

THE CONSUMERS' UNDERSTANDINGS TOWARDS HALAL FOOD PRODUCTS IN MALAYSIA

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Abstract

Research on the effect of consumers' understandings towards halal food are not well versed in terms of getting good finding and recommendation to halal industry. Although the data of halal consumers throughout the world are rapidly increasing especially among Muslims, related studies to indicate the influence of using halal products among consumers are still in its infancy level. Hence, a conceptual study needs to be conducted to explore and acknowledge several elements that might affect consumers' action towards halal products and product purchase. The theoretical framework consists of the elements of perception, knowledge, religion, and halal certification are considered important in influencing consumers and their behaviours in the purchase.

Keywords: Consumers' understanding, Halal, certification, perception, halal industry

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Introduction

The study aims to investigate factors that influence consumers' understanding on halal food products. Several factors such as perception, knowledge, religion, and halal certification were examined to determine their level of influence on consumers and their purchases. The number of Muslim's population in the world is more than 1.3 billion people, and the trade in halal products is about USD 150 billion. The world's Muslim population is expected to increase substantially with 1.6 billion Muslims in 2010 to 2.2 billion Muslims in 2030. Muslim populations are also expected to grow about twice the number of the total non-Muslim population in two decades since 2010. The average annual growth rate for Muslims is 1.5% and 0.7% for non-Muslims. Hence, Muslims will make up 26.4% of the world's total population with 8.3 billion by 2030; it is growing by 23.4% of the world's estimated population in 2010 with 6.9 billion.

The halal food industry is one of the fastest-growing food industries. The global halal market estimated to be worth US\$580 billion a year and the halal food industry pegged to grow at a rate of 7 percent annually, business should indeed be tapping at this growing market segment. and it is expected to increase in the world market (Suddin Lada, 2009). The Ministry of International Trade and Industry (MITI) quoted sources from the International Market Bureau Canada that the total world Muslim population is estimated to be 1.8 billion. Based on the estimated expenditure per capita for food of USD 0.85 (RM 3.23) daily, it is estimated that the

market for halal products is USD 560 billion (RM 2.12 trillion) annually. The halal food market has emerged as one of the most lucrative and influential markets in the Malaysian food business today. According to Nasruddin (2018) Halal food industry in Malaysia is booming in recent years and the Malaysian government has started efforts since 2006 to make people more aware of the advantages of considering halal food product in their daily diet. 'Halal' in Arabic means permissible. According to Elistina (2017) Halal is often associated with products that are safe, clean, healthy and in accordance with the principles of halalan toyyiban. Halal food in the context of Muslim's dietary regulation refers to all foods that are permissible under the code of Islamic law. Halal also encourages Muslims to seek and use products, ventures, and services that promote cleanliness in all aspects of a person's life and sanctioned within the Islamic faith. Therefore, the Muslim's belief on halal products had great impact on spiritual development and therefore the implications of the warnings in Al-Qur'an and Sunnah definitely affect Muslim behaviour (Elsitina et. al., 2017). According to Bonne et al. (2006), Muslim consumers eat halal meat in order to follow and express their religious teachings. Halal foods are mainly consumed by Muslims as part of the Islamic dietary teachings, which are foods that are allowed or sanctioned within the Islamic faith.

Nowadays, the demand for halal food is increasing. According to Buller (2017), the global halal food and beverage (F&B) market is set to boom in the next five years, driven by new entrants to the market. A report provided by the State of the Global Islamic Economy Report 2017/18 stated that the F&B sector is expected to grow from USD24 trillion in 2016 and to reach USD1.93 trillion by 2022. Muslims spend the highest in F&B sector, followed by clothing and apparel (USD254 billion), media and entertainment (USD198 billion), travel (USD169 billion), pharmaceuticals (USD83 billion), and cosmetics (USD57.4 billion). It also makes Malaysia a preferred destination for businesses to expand halal-related goods and services. The the global halal market size is estimated to be worth US\$3 trillion currently and is expected to grow rapidly to US\$7.7 trillion by 2030 (www.bharian.com.my, 17 August 2020: It has taken on 4 April 2021). The business of halal foods is a blooming business for non-Muslim consumers because they prefer to buy halal food, especially halal meat because it is tastier and healthier.

