tr>
</tbody>
</table>

The findings of the study consistent with the previous studies that indicate halal logo and halal ingredients have a significant positive relationship on intention to purchase halal products (Abdul Khalek & Mohd Mokhtar, 2016; Adam, 2016). In this study, the higher consumer attitude towards the halal logo and halal ingredients, the higher propensity for them to buy halal packaged food products. The findings also concurs with TPB that proposed attitude (i.e. towards halal logo and ingredients) plays a significant role in explaining intention. However, the findings indicate that, halal logo has a stronger influence on intention to purchase as opposed to halal ingredients. Although halal ingredients affect consumer decision, the availability of halal logo alone will adequately influence consumers purchase decision of halal packaged food products. In the same vein, Magnier, Schoormans and Mugge (2016) depicted that consumers would depend solely on packaging while evaluating quality of the food product. As halal logo embedded on packaging of the product, it will arouse consumers’ trust that the products were halal without required to confirm the ingredients. Moreover, previous studies also state that
complicated use of ingredients list such as in e-number identification would confuse consumers and may distract consumers from the purchase to avoid doubt or ‘subhah’.

This study extends the study of Abdul Khalek and Mohd Mokhtar (2016) by empirically test the relationship of halal logo and intention to purchase. As previous studies attempted to descriptively report whether to use halal logo or not, this study extends to whether halal logo or ingredients is more important in stimulating consumers purchase intention. Based on the findings, manufacturers of halal products should heavily invest on attaining halal logo accreditation from authorise parties (i.e. JAKIM). Halal logo could increase consumers’ trust and to date known as the best marketing strategy to promote the halalness of the product. Halal logo obtained by the manufacturers not only guaranteed the product is halal, but also are compliance with strict food hygiene practices (HACCP). Besides, manufacturers also need to introduce easy understand ingredients to facilitate consumer’s decision. The details analysis of the study also indicates that complex terminology use to describe ingredients of the product and ingredients that consumer familiar with would justify consumers whether to adopt or not the products. More importantly, the findings also shown that Muslim consumers depends much on product information and non-Muslim prefer reasonable price prior to purchase. Hence, these two marketing aspects i.e. packaging and pricing for halal packaged food product must be appealing enough to arouse motivation to purchase. Marketers of halal brand should carefully blend packaging and pricing that meet consumers’ expectation and importantly, halal brand should be fair and not burden consumers with overpriced product. This is consistent as highlighted in Quran, “And give full measure when you measure, and weigh with an even balance. That is fair and better in consequence” (17:35). Beside, authorized parties should therefore eradicate dishonesty in all business and economic dealing.

**Conclusion**
In conclusion, both halal logo and halal ingredients does matter in explaining consumer’s purchase intention of halal packaged food products. Halal logo found to be more important. Despite the interesting findings, the main limitation of this study is pertaining number of sample. The small sample as well as small percentage of non-Muslim consumers limited the researchers to compare consumer’s preferences on several marketing aspects. However, currently researchers engage with the larger scale that will cover a cross-country study specifically in comparison with Thailand consumers. Future study should consider other variables such as religiosity, product value, and few other marketing and non-marketing related stimuli to enhance understanding consumer’s intention to purchase halal packaged food products.

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