



**THE IMPACT OF HALAL CERTIFICATION ON
PURCHASE INTENTION OF MUSLIM CONSUMERS IN
MALAYSIA: A STUDY OF IMPORTED PRODUCTS
FROM MENA COUNTRIES**

BY

FIRDAUS FANNY PUTERA PERDANA

**A thesis submitted in fulfilment of the requirement for the
degree of Doctor of Philosophy in Halal Industry**

**International Institute for Halal Research and Training
(INHART)
International Islamic University Malaysia**

MARCH 2019

ABSTRACT

The objective of this research is to investigate the role of Halal certification in the purchase intention of Muslim consumers living in Malaysia on food products from Muslim majority countries in the Middle East and North Africa (MENA). Kullu Halal (all Halal) concept is highly applicable in the MENA region as most of the population is Muslim. However, it is important to note that these countries also heavily import some products from non-Muslim countries and some of the ingredients used in the production are also animal-based. Therefore, the researcher believes that it is important to conduct research that investigates the role of Halal certification in purchase intention of Muslim consumers in Malaysia towards the products imported from Muslim majority countries in MENA. A Halal certification is a form of safety for Muslim consumers as the presence of it will ensure that the food products are safe for their consumption. The research proposes a framework with the Theory of Planned Behaviour as a basic theory. The researcher believes that it is imperative to study about Halal certification towards food products from Muslim majority countries in MENA as the studies about the Halal certification in a certain region are quite minimal to non-existent. The issues encountered in the Halal certification demand are mostly related to Health, Animal Welfare, Religiosity and Food Safety (Halal Certification Motives). The impacts of Halal Certification Motives, Attitude, Subjective Norm, and Perceived Behavioural Control on Purchase Intention are tested. Foreign Ingredients Awareness and Food Types Awareness act as moderating factors and are also investigated. Apart from that, the ability of Attitude to mediate the path between Halal Certification Motives are also analysed. A food types prioritization study is conducted to understand the types of food that critically need Halal certification. Country of origin study is presented to showcase the level of trust of Muslim consumers in Malaysia towards the Muslim majority countries in MENA. Willingness to pay study is performed to understand the extra costs that the Muslim consumers are willing to bear if the Halal certification is attached to the products. The study employs a self-administered questionnaire and the study was conducted towards the Muslim consumers living in certain areas of Klang Valley, Malaysia. Five hundred questionnaires were distributed, and 417 questionnaires were deemed usable. Halal Certification Motives were found to be strongly correlated with both Attitude and Purchase Intention. Attitude and Perceived Behavioural Control were also found to be strongly correlated with Purchase Intention. The structural path between Subjective Norm and Purchase Intention was statistically significant at $p < 0.05$. The results showed that Attitude does not moderate the path between Halal Certification Motives and Purchase Intention as it was discovered that Halal Certification Motives factor has a lot stronger connection to Purchase Intention compared to Attitude to Purchase Intention. Food Ingredients Awareness showed a moderating effect of Halal Certification Motives on Attitude, while Food Types Awareness failed to moderate the path. The research also presented a food types prioritization study and the results showed that meat products, canned food products, and confectionery products were deemed the most important to be certified. The country of origin study showed that Algeria, followed by Iran, Lebanon, Iraq, and Bahrain were deemed to be the least trustworthy countries if Halal certification is not present in their food products. The results of willingness to pay study displayed the cooperation level of Muslim

Comment [HM1]: Please double check the word halal

consumers in Malaysia as most of them are willing to pay an extra cost of 0-10% and only less than 10 per cent of them (41 respondents) are not willing to pay an extra cost. The studies indicate that the presence of Halal certification is possible and will be profitable for the food industry players in the MENA region. The presence of Halal certification is deemed important for all the countries, especially those that received low scores in the country of origin study.