Problem Statement

In the new growing world, it has become highly challenging for Muslims to determine whether the foods or drinks are considered religiously acceptable or halal. The halal or non-halal problem is not only limited to food or drinks but also related to other products or services. Muslim and non-Muslim consumers have become more concerned about choosing halal products. This is because the halal sign and concept have been exploited and abused by some retailers who put up the sign at their premises even when the products are not halal. It also affects their commercial value as a differentiating factor because halal signs have been proliferating in many business outlets, whether in exclusive restaurants or street food stalls. The frequent cases of abusing halal logos have made consumers become more alert in trusting products and halal logos. This issue will create a trend in consumers' understanding with halal products by reading the label of every product. The halal certification logo issued by Malaysia's Department of Islamic Development (JAKIM) is the main source of references by consumers regarding the halal status.

Significance of the Study

This study aims to identify the level of understanding towards halal products among consumer and the factor that can influence the consumers' understandings towards halal products. It examines the factors of perception, religiosity, and halal product knowledge that can influence consumers' understandings.

The level of understanding that can influence the intention of consumers' purchases. It helps to assess the degree of how people perceive about something, their attitude towards the

action, and other perceptions towards it. According to Ajzen (1991), humans behave according to the predicted framework. The individual belief or perception is determined or influenced by his or her individual expectations for purchasing. This study aims to provide the understanding of the factors influencing the attitude of millennial Muslims' attitudes towards halal products.

Definition of Halal

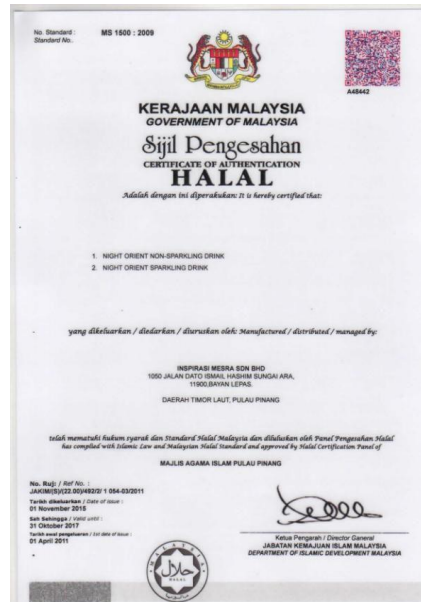
Halal is a term to used that is understood something that is allowed in Islamic teachings. Terms halal opposed to illegal or out of something illegal. (Wizarah al-Awqaf, 1990). According to Kamus Dewan (2005), the definition of halal as the law permits an act is done (in Islam), illegal (not forbidden by Islam), permitted, allowed. The term halal refers to permissible or lawful foods permitted under Islamic dietary laws; for example, meat that is slaughtered in the ascribed ritual fashion.

According to al-Qaradawi (1994), halal is something that is required, that no binding ban and allowed her to do so by legislation. Clearly, halal is something that is a must and allowed Islamic law (al-Awqaf Wizarah, 1990). Al-Ghazali (2000) and al-Qaradawi (2002) also clarifies the meaning of halal, which covers all major sources of human food either from animals, plants, natural materials, chemicals, and microorganisms contained between lawful and unlawful law. The debate halal and haram also involves elements of biotechnology in food products and other personal goods, such as clothing, toiletries and cosmetics. Based on the definition of the language and terminology, it can be concluded that the halal refers to something that is legal in Islamic law for humans eat, use etc. (Harlida, 2014).

Halal food products alone is not sufficient but must include aspects of "good" (tayyib) that is clean, clean, safe and quality. Since the production of a food product comprising a particular process, starting from the selection, preparation of materials, manufacture, production, storage, transfer, distribution until the product is presented to the user, then the "halal" should cover the whole network starting from its source. This concept is related to legislation in Malaysia, to meet the legal framework existing under several provisions of the law in Malaysia. However, Malaysia has many laws related to Halal, such as deeds, institution or department in charge of the Islamic religion, the ministry's jurisdiction, jurisdiction and enforcement. This has a big challenge in the implementation of the law in Malaysia Halal.

Part of the law is Shariah that prescribes on the foods that are permissible and impermissible for consumption by Muslims. As a result, the consumption of halal food is a decision based on Islamic beliefs, religious requirements, and personal convictions. Religion influences individual practitioners to purchase halal products.

