

Purchasing Decision Factors of Halal Logo Products and Muslim Products Among Muslim Consumers

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Abstract

Muslim are compulsory to choose halal product. Hence, a good understanding of what is halal product is important as this will help Muslim consumer in choosing halal product available in the marketplace. Following the emergence of the "*Buy Muslim First*" or BMF issue, Muslim consumers are encouraged to purchase Muslim products rather than non-Muslim product. However, many of Muslim products do not have a halal logo. Therefore, this study was carried out to identify the perception of Muslim consumers towards "halal logo products" and "Muslim products" as well as determining factors for their selection. The study uses a qualitative approach. Informants were selected among the students of Universiti Utara Malaysia with a total of 22 students. This study employed interview as a data collection method. Interviews are conducted online using the Webex platform. Interview questions involve two main constructs, namely perception and determination of selection. Thematic analysis has been employed to analyze the qualitative data. The results showed that informants have a good awareness of halal logo products as most of them choose products with halal logos over Muslim products. This shows that the campaign of "*Buy Muslim First*" does not much influence Muslim consumers in the selection of product. The implication of this study is that Muslim entrepreneurs should improving the quality of their product buy applying for halal certification as the results of the study show that consumers are more concerned on products with halal logo.

Keywords: Halal, Muslim Products, Halal Products, Muslim Consumers

Introduction

The halal industry in Malaysia has progressed tremendously. It offers all sorts of products from food to cosmetics, pharmaceuticals, and consumer products, as well as services including hospitality, tourism, logistic, transportation, and Islamic finance (Kadirov et al, 2020). The government demonstrates a full commitment to strengthening the governance of the halal industry to sustain halal integrity. Entrepreneurs are encouraged to apply and secure halal certification to maintain a sustainable business (Yusoff et al., 2018).

Malaysia is a multiethnic country of various races and religions. Although most Malaysians are Muslims, most of products in the market are from non-Muslim companies. According to a report from the KOSMO newspaper dated 9 September 2019, halal data from the Department of Islamic Development Malaysia (JAKIM) shows that more than 60 percent of companies and manufacturers of products that obtain halal certification are multinational companies owned by non-Muslims. This is because they are aware of the importance of having halal certification which is in high demand. In addition, JAKIM's halal certification also ensures that the product not only uses halal ingredients but also complies with the cleanliness guideline regardless of whether it is produced by a Muslim or non-Muslim company.

Therefore, the emphasis on halal is important because halal encompasses several other aspects which are cleanliness, quality, and safety of a product. In this regard, the Malaysian government strongly encourages every product that is eligible in applying for the halal certificate to have a JAKIM halal certification. Products with a halal logo uphold halal integrity while giving consumers confidence in making the selection.

When it comes to the issue of "Buy Muslim First" or BMF, Muslim consumers are encouraged to help the Muslim economy by purchasing Muslim products. The issue is that most Muslim products do not have JAKIM halal certification. Therefore, to what extent consumers could be certain about the halalness of the non-halal logo products? This study is intended to identify the perception of Muslim consumers towards the concept of "halal logo product" and the concept of "Muslim product" as well as the determining factors for the selection.

Products with a halal logo means that they follow the halal standards set by JAKIM. The purpose of halal certification is also to ensure that every entrepreneur adheres to the established halal guidelines such as the cleanliness of the premises, the number of Muslim workers as well as the permitted use of raw materials. Products or premises that are certified by JAKIM will be monitored by the halal authorities. This could encourage entrepreneurs to comply with all the requirements set by JAKIM compared to premises or entrepreneurs who do not apply for JAKIM halal certification as no monitoring is carried out on them in the matter of halal especially in terms of purchasing raw materials.

