

Exploring Perception of Halal Product among Moslem Consumer: A Preliminary Study

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Abstract

As biggest moslem population in the world, Indonesia has the most moslem population and also Moslem consumers. Halal should already become Moslem's way of life in Indonesia and also goes in the same trend. In concept of Islam, the product that bought and consumed by moslem must be halal based on the Islamic rules and principles. The research aimed at testing moslem's perception of halal product among moslem consumer. The sample of this study were moslem consumer who taken as respondent. Sample in this study were 142 respondents, but only 98 were useable responses. It is found that among three dimension in perception of moslem consumer about halal product. Halal product awareness could not reflect the concept of moslem perception of halal product. Only halal product knowledge and halal product belief that could reflected perception of halal product. Halal product belief is considered as the most important factor in reflecting perception of halal product among moslem consumer. Thus, this study gives some contribution to Islamic marketing especially how marketers would treat and facing moslem consumer based on their perception of Halal product . Its contribution to extant literature is the development of conceptual framework that identifies multidimensional construct implementation from perception of halal product. The findings could help the halal product players to formulize strategy in their future marketing plans.

Keywords: Halal Product, Consumer Perception, Moslem Consumer.

Introduction

At present, the concept of halal logo (حلال) on a products that offered to consumer is no longer a religious issue, in which it has become a global and well-known symbol for assurance of quality and lifestyle choices (Omar, Mat, Imhemed, & Ali, 2012). The composition of Moslem communities in Indonesia has the greatest number of non-Moslem s. This is a potential market for business and industry to meet their needs for halal products. There has been an increasing trend in the awareness of Moslem communities to use halal products that are certified (Yuwono, 2017). It was further explained that the concern of the Moslem

community for the halal products also increased. Therefore the greater awareness and concern of the Moslem community for halal products certainly must be responded positively by producers (as business actors for example in making competitive strategies) and by the government as a regulator in the management of halal certification itself and in carrying out supervision of halal products. In other words, the discussion considering the status of a halal product will involve the State (Government), producers and consumers.

For producers or business actors, such as small medium enterprises must be able to understand there is a tendency for changes in consumer behavior, while also being able to satisfy the needs of these potential consumers satisfactorily. It's just that in reality the roles of each party, both the Government, Producers or business actors, and consumers of halal products and or services themselves have not demonstrated their role effectively and satisfactorily. Therefore it is necessary to conduct in-depth studies on "halal products" which can later be carried out through the three paradigms (from the Government's point of view, in this case as issuers of halal certificates and at the same time conducting supervision of halal products), and consumers of halal products, for example to matters related to changes in purchasing behavior. As explained by Alim (2018) that the perception of halal labels will influence the buying decision of Moslem consumers. It was further clarified by (Waskito, 2015) that halal certification and halal awareness also had an effect on the buying interest of halal products. Karoui & Khemkhem (2016) argued that Islamism is a whole social movement, and as ideology being Islamist is such being a person who has specific and special habits, attitudes, thoughts and behaviors. Moschis & Ong (2011) stated that religiosity is used as explanatory variable for differences in the consumption habits of consumers.

In addition, there is a minimum knowledge of halal concepts itself when analyzed for its impact such as purchase intentions. Likewise, knowledge of the effect of Islamic marketing-based concepts such as promotions and branding with halal purchase intentions is almost non-existent. Although marketers are starting to build a greater understanding of the importance of certification and awareness among halal products, very little is known about the halal component that have influence on purchase intentions (Aziz & Chok, 2013).

This topic is important for several reasons. One reason is that considering majority of Indonesia's population is moslem, therefore they need halal assurance from the products they consume. *Halal* certificate plays an fundamental role to assure consumers that the product has a qualified and necessary conditions of *halal* product (Omar et al., 2012). By analyzing halal product's perception among moslem, it is believed as important thing to moslem society because of the challenges experienced by Moslem . For example, cosmetics and pharmaceutical sector was subject to greater scrutiny by Moslem scholars on the suspicion that many international brands are using enzymes extracted from pork meat or alcohol as a preservative, generating great deal of cynicism towards these brands in Moslem customers (Mukhtar & Mohsin Butt, 2012). This often seen as a reason why Moslem consumers are now seeking *halal* cosmetic products (Ahmad, Rahman, & Rahman, 2015).