Halal Certification



The halal product certification is necessary before the products can be imported. Malaysia has successfully established the halal certification provides significant advantages for the manufacturing industry and quality product for consumers. Although, raise issues of enforcement of the halal certification generally increase the understanding of Muslims in Malaysia to consume Islamic compliance products and food. In other word, the understanding of halal certification become important only for Muslims but also to Malaysian society as a consumer. Halal food certification is concerned with the examination of food processes such as preparing, slaughtering, cleaning, processing, handling, disinfecting, storing, transporting, and management practices. According to Guntalee et al. (2005), producers must have the halal symbol or halal certification to show that the products are religiously lawful according to Islam.

In addition, the community in Muslim countries have slowly changed their attitudes and perceived the quality as an important element to comply with the characteristics of halal food. For example, a study in Canada on the halal meat market and the establishment of halal certification are important to secure all the conditions of halal products that are free from any contamination from haram sources of illegal products such as blood, blood-related products, pork, and non-halal products that contrasted with the Shariah.

Halal certification is an important mark in identifying the halal product that meets the halal requirements. Halal classification is a product that meets the Islamic principles of hygiene, the humane treatment of animals, and production processes. Halal certification can also be used as a product differentiation technique which in turn increases the profits of a company or a restaurant and enhances their marketability, especially to halal consumers. For example, France opens its first fast-food restaurant, Burger King Muslim, in 2005. The restaurant is targeting more young Muslims who desire halal convenient foods. According to Bergeaud-Blackler (2006), halal restaurants publicly declare their Islamic identity and respond to the rise of strong Islamic attitude among young Muslims by consuming halal foods.

The Segment of Halal Product Market

In the segment of markets, halal food product has a high demand than cosmetics, pharmaceuticals, and others as shown in figure 1.

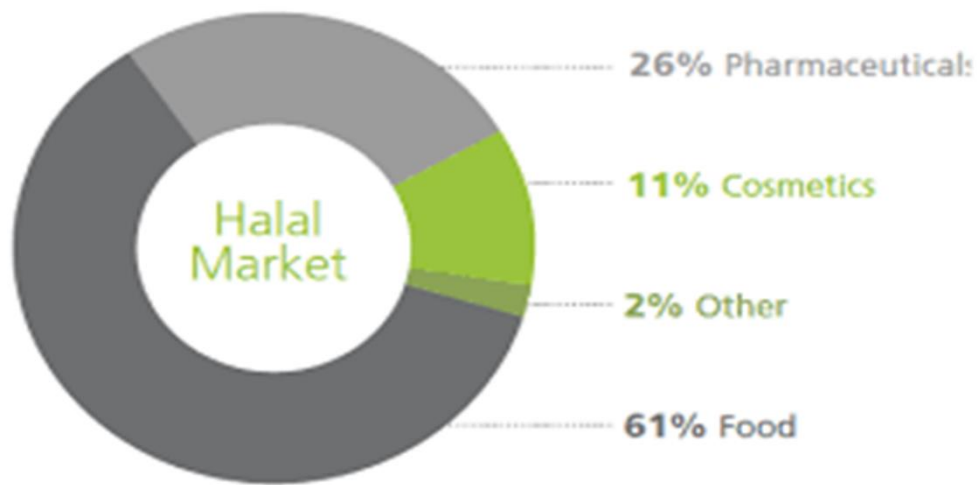


Figure 1: Segments of the Halal Market

The level of understanding of halal product on food, cosmetics, and others is important for Muslim consumers. Based on many research that the lack of awareness, knowledge, and understanding of the halal concept could cause people to lose appreciation of the halal status. Several factors can influence consumers' awareness, knowledge, and understanding of the halal status and lead them to purchase the products.

The first factor that can influence consumers' understanding towards halal food products is religiosity. Religiosity is a subcategory of human values and relates specifically to a person's relationship with a supreme being and how an individual expresses that relationship in society. The second factor is perception. Several dimensions are linked to perception, which include safety, health, and exclusivity.

The third factor that affects consumers' understandings towards halal food products is knowledge. Muslims have become the main consumers in the world market today. Today, in the globe research by Halal Industry Development Corporation (HDC) found that a halal product is acknowledged not only by Muslims but also non-Muslims. Hence, the halal industry is highly accepted by Muslim consumers and other consumers who are concerned about health in the food that they consume and the products that they purchase.