In addition, doubts also arise among Muslim traders who do business in the night market, such as the sale of "yong tau fu" meal as the product based on surimi. Surimi products have a critical ingredient source which is *the transglutaminase* enzyme that could be obtained from blood plasma. As such, consumers do not know the halal status of surimi products sold at night markets by Muslim traders and consumers only assume that the seller buys them from a halal source, but the

extent of the certainty is compared to surimi products sold at food premises with JAKIM halal certification such as "Seoul Garden" whose halal status is more reliable. This is because when the premises are certified halal, they are obliged to comply with all the conditions set including the use of halal raw materials. In terms of halal confidence, surimi products sold at the "Seoul Garden" food premises are more reliable to be halal as it has the halal logo.

Therefore, from the example of the scenario given above, which is the consumer's choice in the selection or purchase of a product? Are consumers more concerned with halal logos or more concerned with purchases of Muslim products? This study was carried out to answer the following objectives: 1) to identify the perception of Muslim consumers towards halal logo products and Muslim products, and 2) to identify Muslim consumers factors in the selection of halal logo products and Muslim products.

Methodology

The study uses a qualitative approach. The design of the study is a survey study. Survey studies are studies that describe issues and problems from various perspectives, especially those involving views, attitudes, feelings, behaviors, and perceptions. The interview method is used for the data and information collection process. The sample of the study consisted of Muslim students at Universiti Utara Malaysia. A total of 22 Muslim students were selected for online interviews using the Webex platform. Researchers choose the interview method because this method can obtain information in more detail.

Researchers used a semi-structural interview method that allows researchers to question more deeply about an answer given by an informant. There are two categories in the interview question which are perception and selection factor. For the perception category, there are two questions built which are the perception of halal logo products and Muslim products as well as the perception of the "Buy Muslim First" issue. For the selection factor category, there are two questions built which are the selection factor for halal logo products and Muslim products as well as the factors that are emphasized in the purchase process.

The sampling technique used is snowball sampling (*snowball*) where the study informant is asked to suggest other informants with similar characteristics. In this procedure, researchers selected several students of Universiti Utara Malaysia to be interviewed. Upon completion of the interview, the researcher asked the informant to suggest other informants in the population with similar characteristics, namely Muslim students at Universiti Utara Malaysia. Each interview session will be recorded using the Webex platform (Piaw, 2014). The method of analysis used is thematic analysis by finding the theme for each categorized question. The main themes were identified to be the result of the findings.

Results of Studies and Discussions

This study aims to look at the perception of Muslim consumers towards halal logo products and Muslim products as well as the selection of Muslim consumers towards halal logo products and Muslim products. A good understanding of the concept of halal will help the consumer in making the selection of product. This section will discuss the results of the study starting with:

- i. Background of the informant
- ii. Analysis of informant perceptions of halal logo products and Muslim products
- iii. Analysis of informant selection factors on halal logo products and Muslim products

Background of the informant

The study consisted of 22 informants involving students from Universiti Utara Malaysia from various fields of study. The informant consists of 16 female students and 6 male students from multiple schools in Universiti Utara Malaysia. The name of each informant has been kept secret and replaced by a number. Table 1 shows the background of the informant.

Table 1: Informant background

| Informant | Semester | Specialization | Gender |
|------------------|-----------------|--|---------------|
| 1 | 4 | School of Technology Management & Logistics | Men |
| 2 | 5 | Islamic Business School | Men |
| 3 | 6 | School of Business Management | Female |
| 4 | 6 | School for International Studies | Female |
| 5 | 4 | Islamic Business School | Female |
| 6 | 4 | Islamic Business School | Female |
| 7 | 6 | School of Technology Management & Logistics | Female |
| 8 | 4 | School of Law | Female |
| 9 | 6 | School of Economics, Finance and Banking | Female |
| 10 | 4 | School of Government | Men |
| 11 | 4 | School of Government | Female |
| 12 | 6 | School of Business Management | Female |
| 13 | 3 | School of Technology Management & Logistics | Female |
| 14 | 4 | School of Government | Female |
| 15 | 6 | Islamic Business School | Female |
| 16 | 4 | School of Applied Psychology, Policy and Social Work | Men |
| 17 | 6 | School of Business Management | Female |
| 18 | 6 | School of Economics, Finance and Banking | Female |
| 19 | 6 | School of Economics, Finance and Banking | Female |
| 20 | 5 | School of Computing | Men |
| 21 | 5 | School of Business Management | Men |
| 22 | 6 | School of Business Management | Female |