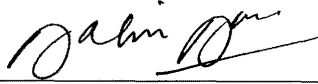
خلاصة البحث

الهدف من هذا البحث هو استكشاف دور شهادة الحلال في نية شراء المستهلكين المسلمين الذين يعيشون في ماليزيا على المنتجات الغذائية من الدول ذات الأغلبية المسلمة في الشرق الأوسط وشمال إفريقيا. فإن مفهوم (كله حلال) جميعه حلال، قابل للتطبيق بدرجة كبيرة في منطقة الشرق الأوسط وشمال إفريقيا حيث أن معظم السكان مسلمون. ومع ذلك، فمن المهم ملاحظة أن هذه البلدان تستورد بكثافة بعض المنتجات من دول غير إسلامية وأن بعض المكونات المستخدمة في الإنتاج تعتمد أيضًا على المنتجات الحيوانية. لذلك، يعتقد الباحث أنه من المهم إجراء بحث يحقق في دور شهادة الحلال في كشف نية الشراء للمستهلكين المسلمين في ماليزيا تجاه المنتجات المستوردة من الدول ذات الأغلبية المسلمة في منطقة الشرق الأوسط وشمال إفريقيا. شهادة الحلال هي شكل من أشكال السلامة للمستهلكين المسلمين حيث أن وجودها سيضمن أن المنتجات الغذائية آمنة لاستهلاكهم. يقترح البحث إطارًا لنظرية السلوك المخطط كنظرية أساسية. يعتقد الباحث أنه لا بد من دراسة دور شهادة الحلال تجاه المنتجات الغذائية من الدول ذات الأغلبية المسلمة، في منطقة الشرق الأوسط وشمال إفريقيا. حيث إن الدراسات حول إصدار شهادات الحلال في منطقة معينة تعتبر ضعيفة للغاية أو غير موجودة. تتعلق المشكلات التي تواجه طلب شهادة الحلال في الغالب بالصحة، ورعاية الحيوان، والدين، وسلامة الأغذية (دوافع شهادات الحلال). يتم اختبار تأثيرات دوافع شهادات الحلال والموقف والمعياري الذاتي والتحكم السلوكي المدروس في نية الشراء. الوعي بالمكونات الأجنبية والتنوعية بأنواع الطعام تعمل كعوامل معتدلة ويتم التحقيق فيها أيضًا. بصرف النظر عن ذلك، يتم أيضًا تحليل قدرة الموقف على التوسط كمتغير تفاعلي (مسار) بين دوافع شهادات الحلال. أجريت دراسة لتحديد أولويات أنواع الطعام لفهم أنواع الأطعمة التي تحتاج بشدة إلى شهادة حلال. تم تقديم دراسة بلد المنشأ لإظهار ثقة المستهلك المسلم في ماليزيا تجاه الدول ذات الأغلبية المسلمة في الشرق الأوسط وشمال إفريقيا. هناك رغبة في الدفع لفهم التكاليف الإضافية التي يكون المستهلكون المسلمون على استعداد لتحملها إذا كانت شهادة حلال مرفقة بالمنتجات. استخدمت الدراسة استبيانًا ذاتيًا، وأجريت الدراسة على المستهلكين المسلمين الذين يعيشون في مناطق معينة من وادي كلانج، ماليزيا. وتم توزيع خمسمائة استبيان، واعتبرت 417 استبيانات قابلة للاستخدام. أظهرت نتائج الدراسة أن دوافع شهادة الحلال مرتبطة ارتباطًا وثيقًا بكل من الموقف ونية الشراء. وأظهرت أيضًا، أن المواقف والتحكم السلوكي المدروس مرتبطة ارتباطًا قويًا مع نية الشراء. ومع ذلك، فقد وجد أن المعيار الذاتي هو المسار الهيكلية الوحيد بين

المعيار الذاتي ونية الشراء، وهو ذو دلالة إحصائية عند ($p < 0.05$) أظهرت النتائج أن الموقف ليس مسار تفاعلي بين دوافع شهادات الحلال ونية الشراء، حيث تبين أن عامل دوافع شهادات الحلال لديه علاقة أقوى بكثير بقصد الشراء مقارنة مع نية الشراء تجاه النية. أظهر الوعي بمكونات الغذاء تأثيراً معتدلاً لدوافع شهادات الحلال على الموقف، بينما لم يظهر الوعي بأنواع الطعام كمسار تفاعلي. كما قدم البحث دراسة لتحديد أولويات أنواع الأغذية وأظهرت النتائج أن منتجات اللحوم والمنتجات الغذائية المعلبة ومنتجات الحلويات تعتبر الأكثر أهمية لتكون معتمدة. أشارت دراسة بلد المنشأ إلى أن الجزائر، تليها إيران ولبنان والعراق والبحرين، كانت تعتبر أقل الدول جدارة بالثقة في حالة عدم وجود شهادة الحلال في منتجاتها الغذائية. أظهرت نتائج الاستعداد للدفع مستوى تعاون المستهلكين المسلمين في ماليزيا لأن معظمهم على استعداد لدفع تكلفة إضافية تتراوح من 0 إلى 10٪ و 10 في المائة منهم (41 فقط) من المشاركين ليسوا مستعدين لتحمل تكلفة إضافية. تشير الدراسات إلى أن وجود شهادة الحلال أمر ممكن وسيكون مربحاً للجهات الفاعلة في صناعة الأغذية في منطقة الشرق الأوسط وشمال إفريقيا. يعتبر وجود شهادة الحلال مهماً لجميع البلدان، خاصة تلك التي حصلت على درجات منخفضة في دراسة بلد المنشأ.

