

Determinants of *Halal* Purchase Intention: Case in Perlis

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ABSTRACT

This study is to determine the factors that influence purchase intention of *Halal* products among consumers at selected supermarkets around Perlis. 100 were randomly selected to be respondents in this study through the questionnaire. The data was analyzed using Statistical Package for Social Sciences (SPSS) version 19.0. Descriptive analysis and correlation were applied to this study. The results indicated that attitude, subjective norms, and perceived behavioral control had positive impact on intention to purchase *Halal* products. It is suggested that future research can be done in fast growing cities and the result that we get will be more comparable and provide workable direction in *Halal* products.

1. Introduction

Today, the Muslim consumers have become more conscious and sensitive towards *Halal* requirements. Muslim consumers are looking for specific products tailored to meet their religious and community needs. They have begun questioning and avoiding goods which were not certified as *Halal* and which do not have the *Halal* sign (Sadek, 2001). However, Al-Harran and Low (2008) stated that if the consumers are unable to locate the *Halal* sign, they would read its ingredients, to seek for the *Halal-ness* of the products to be consumed. *Halal* can be linked to religious fervor; and beliefs that is cleaner, healthier, and tastier (Burgmann, 2007).

Mainstream supermarkets started to embrace and reach out to this growing community which unequivocally defines itself by faith. Hence, retailers tend to understand the needs of the Muslim consumers are changing and they are committed to meet these evolving demands. That is the ultimate aim of organization which is to understand and meet with the Muslim consumer lifestyles and purchasing behavior can help a company in gaining a better understanding and planning on doing business in order to obtain a critical strategic advantage (Suwanvijit & Promsa-ad, 2009). In that sense, the researchers chose to conduct a study on Muslim consumers' purchase intention of *Halal* products, as people usually do what they intend to do. It is important to understand the factors that affect consumers' purchase intention as it lead to a success of a company, which is agreed by Liaw (2008), as consumers' purchase intention increased, they will likely to share their experiences with people nearby, which known as word-of-mouth, and will give others their suggestions as well as recommendations. Thus, it will be able to influence other potential consumers to purchase the products, to be more specific, the *Halal* products, which are seek by Muslim consumers in abiding a set of *Halal* dietary laws, or prescriptions for advancement of their well being (Ismail & Fatt, 2004).

Therefore, by understanding consumers' purchase intention, supermarkets, hypermarkets and retailers will be able to meet the actual consumers' needs and wants which will lead to satisfaction among consumers (Espejel, Fandos & Flavián, 2008). It is known that the satisfied consumers will likely to repeat their purchase, or in other words re-patronage the supermarket, which is one of the company's goals, to make profits in the long-run and to be at a competitive advantage compared to its rivals. At this rate, the researcher will look in deep into several factors which are attitude, subjective norms and perceived behavioral control and the way it influences purchase intention among Muslim consumers. Looking to the scenario, allows researcher to examine the consumers' *Halal* products purchase intention, as well as applying the Theory of Planned to the study.

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Theoretically, this study is important because of its contribution towards an insight on how consumers are becoming more conscious about *Halal* issues. Moreover, it gives an extra value to this study because it is a research in Malaysian context. The findings from this research hoped to provide insights for academics, university, students and even to those manufacturers and marketers. This study is vital for consumers as they will become more conscious about their purchase intention of *Halal* products, along with the intention to seek the pleasure of God by obeying His orders and enjoying the goods and bounties created for human kind, especially the Muslims. Therefore, it is very important for the consumers to know the products that they bought and consumed are in which categories, whether it falls under *Halal*, *Haram*, *Mashbooh*, *Makrooh*, or others categories, as classified by Shaari and Mohd Arifin (2009).

2. Literature Review

2.1 Attitudes and Purchase Intention

The intention of *Halal* products purchasing preceded the process before actual purchase. Intention reflects future behavior. Attitude is postulated to have a direct relationship with intention behavior. Attitude is the evaluation of performing a particular behavior involving the attitude object, such as buying the product (Blackwell et al., 2006). Alam and Sayuti (2011) found that there is a significant and positive relationship between attitude and intentions to purchase *Halal* products. Their study results show that TPB model could explain 29.1 percent of the variance in the intentions to purchase *Halal* products. Attitude is considered as an important element in influencing consumer intention in purchasing *Halal* products because those with high positive attitudes appeared to have greater intentions to intent to purchase *Halal* products. This finding strengthen Ajzen (1988), statement which is he has stated that attitude can be described as an important element in predicting and describing human behavior.