The fourth factor that can influence consumers' understandings towards halal food products is halal certification. Halal certification is important to ensure that the products fulfil the halal requirements. Halal certification provides benefits to consumers and a competitive advantage for food producers. Consumers do not have to check all the ingredients and learn about the production with the presence of a valid halal certification. The understanding of consumers should be strengthened in purchasing halal food products.

There has been little research addressing consumers' understandings towards halal foods in Malaysia. In daily life, Muslim consumers are offered with various products and services, especially food products that could lead to the issue regarding the halal status. Therefore, this study analyses the consumers' understandings towards halal food products.

Consumers' Understanding of Halal Food in Malaysia

This study aims to explore the important of consumers' understanding of halal food. The consumers' understanding on halal food products is reflect to several factors such as perception, knowledge, religion and halal certification. This also explains why some people could purchase halal products because they understand that halal production or halal is important to their religious standing. For non-Muslims, the reactive thought to purchase food is believed to be produced authentically and healthy. In determining the customers' understanding, the value brought from the product is the main aspect in obtaining a high level of acceptance, followed by services given, and other values added to the product. In the halal issue, customers give more attention to the foundation regarding the source of raw materials of the food products. Halal food should not contain "haram" or illicit ingredients including gelatine, alcohol, pig, and animal fats found in certain products such as candies, yoghurts, cakes, biscuits, and dishes. According to Regenstein et al. (2003), in many food products, gelatine is the most controversial of all modern kosher and halal ingredients.

There are a large number of Muslim consumers who decide not to purchase halal food. Being Muslims does not automatically guarantee that the individuals would always behave according to Islamic law. Every Muslim learns the law from individual training and socialisation in additional to religious education experiences that may differ among individuals. Halal food market exists wherever there are Muslim consumers whose taste and preferences are governed by the halal rules on food specification. Halal food may seem similar like other food, but the difference is in the techniques of processing the ingredients, handling, and the use of various patterns from the beginning to the end such as slaughtering process, beverage process and so on.

The understanding of people is important factor for the consumption of halal food. According to Guntalee et al. (2005), in the United Arab Emirates, it is revealed that to sell the Thai food product in Muslim countries, the producers must do everything in the production process to meet the halal specifications and build customers' trust towards the product. Therefore, the element of trust in how the product is processed can be a factor to stimulate a person's response.

The preference of consumer is strongly influenced by their religious commitment. Religious commitment affects consumers' orientations about the consumption process and their social behaviour. Religiosity plays an important role in people's lives by creating their beliefs, knowledge, and attitudes regardless of their religious orientations. Commitment to the beliefs acquired through religion and religiosity to shape the beliefs can lead to inaccurate use of the halal design (Salman, 2011). Other aspects involved are the connections between belief and attitude towards halal and the link between intrinsic forces and dogma identity. In Pakistan, Muslim consumers relate to the Islamic ideology in their purchase behaviour, but being a Muslim is not a direct indicator of a person being a halal consumer. Consumers have consistently shown that they look for halal qualities in products without necessarily looking for haram connotations. It is concluded that people may not necessarily forgo haram products if the products do not have something that is haram (Salman, 2001).

Conclusion

This study can help researchers to understand several important dimensions that affect consumers' understandings towards purchasing halal food products. The dimensions comprise perception and feeling, knowledge, and religiosity. The perception process in which an individual selects, organises and interprets the information he or she receives from the environment plays important role in determining the food purchase. Muslim consumers must understand that the food consumption not only about halal food but it also cover health, services or non-food and education as well. Therefore, knowledge reflects the amount of information owned by consumers and plays

an important role in the decision-making process. When the person has more knowledge and information on the product, he or she will choose and decide on the purchase of the product. Meanwhile, halal food certification is concerned with the examination of food processes such as preparing, slaughtering, cleaning, processing, handling, disinfecting, storing, transporting, and management practices. The halal certificate sign is considered important initial elements of consumer attitudes before making decision. This study suggest that many factors as mentioned by previous dimensions might affect consumers' purchase. It depends on what methods used to explore more data and findings in the future. The background of consumers, their interest, personality, behavior, and external factors might induce the purchase of halal food products.

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