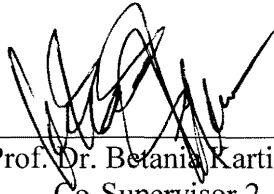
APPROVAL PAGE

The thesis of Firdaus Fanny Putera Perdana has been approved by the following:



Asst. Prof. Dr. Muhammad Tahir Jan
Supervisor

Prof. Dr. Irwandi Jaswir
Co-Supervisor 1



Asst. Prof. Dr. Betania Kartika Muflih
Co-Supervisor 2

Assoc. Prof. Dr. Dzuljastri bin Abdul Razak
Internal Examiner

Prof. Dr. Kashif Hussain
External Examiner

Assoc. Prof. Dr. Ali Shafiq
External Examiner

Assoc. Prof. Dr. Sohirin Mohd Solihin
Chairman

DECLARATION

I hereby declare that this dissertation is the result of my own investigations, except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degrees at IIUM or other institutions.

Firdaus Fanny Putera Perdana

Signature 

Date 29 APRIL 2019.....

INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA

**DECLARATION OF COPYRIGHT AND AFFIRMATION OF
FAIR USE OF UNPUBLISHED RESEARCH**

**THE IMPACT OF HALAL CERTIFICATION ON PURCHASE
INTENTION OF MUSLIM CONSUMERS IN MALAYSIA: A
STUDY OF IMPORTED PRODUCTS FROM MENA
COUNTRIES**

I declare that the copyright holders of this dissertation are jointly owned by the student and IIUM.

Copyright © 2019 Firdaus Fanny Putera Perdana and International Islamic University Malaysia. All rights reserved.

No part of this unpublished research may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without prior written permission of the copyright holder except as provided below

1. Any material contained in or derived from this unpublished research may be used by others in their writing with due acknowledgement.
2. IIUM or its library will have the right to make and transmit copies (print or electronic) for institutional and academic purposes.
3. The IIUM library will have the right to make, store in a retrieved system and supply copies of this unpublished research if requested by other universities and research libraries.

By signing this form, I acknowledged that I have read and understood the IIUM Intellectual Property Right and Commercialization policy.

Affirmed by Firdaus Fanny Putera Perdana



.....
Signature

20 APRIL 2019

.....
Date

ACKNOWLEDGEMENTS

I would like to thank my mother, Dra. Endang Wahyu Riyani, M. Pd., for her continuous support, both financially and emotionally. She always believes in me and her endless encouragement really keeps me going. I am indebted to her innumerable love and patience. I really cannot thank her enough for what she has done to me. I would have never been able to complete my dissertation in such a short time frame without her support.

I also would like to express my gratitude to Assistant Professor Dr. Tahir Jan for being my supervisor and helping me whenever I had some issues with my thesis. You always know how to elevate the quality of my thesis and I really had a good time working on my dissertation with you. Thank you for pushing me to be a better man I am today.

My extraordinary appreciation goes to Professor Dr. Remzi Altunişik for his impeccable support when I performed my exchange program at Sakarya University. His brilliant ideas helped me improve the quality of my thesis and his vast knowledge really helped me become a better researcher. I really had the time of my life and I will never forget his kindness and brilliance.

I also would like to express my deepest appreciation towards Assistant Professor Dr. Betania Kartika Muflih for her endless encouragement and support. She had always been there to listen to my stories, and she helped me incorporate religiosity aspect to my research. I am forever indebted to her valuable knowledge and kindness.