With regard to the concept of halal standards, most of the literature states that they come from the purest form of inspired religious guidelines; That is, all criteria in the halal standard are determined based on the interpretation of following Islamic dietary laws (Riaz & Chaudry, 2004; Soon, Chandia, & Regenstein, 2017) . Thus, every difference in halal law is a certain problem that must be seen as a direct result of various interpretations of the religious holy book carried out by Islamic jurists from various schools thought of Islamic concept and values (Riaz & Chaudry, 2004). Thus, concerned Muslim consumers will feel challenged to follow the fundamental motives behind the halal requirements which are very crucial for making the

right decisions when buying halal products as well as being actively involved in the development of halal standards.

In addition, the article highlights the main issues about:

1. The significance of halal product knowledge in reflecting perception of halal product
2. The significance of halal product belief in reflecting perception of halal product
3. The significance of halal product awareness in reflecting perception of halal product

in Iraqi Islamic banking and contributes to the reform of the Iraqi legal Islamic banking framework. In fact, to date there has been no similar research on the Islamic banking system of Iraq that includes all three challenges of the present system in one research paper. Therefore, this thesis will benefit the CBI and Islamic banking institutions as it examines both legal and Sharia aspects of the Islamic banking system in Iraq.

Literature Review

Halal Product

As well known concept, halal has been often synonymous with Islamic belief. Food and drinks and every thing that eaten by moslem must be halal. The effort or sacrifice in gaining food must be generated from halal sources. The Arabic word for concept of halal means lawful or allowed. Specifically, halal refers to what is obeyed by Shari'ah principle (basic Islamic way of life and it applies to every single activity, attitude and behavior). In perspective of economics area, halal refers to business and operational activity conducted in a Islam manner. The concept of halal have a significant role in moslems daily activities including negotiate marketplace, social, and business relationships and may be reflected in the Qur'an and *hadith*.

Moslem consumers become more informed and knowledgeable about products that are being offered in the market and because of their religion. Because of awareness that increase in health way of life, more consumers are demanding that food products carry informative labeling. Food labeling and packaging information are oftenly seen as a benchmark for fulfill the public interest. Concerning the acceptance of halal foods among Moslem consumer groups, for moslem community around the world has pointed out a growing demand of the halal product (Damit, Harun, & Martin, 2017). The increased interest in halal is another aspect of Islamic revivalism.

There may be a number of reasons for this inattention to the concept of halal. Often scholars of comparative religion primarily or even exclusively examine religions through the documents of the religion rather than the daily lives and practices of adherents. While the concept of halal may play a significant role in daily life as Moslem s negotiate the marketplace, social and business relationships, its centrality may not be reflected in the Qur'an (the collection of divine revelations given to Muhammad) and *hadith* (collections of the sayings and deeds of Muhammad) – the two major written sources guiding Moslem s' beliefs and practices. Alternatively, this lack of attention may be due to scholars' marginalization of Moslem societies outside the Middle East.

Islamic guidelines show important matter of Halal. For example, all materials and ingredients used must be categorized *halal*, only *halal* animals should be naturally slaughtered using a sharp knife and must have pray before do it. Halal material or ingredients should not be mixed with non-Halal (Haram) ingredients during cooking, processing, and serving likewise. In Islamic way or shariah belief, there is a important purpose of implementing Halal concept – for example, *Halal* could preserves purity of life and protects Islamic norms, values, attitude, ethics. It also safeguards individual's property and safeguards forthcoming generations among society to sustain dignity (Hussain et al., 2016).

Halal has become a fundamental in Islamic belief. In Islam, food and drink must be *halal*, income must be generated from halal sources, and people only have to deal with the *halal* trading system. Halal usually refers to permissible and allowed of food consumption, as well as moral and ethical conduct (Adekunle & Filson, 2020; Talib, Sawari, Hamid, & Thoo, 2016). The Arabic word for *halal* means halal or permitted. Specifically, *halal* refers to what is permitted by Sharia (Sharia is translated as 'a way of life or rules, governing all aspects of Moslem life') and applies to every activity undertaken (Bashir, 2019). From an economic perspective, halal refers to business conducted in a manner deemed permissible in Islam. With food, it refers to food prepared in accordance with Islamic law and practice. While Moslem consumers become more knowledgeable about the products offered in the market and because of their religion, it is inevitable that they become more careful about the types of products they want to consume. In addition, due to increased awareness in diet and health awareness, consumers are demanding that food products use informative labels. Food label and packaging information serves as a benchmark to serve the public interest.