2.2 Subjective Norm and Purchase Intention

Different consumers have different beliefs about *Halal* products, where attitudes and subjective norm plays an important role to perform intention (Lada et al. 2009). Subjective norm is the perceived social pressure that influences consumers' decisions to purchase *Halal* food (cited by Syed Shah Alam & Nazura Mohamed Sayuti, 2011). A study by Karijin et al. (2007) on attitude towards *Halal* meat purchasing in France found that attitude, social norm, and perceived control significance for intention to consume *Halal* meat. Chang (1998), Shepherd and O'Keefe (1984), Shimp and Kavas (1984), and Vallerand et al. (1992) have found evidence that there is a causal path between subjective norms and intention. Lada et al. (2009) supported that subjective norms are also significant to influence intention. In their findings, subjective norms have been shown to be most influential driver of intention to choose *Halal* products. Subjective norm in Malaysia do plays an important role where family members, friends and colleague are individual strong referent point.

2.3 Perceived Behavioral Control and Purchase Intention

Ajzen (1991) have stated that perceived behavior control is determined by the individual's beliefs about the power of both situational and internal factors to facilitate the performing of the behavior. However, Alam and Sayuti, (2011) in their research have found that perceived behavior control is not a critical predictor on behavioral intention of buying *Halal* food in Malaysia. On the contrary, with the finding by Kim and Chung (2011) found that perceived behavior control are still a significant predictor that influence intention. The study also confirm that perceived behavior control has a positive relationship which means that the greater impact of control in explaining variability in behavior is not unusual. It is determined by the individual's beliefs about the power of both situational and internal factors to facilitate the performing of the behavior. The more the control and individuals feels about making *Halal* products purchases, the more likely he or she will be to do so.

Based on the above scenario, it was proposed that:

H1: There is a positive relationship between attitude and purchase intention of Halal products.

H2: There is a positive relationship between subjective norm and purchase intention of Halal products

H3: There is a positive relationship between perceived behavioral control and purchase intention of Halal products.

3. Methodology

A total of 100 questionnaires have been distributed and 100 set of questionnaires or 100% were returned by the respondents who are the consumers that purchased *Halal* products at few selected supermarkets in Perlis are the respondents using simple random sampling method. Data were obtained using a structured questionnaire through a survey. There are two parts in the questionnaire;(1) demographic background, (2) attitude, subjective norms, perceived behavioral control, and intention. "Attitude" consists of the five items that were adapted from Lada S. et al.(2009), Teo T. and Lee C. B. (2010), Tarkiainen A. and Sundquist S. (2005), George J. F. (2004)."Subjective Norms" consists of the seven items that were adapted from Teo T. and Lee C. B. (2010), Tarkiainen A. and Sundquist S. (2005), George J. F. (2004), Lada S. et al. (2009)."Perceived Behavior Control" consists of the five items that were adapted from George J. F. (2004)."Intention to Purchase" consists of the seven items that were adapted from Tarkiainen A. and Sundquist S. (2005), Shaari J. A. N. and Arifin S. A. (2010). Assaker, Vinzi and O'Connor (2009);and Hsiao and Yang (2010). Respondent were asked to use a 5 point Likert-type scale ranges from 1 (strongly disagree) to 5 (strongly agree). Analysis of data was done using statistical analysis from the SPSS version 19. Descriptive methods were used to simplify and characterize the data. Further analysis included descriptive statistic and correlation testing.

4. FINDINGS

4.1 Profile of respondents

The analysis was performed on gender, age, religion, family status, education level, household income, and religiosity level. The result of gender of respondents shows that 68% respondents are male while 32% respondents are female.From total of respondents, 13.1% from them are from range 20-29 years old. It is followed by the range of 30-39 years old, 54.5%. Meanwhile, 32.3% respondents are from 40-49 years old.The result shows that 89% are Muslim, 10% are Hindu and the remaining of 1% is Buddhist. Whereas 19% are single and 81% are married. The results shows that 14% are Master's holder, 30% are Bachelor Degree's holder, 9% are Diploma holder and most of the respondents are from SPM's (47%). Majority of respondents had an income above RM 3001 (37.1%) whereas 15.5% had income RM 1000 and below. Meanwhile, based on religiosity level, majority of respondents claim that they are devout (75%) and only 1% respondent claimed that he/she is not at all.