A very big thank you goes to Professor Dr. Irwandi for his kind support in improving the quality of my research as he always provides me with some insights from the scientific point of view. Thank you for always sharing some new perspectives with me.

I would like to thank my family members for being supportive and kind throughout my journey. Their presence really ensured I had a stress-free time while doing my dissertation. My big appreciation also goes to my friends who helped me distribute the questionnaires. You all were helpful and without your help, I would have never been able to complete the dissertation in such a short period.

I also would like to express my deepest gratitude to the respondents of the research for their time and their kind cooperation. They are the reason why the research was performed quite smoothly and effortlessly. I, once again, would like to thank all the

people who supported me, both directly and indirectly, in the completion of my dissertation.

TABLE OF CONTENTS

Abstract	ii
Abstract in Arabic	iv
Approval Page	vi
Declaration	vii
Acknowledgements	ix
Table of Contents	xi
List of Tables	xvi
List of Figures	xviii
List of Abbreviations	xix
 CHAPTER ONE: INTRODUCTION	 1
1.1 Background of the Study	1
1.2 Statement of the Problem.....	3
1.3 Halal Certification Benefits	6
1.4 Purpose of the Study	9
1.5 Research Objectives.....	11
1.6 Research Questions.....	12
1.7 Theoretical Framework.....	14
1.7.1 Theory of Planned Behaviour (TPB)	15
1.8 Research Hypotheses	17
1.9 Summary of Research Objectives, Research Questions, and Research Hypotheses (Main Framework)	18
1.10 Significance of the Study	19
1.11 Limitations of the Study	21
1.12 Chapter Summary	22
 CHAPTER TWO: LITERATURE REVIEW	 24
2.1 Introduction.....	24
2.2 Halal and Haram Food Definition	25
2.2.1 Halal Concept According to Glorious Qur'an	26
2.3 Cases in the Middle Eastern and North African Region.....	29
2.4 Theory of Planned Behavior.....	33
2.4.1 Purchase Intention.....	34
2.4.2 Attitude.....	47
2.4.3 Subjective Norm	48
2.4.4 Perceived Behavioural Control	50
2.5 Halal Certification Motives	51
2.5.1 Religiosity	53
2.5.2 Animal Welfare	55
2.5.3 Food Safety	57
2.5.4 Health	58
2.5.5 Hypothesis Development	59
2.6 Attitude (Mediating Factor).....	59
2.7 Food Ingredients Awareness and Food Types Awareness (Moderating Factors).....	61

2.8 Identification of Research Gaps.....	66
2.9 Proposed Research Model	70
2.10 Food Types Prioritization	71
2.10.1 Dairy Products.....	72
2.10.2 Meat Products	72
2.10.3 Confectionery Products.....	75
2.10.4 Bread Products	76
2.10.5 Beverage Products.....	77
2.10.6 Snack Products.....	77
2.10.7 Coffee Products.....	77
2.10.8 Canned Food Products	78
2.10.9 Sweet/Dessert Products.....	78
2.11 Country of Origin	79
2.12 Willingness to Pay	81
2.13 Chapter Summary	83
CHAPTER THREE: METHODOLOGY.....	85
3.1 Introduction.....	85
3.2 Philosophical View	85
3.3 Research Design	87
3.3.1 Data Collection	88
3.3.2 Survey Research.....	89
3.3.3 Self-Administered Method.....	90
3.4 Questionnaire Development	90
3.4.1 The Procedure of Questionnaire Development	93
3.5 Sampling Design Process	96
3.5.1 Population and Sample.....	97
3.5.2 Determination of Sample Size	97
3.6 Data Analysis.....	99
3.6.1 Data Preparation and Screening.....	100
3.6.2 Descriptive Analysis	102
3.6.3 Exploratory Factor Analysis (EFA)	102
3.6.4 Confirmatory Factor Analysis (CFA)	103
3.6.5 Reliability and Validity	104
3.6.5.1 Reliability	104
3.6.5.2 Validity	105
3.6.6 Structural Equation Modelling (SEM).....	107
3.6.6.1 Justification of Using Structural Equation Modelling (SEM)	
.....	108
3.7 Chapter Summary	110
CHAPTER FOUR: DATA ANALYSIS (RESULTS AND DISCUSSION).....	111
4.1 Introduction.....	111
4.2 Data Preparation and Screening.....	112
4.2.1 Missing Data	112
4.2.2 Outliers.....	114
4.2.3 Normality	116
4.3 Descriptive Statistics: Respondents' Profile.....	118
4.3.1 Response Rate	118