Analysis of informants' perceptions of halal logo products and Muslim products

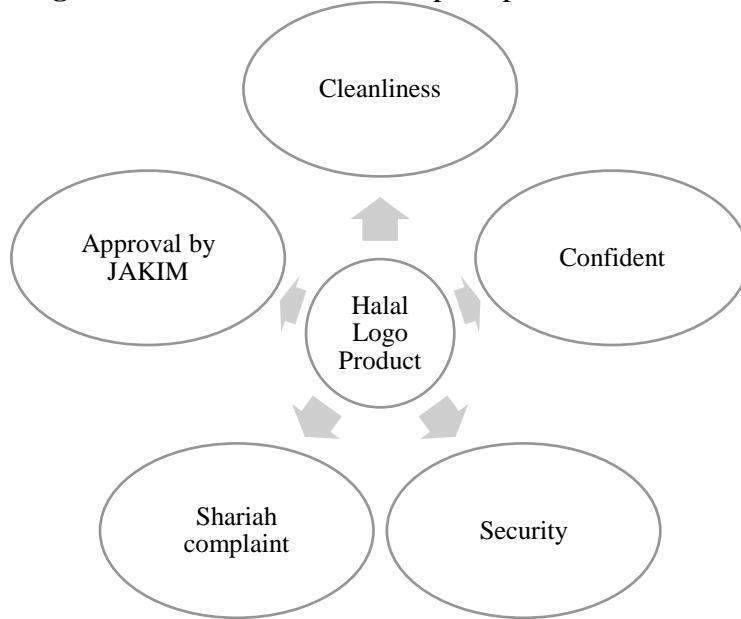
This section will discuss the informant's perception of:

- a) halal logo products
- b) Muslim products
- c) "Buy Muslim First" issue

Halal logo products

For halal logo products, there are five themes identified as shown in figure. 1. The themes reflects the informant's perception of halal logo products.

Figure 1: Theme for informant perception towards halal logo products.

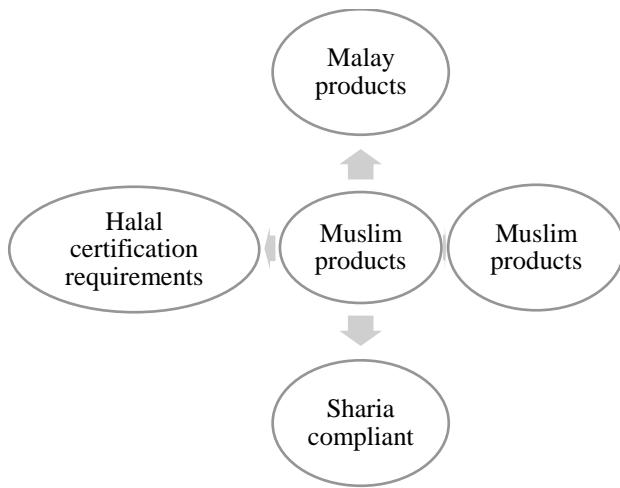


The majority of informants associate halal-logo products with cleanliness, confidence, and safe. It is explained in the concept of halalan toyyiban which involves three elements. The concept of halalan toyyiban means something that meets Islamic law, clean and safe. The above description clearly shows that the emphasis on halal issues involves not only the Islamic standpoint but also a technical point of view regarding hygiene and safety. Application for halal certification can ensure that a product produced meets the requirements of Islamic rule. For the theme of confidence and approval from JAKIM, products with the halal logo are monitored by the halal authorities. This monitoring will encourage the manufacturer to comply with the established halal standards. This makes consumers feel more confident in products that have JAKIM's halal certification.