4.2 Descriptive Statistics

Table 1 shows descriptive statistics for all variables. The result shows that mean for attitudes is 4.90. This variable is the highest mean while the least mean is intention to purchase with 4.58. For standard deviation, it shows that high standard deviation is intention to purchase; 0.622 while lowest standard deviation is attitudes with 0.331.

Table 1: *Descriptive statistics*

	N	Mean	Std Deviation
Attitudes	100	4.90	0.331
Subjective Norms	100	4.67	0.564
Perceived Behavioral Control	100	4.63	0.452
Intention to purchase	100	4.58	0.622
Valid N (listwise)			

4.3 Correlation Analysis

H1: There is a positive relationship between attitude and purchase intention of Halal products.

The result in Table 2 below shows the Correlation Analysis which is that to measure the relationship for all independent variables together with dependent variables. The correlation between attitude and intention to purchase is highly significant at the level of 0.669 and it is positive correlation. Therefore, the result supported Hypothesis 1 which predicted that attitude influence the purchase intention among consumers towards *Halal* products. In other word, we can say that consumers with high positive attitudes appeared to have greater intentions to intent to purchase *Halal* products or vice versa.

H2: There is a positive relationship between subjective norm and purchase intention of Halal products

The result of correlation analysis for subjective norms is also highly significant at the level of 0.825 and it is a positive correlation between subjective norms and purchase intention. This means that Hypothesis 2 which predicted the significant relationship of subjective norms to purchase intention is positively related accepted. Well, this means subjective norms is important in influencing consumers' purchase intention, especially in Malaysia, a collectivistic country.

H3: There is a positive relationship between perceived behavioral control and purchase intention of Halal products.

Hypothesis 3 that predicted perceived behavioral control is positively related to purchase intention supported by the results of correlation analysis. The correlation between perceived behavioral control and intention to purchase is highly significant at the level of 0.725 and it is a positive correlation. This is because control could directly affect behavior by increasing effort to goal achievement.

Table 2: Correlation analysis results

		Attitude	Subjective Norms	Perceived Behavioral Control
Intention to Purchase	Pearson Correlation Sig. (2 tailed)	0.699** 0.000	0.825** 0.000	0.725** 0.000

** Significance level at $p < 0.01$

5. Discussion and Conclusion

The result shows that there is a positive relationship between attitude and purchase intention. Attitude is an important factor in influencing consumer intention in purchasing *Halal* products because those with high positive attitudes appeared to have greater intentions to intent to purchase *Halal* products. Social pressure may compensate for high favorable attitudes in building intentions to purchase *Halal* products in such culture. Attitude is the individual's positive or negative feelings about performing a behavior (Azjen, 1991). Several past studies have found that attitude has significant direct relationship with purchase intention (Alcarniz, et.al. 2008; Baker, Al-Gaftni & Hubana, 2007; Kim & Forsythe, 2010; Kim & Park, 2005; Lympeopoulos & Chainotakis, 2005; Yoo & Norton, 2007).

The result shows that there is also a positive relationship between subjective norms and purchase intention. Consistent to the study of Karijin et al. (2007), the research found that subjective norm was positively and significantly related to intention. This study also confirms other studies like Kamariah and Muslim's (2007) which found subjective norms to be important. Subjective norm is an individual's perception of whether people important to the individual think the behavior should be performed (Azjen, 1991). Several past studies have found that subjective norm has a positive significant effect on purchase intention (Laohapensang, 2009; Wen, 2008).

The result shows that there is a positive relationship between perceived behavioral control and purchase intention. In collectivistic cultures such as the Muslim culture, people tend to perceive themselves as interdependent with their group and tend to strive for in-group rather than personal goals (Karijin et al., 2007). This is matched with the findings of this study that subjective norms important in influencing consumers' purchase intention, especially in Malaysia, a collectivistic country. The relationship is a positive relationship which means that the greater impact of control in explaining variability in behavior is not unusual. Eagly and Chaiken (1993) and Bonne and Verbeke (2006) summary studies concerning various behavioral criteria have reported similar findings.

They are few limitations related to this research. One of the limitations is this study only covered Perlis consumers at few selected supermarkets but yet, it still did not cover the total population of the area. Thus, it is suggested that the future research can be done in fast growing cities and the result that we get will be more comparable and provide workable direction in *Halal* products. Higher number of responses will allow

for more robust statistical analyses such as Structural Equation Modeling. Despite its limited sample, the findings from this study can be used to better understand the purchasing behavior related to purchasing *Halal* products.

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