4.3.2 Respondents' Profile (Demographics).....	119
4.4 Reliability: Attributes of the Questionnaire.....	121
4.4.1 Descriptive Statistics: Questionnaire Attributes (Main Research Framework).....	122
4.4.2 Descriptive Statistics: Questionnaire Attributes (Moderating Factors)	130
4.4.3 Descriptive Statistics: Questionnaire Attributes (Food Types Prioritization).....	133
4.4.4 Descriptive Statistics: Questionnaire Attributes (Country of Origin)	134
4.4.5 Descriptive Statistics: Questionnaire Attributes (Willingness to Pay).....	135
4.5 Exploratory Factor Analysis (EFA).....	136
4.6 Stages in Structural Equation Modeling.....	141
4.6.1 Operational Definition of the Constructs and a Priori Relationship	142
4.6.1.1 Halal Certification Motives	142
4.6.1.2 Attitude	143
4.6.1.3 Subjective Norm	143
4.6.1.4 Perceived Behavioural Control.....	144
4.6.1.5 Purchase Intention	145
4.7 Development and Specification of the Overall Measurement Model (CFA)	145
4.7.1 Measurement Model 1: Attitude	146
4.7.2 Measurement Model 2: Subjective Norm	148
4.7.3 Measurement Model 3: Perceived Behavioural Control.....	149
4.7.4 Measurement Model 4: Second-Order Halal Certification Motives	151
4.7.5 Measurement Model 5: Purchase Intention	152
4.7.6 Reliability and Validity	154
4.8 Specification and Assessment of the Structural Model	155
4.9 Analysis of the Baseline Structural Model	157
4.10 Hypotheses Testing.....	157
4.10.1 Hypothesis H1: Attitude will positively affect Purchase Intention on Food Products Imported from Muslim Majority Countries in MENA.....	158
4.10.2 Hypothesis H2: Subjective Norm will positively affect Purchase Intention on Food Products Imported from Muslim Majority Countries in MENA.....	159
4.10.3 Hypothesis H3: Perceived Behavioural Control will positively affect Purchase Intention on Food Products Imported from Muslim Majority Countries in MENA.....	160
4.10.4 Hypothesis H4: Halal Certification Motives will positively affect Attitude	161
4.10.5 Hypothesis H5: Halal Certification Motives will positively affect Purchase Intention on Food Products Imported from Muslim Majority Countries in MENA	162
4.10.6 Hypothesis H6: Attitude will positively mediate the effect of Halal Certification Motives on Purchase Intention on Food	

Products Imported from Muslim Majority Countries in MENA.	163
4.10.7 Hypothesis H7: Foreign Ingredients Awareness will positively moderate the effect of Halal Certification Motives on Attitude (Multi-group Moderation)	164
4.10.8 Hypothesis H8: Food Types Awareness will positively moderate the effect of Halal Certification Motives on Attitude (Multi-group Moderation)	166
4.11 Summary Of Hypotheses Testing.....	169
CHAPTER FIVE	170
DISCUSSION AND CONCLUSION	170
5.1 Introduction.....	170
5.2 Research Questions Addressed.....	171
5.2.1 What is the impact of Attitude on Purchase Intention towards Halal-certified Food Products from Muslim majority countries in MENA?.....	173
5.2.2 What is the impact of Subjective Norm on Purchase Intention towards Halal-certified Food Products from Muslim majority countries in MENA?	175
5.2.3 What is the impact of Perceived Behavioural Control on Purchase Intention towards Halal-certified Food Products from Muslim majority countries in MENA?	176
5.2.4 What is the impact of Halal Certification Motives on Attitude? ..	177
5.2.5 What is the impact of Halal Certification Motives on Purchase Intention?	179
5.2.6 Will Attitude significantly mediate the impact of Halal Certification Motives on Intention to Purchase Halal-Certified Muslim Products?	180
5.2.7 How will the Muslim consumers' foreign ingredients awareness moderate the impact of Halal Certification Motives on Attitude?	182
5.2.8 How will the Muslim consumers' food types awareness moderate the impact of Halal Certification Motives on Attitude?	183
5.2.9 What are the types of food that are more crucial to be Halal-certified?	184
5.2.10 How is the Level of Trust of Muslim Consumers towards Food Products Imported from Muslim Majority Countries in MENA?.....	185
5.2.11 How Much More are the Muslim Consumers Willing to Pay for the Issuance of The Halal Certification on the Food Products Imported from MENA?	187
5.3 Contributions of the Research	188
5.3.1 Theoretical Contributions	189
5.3.2 Practical Contributions.....	190
5.4 Limitations.....	191
5.5 Future Research Direction	192
5.6 Conclusion	194