The concept of *halal* is truly from the farm to the table. This concept requires nutritious items prepared from permissible ingredients in a hygienic and clean manner. In relation to the halal certification, the procedures refer to preparation, slaughtering, ingredients used, cleaning, handling and processing, right down to transportation and distribution (Hanzaee & Ramezani, 2011). Law of the Republic of Indonesia Number 33 Year 2014 explain about halal product guarantee, the halal certification will be carried out by the state institution, that is Security Agency Halal products known as BPJPH (Aminuddin, 2016). Halal accreditation could be an effective tool in monitoring and supervising the halal production, which includes storing and transportation. Once the producers have followed the halal standard and procedures, the products produced could obtain halal certification issued by a government appointed body (Hamdan, Issa, Abu, & Jusoff, 2013).

Islam lays guidelines on the issue of halal; for example, all ingredients and ingredients used must be halal, only natural halal animals must be slaughtered using a sharp knife, and halal materials must not be mixed with Haram materials during making, processing, cooking, and serving as well. In Islam, there are specific objectives of Halal - for example, Halal maintains the purity of life and protects Islamic ethics, attitudes and behavior. It also protects one's property and protects future generations to maintain dignity (Hussain et al., 2016).

Existing literatures provide a number of factors that influence consumers to choose halal products (Ahmad et al., 2015; Yener, 2014). In specific areas, halal food trade has picked up rapidly while more and more countries have been adopting Islamic Finance in their banking system. Halal cosmetics and personal cares are next in line in the halal Business. The literatures show information that only focused on the halal food products and not many literature were studied about halal products as general.

Conceptual Model Development

As one of the most important concept of Islamic marketing in the market today, halal product perception should have a comprehensive framework. From this point, popular accounts of perception of halal product usually make a leap into discussion of how such this concept are understood from consumer point of view. In order to develop model of perception of halal product among moslem consumer, several attempts have made to develop integrative views of current research on moslem consumer behavior .

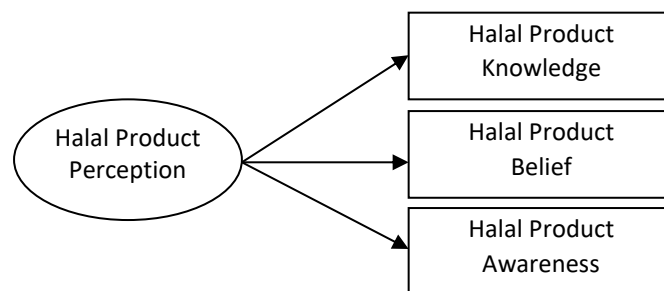


Figure 1. Conceptual Framework

In this conceptual model, we have made an attempt to present a fresh perspective of halal product perception among muslim consumer, and clearly this could be considered as a major opportunity exists to deepen our understanding, and ultimately inform improvements in practice, by applying both halal product perception and consumer behavioral concepts, thereby trying to integrate and analyze dimension of construct proposed in this study.

Methodology

A quantitative approach is used in this research, in which data collection was gained by distributing questionnaires to research respondents, in this case the Muslim community in Malang, East Java, Indonesia. The purpose of this study is to examine the perception of knowledge, understanding and awareness of the Muslim community in Malang on halal products.

The participation in the study was voluntary and there was not any motivation for participation. In particular, one of the authors explained the goals of the study while introducing the questionnaire. The instruments of data collection in this study included a self-inventory questionnaire using a Likert scale. To verify the reliability of the scales used in this study, internal consistency reliability measurement method is applied in this study using Cronbach's alpha coefficient.

The questionnaire was distributed for target sample in convenience sampling method. This method could allow to obtain respondents in which way is the most conveniently available. About 142 sample are give their response for questionnaire. Finally, 98 responses were usable for further analysis. Data were analyzed using confirmatory factor analysis.

Findings and Discussion

Table 1 provides descriptive statistics and reliability scores for the variables used in the analysis in the usable sample. The means range from 3.86 to 4.71. The mean score for the halal product knowledge was 4.57, indicating a high and positive subjective assessment of overall halal product knowledge in perception of halal product. The mean score for halal product belief was 4.21, indicating a high and positive assesment of overall halal product belief in perception of halal product. The mean score for halal product awareness was 4.08, indicating a moderate and positive assesment of halal product awaransess in perception of halal product.