Muslim Products

For Muslim products, there are four themes found in figure 2.

Figure 2:Theme for informant perception towards Muslim products



The majority of informants have the same perception that Muslim products are products produced by Muslims, especially Malays. Some informants have a perception that the product is compliant with shariah because it has been produced by Muslims. In this regard, the informants are confident that Muslims will follow the Shariah guidelines. The informant also in view that Muslim products need to have a halal logo for the reason of expanding the business market. The results of the four themes showed that there are informants who are more concerned with Muslim products rather than products with a halal logo but this view is a minority.

View on "Buy Muslim First" issue

The Muslim product purchase campaign emerged in the year of 2019 with the slogan "Buy Muslim First". This campaign encouraged Muslims to purchase Muslim products as a sign of support to boost the Muslim economy. The campaign was launched by several non-governmental organizations (NGOs). However, there are disagreements regarding this campaign and it has aroused various reactions. Some parties agree with it, while other opposing parties have their arguments.

Indeed, Buy Muslim First campaign is not a problem. However, the preference for the halal product should be superseding Muslim products as Islam urges Muslims to consume the halal product. A high preference for Muslim products with a halal logo over non-Muslim products bearing the halal logo should be highlighted. Buying Muslim products will support the Muslim producer. The more profit they get, the more zakat they could pay. Indirectly, this will lead to an increase in the zakat collection.

Furthermore, a product with a halal logo should be preferred by consumers as it has halal integrity, as well as hygiene and safety. Products with a halal logo are under monitoring by the halal authorities. Halal certification could be suspended if the company fail to comply with the halal requirement and procedures.

The results showed that the majority of informants support efforts to help the Muslim economy, but they are more concerned with the purchase of halal logo products. Each person has his views and preferences. However, consumers need to be smart in making choices. The results of this study

also show that the issue of "Buy Muslim First" does not affect consumers on their confidence in halal-logo products. According to surah al-Baqarah verse 168 which means "O people! Eat from the lawful and good food found in the earth, and do not follow the footsteps of Satan." This verse clearly shows that Muslims are reminded to look for the halal. However, Muslims should be in solidarity in purchasing Muslim products as compared to non-Muslim products with a halal logo as a sign of support for the Muslim economy.

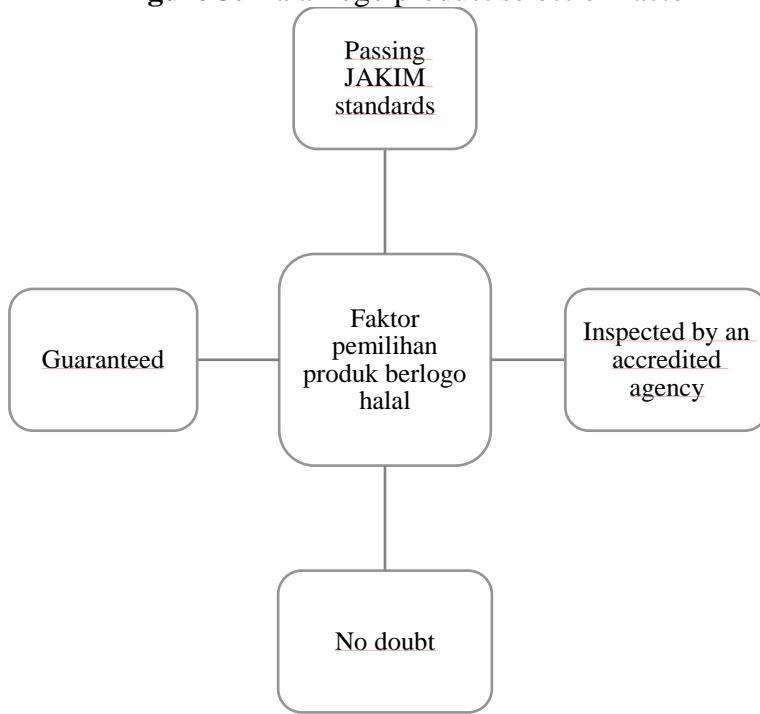
Analysis of informant selection factors on halal logo products and Muslim products

This section will discuss the factors of selecting halal logo products and Muslim products.