REFERENCES.....	197
APPENDIX: QUESTIONNAIRE.....	226

LIST OF TABLES

Table 1. Summary of Research Objectives, Research Questions, and Research Hypotheses (Main Framework)	18
Table 2.1 Halal Products Purchase Intention Study	39
Table 2.2 Muslim Majority Countries in MENA	80
Table 4.1 Response Rate (Questionnaire Distribution)	118
Table 4.2 Profile of Respondents	120
Table 4.3 Reliability Statistics of the Questionnaire	122
Table 4.4 Descriptive Statistics: Attitude	122
Table 4.5 Descriptive Statistics: Subjective Norm	123
Table 4.6 Descriptive Statistics: Perceived Behavioural Control	124
Table 4.7 Descriptive Statistics: Halal Certification Motive – Health	125
Table 4.9 Descriptive Statistics: Halal Certification Motive - Food Safety	127
Table 4.10 Descriptive Statistics: Halal Certification Motive – Religiosity	128
Table 4.11 Descriptive Statistics: Purchase Intention	130
Table 4.12 Descriptive Statistics: Food Ingredients Awareness	131
Table 4.13 Descriptive Statistics: Food Types Awareness	132
Table 4.14 Descriptive Statistics: Food Types Prioritization	133
Table 4.15 Descriptive Statistics: Country of Origin	134
Table 4.16 Descriptive Statistics: Willingness to Pay	135
Table 4.17 Descriptive Statistics: Willingness to Pay (Details)	136
Table 4.18 KMO and Bartlett’s Test	137
Table 4.19 Rotated Component Matrix	139
Table 4.20 Reliability Coefficient of the Extracted Factors	141
Table 4.21 Results of Confirmatory Factor Analysis	153
Table 4.22 Reliability and Validity	154

Table 4.23 Estimates of the Hypothesized Model	158
Table 4.24 Chi-Square Difference for Food Ingredients Awareness (Multi-group Moderation)	165
Table 4.25 Chi-Square Difference for Food Types Awareness (Multi-group Moderation)	167
Table 4.26 Summary of Hypotheses Testing	169
Table 5.1 Food Types Prioritization Study – Level of Importance	184
Table 5.2 Country of Origin – Low Trust Level Analysis	186

Comment [HM2]: Align the word hypothesis here with the word summary above. Please check others.

LIST OF FIGURES

Figure 1.1 A Research Framework of the Role of Halal certification in Purchase Intention of Muslim Consumers on the Food Products Imported from Muslim Majority Countries in MENA	14
Figure 2.1 A Research Framework of the Role of Halal certification in Purchase Intention of Muslim Consumers on the Food Products from Muslim Majority Countries in MENA	70
Figure 4.1 Confirmatory Factor Analysis for Attitude	148
Figure 4.2 Confirmatory Factor Analysis for Subjective Norm	149
Figure 4.3 Confirmatory Factor Analysis for Perceived Behavioural Control	150
Figure 4.4 Confirmatory Factor Analysis for Second-Order Model Halal Certification Motives	151
Figure 4.5 Confirmatory Factor Analysis for Purchase Intention	152
Figure 4.6 Baseline Structural Model	156