Table 1

Loading Factor and Mean of Observed Variables

Dimension	Indicator	Loading Factor	Mean
Halal Product Knowledge ($\alpha = 0.737$)	Realize the need of halal products as a Moslem	.681	4.71
	Recognize that pig meats are strictly prohibited for moslem consumption	.530	4.69
	Knowing the importance of halal product for Moslem s	.713	4.57
	Understand the impact of consuming halal products	.657	4.33
Halal Product Belief ($\alpha = 0.769$)	Understanding Concept of Halal as moslem	.406	4.24
	Make sure the products I consume are halal	.848	4.26
	Only consume products if the halal is clear	.751	4.23
	Consuming product when believe that the product is halal	.690	4.11
Halal Product Awareness ($\alpha = 0.749$)	Halal products are certainly guaranteed cleanliness	.686	3.86
	Avoid products that are doubtful (no halal logo)	.433	4.31
	Halal certificates or logos are main characteristic of halal product	.763	4.06
	Avoiding alcohol (liquid or ingredient) to consume	.732	4.09

From table 1, the factor analysis shows us how the 12 indicators of halal product perception are associated and linked together in the minds of the respondents. Halal product knowledge comprises four supporting factors variables respectively : (1) knowing the importance of halal product for Moslem s, (2) realize the need of halal products as a Moslem, (3) understand the impact of consuming halal products, and (4) recognize that pig meats are strictly prohibited for moslem consumption. Halal product belief comprises four supporting factors variables respectively : (1) Make sure the products that consumed are halal, (2) Only consume products if the halal is clear, (3) Consuming product when believe that the product is halal, and (4) Understanding concept of Halal as moslem. Halal product awareness comprises four supporting factors variables respectively : (1) Halal certificates or logos are main characteristic of halal product, (2) Avoiding alcohol (liquid or ingredient) to consume, (3) Halal products are certainly guaranteed cleanliness, and (4) Avoid products that are doubtful (no halal logo).

Table 2

Mean, Path Coefficients and t-values Between Observed and Latent Variables

Variable	Dimension	Path Coefficient	t-statistic	Mean
Perception of Halal Product	Halal Product Knowledge	0.736	11.603	4.57
	Halal Product Belief	0.946	31.936	4.21
	Halal Product Awareness	0.097	0.869	4.08

Results indicates there is a significant loading factor of two dimension in perception of halal product : halal product knowledge and belief. Halal product awareness have insignificant

loading factor ($t_{\text{statistic}} < 1.960$ with a p -value > 0.05). However, halal product belief was found to be the most dominant factor that reflecting perception of halal product.

Based on our findings, we speculated that consuming halal product mostly could be generated from individual belief. All of the assumptions support our results, which suggest that use of various halal product features in daily activities, are strongly related with its marketing capabilities. In this way trends in halal product competitiveness can be linked to various private and public sector initiatives or other variables. A longitudinal perspective would enable marketing manager to identify elements in their halal product that require specific management attention.

Conclusion

In theoretical terms, this study complements the existing knowledge regarding the influence of various factors in assessing perception of halal product. Ideally, the model can be used to compare the halal product performance of different areas with respect to competitiveness. These issues flag an ongoing need for more detailed empirical studies of halal product attributes, consumer attitude, and the different components of perception of halal product. However, the results of this study suggest that the importance of halal product's perception is underplayed in this literature. The comprehensive understanding of halal product factors can help the Islamic marketers and researchers to identify, develop and apply different strategies for not only increasing the adoption of halal for daily basis consumption activities but to also fully realize the potential benefits of halal product for broaden and wider at numerous educational settings.

This study offers some important practical implications. First, halal product belief is the most important factor for moslem consumer that must be treated and developed well. Second, halal awareness could not be considered as important dimension of moslem consumer's perception of halal product. Furthermore, the model developed here can form the basis for further conceptual and empirical research. The present study provided us with the opportunity to test for the possible effects of perception of halal product on moslem consumer attitudinal and behavioral mechanism.

As part of the contribution to Islamic marketing and consumer behavior literature, especially the halal product sector, this article is important as it considered will provide regulators and marketers in Indonesia with some clear explanations and conclusions to establish an efficient Islamic marketing system. Consequently, these insights and practical implications will then enable stakeholder of halal product and industry to find solutions to some issues of the Islamic marketing in the country. As a whole, this research may contribute to building and understanding the phenomenon of halal product perceived by moslem consumer.

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