Factor in the selection of informants on halal logo products and Muslim products

The results showed that out of 22 informants, 15 informants (68%) were more concerned with purchasing products with a halal logo compared to 7 informants (32%) who were concerned with Muslim products. Among the factors of consumers' selection of halal logo products are as in Figure 3.

Figure 3: Halal logo product selection factor

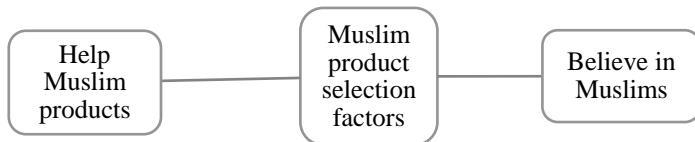


The results of this study show that there are three reasons why consumers are more concerned with halal logo products rather than Muslim products. The first reason is that some of them are not confident in terms of hygiene and raw materials when the products do not have any halal logo. The second reason is that product without a halal logo is not under halal monitoring. As the majority of informants view that the process of obtaining a halal certificate is complicated, the informant put trust in the halal logo. Therefore, consumers are more confident about halal logo products as there are inspections by JAKIM and manufacturers have to comply with the requirements. The

third reason is regarding how the product is being processed. Some Muslim products are being processed at home and consumers are in doubt about the way they are processed. The results of the above analysis clearly show that the informant has a clear perception of products that have a halal logo.

Meanwhile, the first selection factor for Muslim products is to support Muslim products and secondly, they are confident with Muslim products as they put trust in Muslims to be compliant with the Islamic rules. Both factors are depicted in Figure 4.

Figure 4: Muslim product selection factor



Informants choose Muslim products because they have confidence in Muslim manufacturers. A good Muslim always obeys the commandments and prohibitions of Allah. Some informants express their doubts on the issue of halal logo forgery. These findings show that only a minority of informants prefer Muslim products over products with halal logos. This also shows that the majority of informants have a good understanding of products that have a halal logo. The factor of confidence is the most favorable in the selection of products with halal logos compared to Muslim products. They put confidence in the authorities who perform monitoring of halal logo products.

The results of the analysis also found that there are three main points that the informant emphasizes in the selection of a product, starting with the brand of a product, the price, and the scrutiny of the logo. The majority of informants will buy items or products that they are familiar with. Then, they will consider the price of the item. Even though some of them are concerned about the brand and price, they will always ensure that the item has a halal logo.

Conclusion

The results showed that the majority of informants, especially Muslim students of Universiti Utara Malaysia, are aware of products with the halal logo. This also shows that they have a good understanding of products that have a halal logo. Confidence is among the factors that led to the high selection of products with the halal logo. The confidence is toward the product as well as the authorities.

The results of this study also show that the issue of "Buy Muslim First" does not affect consumers on their confidence in halal logo products. However, consumers are encouraged to purchase Muslim products that have halal certification compared to non-Muslim products that have halal certification to show support for the Muslim economy.

Muslims are encouraged to help boost the Muslim business by prioritizing Muslim products that have the halal logo over non-Muslim products that have the halal logo such as al-Haddad brand, Ramly products, Bismi chicken, and others. Muslim traders whose products are eligible for halal certification are strongly encouraged to apply. It is a good effort to have a halal logo as it will increase product demand.

According to the Kosmo newspaper report dated 20 September 2020, a report from the Companies Commission of Malaysia shows that one million companies are registered under it and out of the total, 200,000 Small and Medium Enterprises (SMEs) are directly involved in halal-related activities. However, the number of SMEs with halal certification is around 10,000 only. The number indicates that there is still too low the number of companies or enterprises applying for halal certification.

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