LIST OF ABBREVIATIONS

AaD	Attitude towards Advertising
AB	Attitude towards the Brand
AMOS	Analysis of Moment Structure
Asst. Prof. Dr.	Assistant Professor Doctor
Assoc. Prof. Dr.	Associate Professor Doctor
ASV	Average Shared Squared Variance
AT	Attitude
AVE	Average Variance Extracted
AW	Animal Welfare
BSE	Bovine Spongiform Encephalopathy
CE	Choice Experiment
CFA	Confirmatory Factor Analysis
CFI	Comparative Fit Index
CIRA	Islamic Centre of Argentina
CR	Critical Ratio of Regression Weight
CR	Composite Reliability
DA	Dietary Acculturation
DNA	Deoxyribonucleic Acid
EFA	Exploratory Factor Analysis
FI	Food Ingredient
FS	Food Safety
FT	Food Type
GFI	Goodness-of-Fit Index
GM	Genetically Modified
GME	Gelatine Manufacturers of Europe
GMO	Genetically Modified Organism
GPI	Green Purchase Intention
HaCC	Halal Consumption Congruence
HCP	Halal Certified Products
HT	Health
IFANCA	The Islamic Food and Nutrition Council of America
ISO	International Standardized Organization
INHART	International Institute of Halal Research and Training
IIUM	International Islamic University Malaysia
JAKIM	Jabatan Agama & Kemajuan Islam Malaysia
KFC	Kentucky Fried Chicken
KL	Kuala Lumpur
K-M-O	Kaiser-Meyer-Olkin
K-S	Kolmogorov-Smirnov
MAR	Missing at Random
MENA	Middle East and North Africa
MIDA	Malaysia Investment Development Authority
ML	Maximum Likelihood
MO	Moral Obligation
M. Pd.	Master Pendidikan

MRM	Mechanically Recovered Meat
MS	Malaysian Halal Food Standard
MSV	Maximum Shared Squared Variance
MUI	Majelis Ulama Indonesia
MUIS	The Islamic Religious Council of Singapore
NFI	Normed Fit Index
NNFI	Non-Normed Fit Index
Ph. D	Doctor of Philosophy
PB	Perceived Behavioural Control
PI	Purchase Intention
PLS	Partial Least Squares
Prof. Dr.	Professor Doctor
RL	Religiosity
RGV	Religious Values
RMSEA	Root Mean Square Error of Approximation
SE	Standard Error of Regression Weight
SEM	Structural Equation Modeling
SEOC	Social Enterprise Organisation Credibility
SI	Self-Identity
SN	Subjective Norm
SPSS	Statistical Package for Social Sciences
Std. Reg. Weight	Standard Regression Weight
TPB	Theory of Planned Behavior
TRA	Theory of Reasoning Action
UAE	The United Arab Emirates
UK	United Kingdom
US	United States
WTP	Willingness to Pay

CHAPTER ONE

INTRODUCTION

Comment [HM3]: Why there is number here?

1.1 BACKGROUND OF THE STUDY

The Halal food industry has shown a rapid growth lately and it is no longer only identified as a religious symbol as it is also highly correlated with the perfection in quality assurance and lifestyle choice (Lada, Tanakinjal, & Amin, 2010). Not only is it good for religious protection, but Halal food industry also showcases high profitability. Reuters (2015) reported that the global industry in regard to Halal food was valued at \$1.17 trillion and the revenues gained were estimated to be \$415 billion in 2015. However, not all the parts of the world have the privilege to easily find Halal food around. Those who live in the Non-Muslim majority countries struggle to find Halal-certified food products as the people who control regulations are mostly the Non-Muslims (Vallianatos & Raine, 2008; Wan Melissa & Awang, 2015). However, it is highly important to notice that Halal-certified food products are also rarely found in the Muslim majority countries in MENA as there is an assumption that the food products there are Kullu Halal (all Halal) (Cochrane, 2016).

Malaysia is the country with one of the highest concerns about the Halal issue of the products its Muslim citizens consume (Rezai et al., 2009). Malaysia was also the pioneer of the issuance of Halal certification as it became the country that introduced the concept in 1971. A report issued by Australian Government (2014) indicated the purchasing power of Malaysia towards food products was US\$ 11.2 billion and those imported products will eventually be processed for Malaysian food export to more than 200 countries around the world. MIDA (Malaysia Investment

Development Authority) stated (2012) that the estimated worth of the Halal food industry is between US\$ 600 billion to US\$ 2.1 trillion.

However, the same level of concern does not necessarily apply in almost all Muslim majority countries in the Middle East and North Africa (MENA) (Neiburg, 2013). There is also no jurisdiction or MENA country that mandates to attach the Halal label or certification to the food products. Back then (before the late 1970s), many of the Muslim majority countries in MENA took the Halal concept for granted due to the high confidence in their ability to fulfil the food demand by themselves. But in the late 1970s, Muslim majority countries in MENA started to import food products from Asian, European and American countries. A huge portion of imported food contains animal derivatives that make their Halal status highly questionable (Latif, Mohamed, Sharifuddin, & Mahir, 2016). Nowadays, prepared to be challenged by the fast-paced of global trade and newly adopted lifestyles, non-Muslim countries are the ones to take over the trade of processed food business and even Halal products in general (Heidarzadeh & Ramezani, 2011). But food production and trade, as stated by Tieman (2015), has been described as the weak link in the Halal value chain. Research by Ireland and Rajabszadeh (2011) resulted in 86.5 per cent of respondents having great concern about at least one food category for being not Halal in supermarkets across the UAE.

Food products from Muslim majority countries are widely spread in some supermarkets across Malaysia and as previously mentioned, due to the high level of confidence of the Muslim majority countries that their products are Halal, most of the products do not have Halal certification attached on them. This raises a question whether it is imperative for the products from Muslim majority countries to apply for Halal certification as the situations and processes are not entirely controlled by the

Muslim majority countries in MENA. This study will further investigate the purchase intention of Muslim consumers in Malaysia and the Theory of Planned Behaviour (TPB) will be used as a platform to predict consumer behaviour. There are so many issues in Halal certification and Halal industry that need prioritization. This study also offers an investigation of the crucial factors that affect the importance of Halal certification. A study towards the country of origin will also be performed to showcase the consumers' level of trust towards the Muslim majority countries in MENA. As the Halal certification process requires extra costs, it is also important to understand the willingness to pay of the consumers if Halal certification is attached to the products. The results are expected to guide the food industry players in Muslim majority countries in MENA.

1.2 STATEMENT OF THE PROBLEM

The Islamic Food and Nutrition Council of America (IFANCA) stated, “when a product is Halal certified, the consumer can purchase the product with the assurance it does not contain anything that is haram or doubtful.” It was reported by Ahmed (2009) that Halal business continues to draw huge interest among suppliers, producers, and investors. The countries that can comply with their finest Halal integrity, pay attention to the details of quality, standards, and marketing will be the ones successful in entering the International Halal market. The success discussed is now currently enjoyed by these countries: Malaysia, Singapore, Turkey, Brunei, Singapore, UAE, and Thailand; as they have established themselves to be Halal active players. It is also important to highlight that the Halal market is of huge potential as the importing countries have these four qualities: one of the highest per capita incomes in the world, fastest-growing middle class in the world, importing significant

proportion of their food needs, and highest rates of population growth in the world (National University of Singapore, 2001).

The absence of Halal certification or Halal label in their food products may create confusion or distrust of Muslim consumers as it is imperative for all Muslim around the world to have their food Halalan thoyyiban (Halal and wholesome) (Alzeer, Rieder, & Hadeed, 2018). The unfamiliarity may create a stronger suspicion towards the products (Mukhtar & Butt, 2012). Without any Halal certification, Muslim consumers may require themselves to check the ingredients to make sure that there is no haram substances or haram contents in the products. To Muslim consumers, the presence of Halal certification is more imperative than the presence of International Standardized Organization (ISO) certification (Shafie & Othman, 2006). The global Halal market has grown rapidly and food scandals have become inevitable issues we need to deal with. Due to this situation, consumers' trust level towards the food industry is getting weaker nowadays (Lytton, 2013).

There are so many products from Muslim majority countries in Malaysian supermarket shelves. Some of them are labelled with Halal certification and some of them without Halal certification. The products without Halal certification cannot be accused as not Halal or haram as the products may be permissible in nature. But there is no guarantee that those products are safe to be consumed by Muslims if no certification is applied. Some products may have everything written in Arabic and customers who are not familiar with the Arabic language may eventually assume that the products are Halal as Arabic language and Islam are highly related. However, having Arabic writings on the products do not guarantee the Halal status of the products. The researcher investigated Arab shops in Malaysia and discovered that some products with Arabic writings (and the country of origins are MENA countries)