Impact of Knowledge, Religiosity, Awareness and Halal Logistics on Purchase Intention

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Abstract: Purchase intention of consumers particularly regarding halal food can be influenced by many factors. This paper seeks to examine the factors, namely knowledge, religiosity, awareness and halal logistics and its effect on the halal food purchase intention among consumers in Klang Valley. Data was collected using survey methods and analysed using two main types of analyses: univariate (descriptive) and inferential (bivariate and multivariate). A total of 425 questionnaires were distributed to consumers in Klang Valley and 400 were returned yielding a response rate of 94%. Findings indicate that there is a significant relationship between all the four factors and purchase intention. The main contribution of this study is towards enhancing understanding on how knowledge, religiosity, awareness and halal logistics contribute towards influencing the purchase intention of consumers especially in the wake of the Covid 19 pandemic.

Keywords: Halal Logistics; Awareness; Knowledge; Religiosity; Purchase Intention

1. INTRODUCTION

Halal, now moving beyond a mark of religious observance, represents a hallmark of reliability as well as food and product safety and hygiene (Majid et al., 2021) and in the Muslim world, for the product to be considered healthy, safe or hygienic, it has to go through the Halal process and made with Halal ingredients in accordance to the Shariah principles (Ahmed et al., 2019). The rapidly growing global halal market, estimated at USD 1.2 trillion in 2020 and projected to rise by USD 3 trillion by 2026 (Global Halal Food Market Outlook, 2021) signals a subsequent growing demand for purchase of halal food. Halal food has a fast-growth stage among global food product categories and will become a major market force in the near future (Ali et al., 2018). As an answer to Muslims’ needs for Halal products, the Halal market appears as a promising global market (Amalia et al., 2020).

In the context of prevailing uncertainty about the Halalness of food being consumed even in the Islamic countries, there is therefore a growing need to investigate variables, such as subjective norm and awareness of Halal, essential in achieving an in-depth understanding of consumers’ attitude toward Halal foods (Ahmed et al., 2019). The main objective of this paper is to examine the relationship between knowledge, religiosity, awareness and halal logistics and purchase intention of halal food. This study would enhance knowledge and understanding of these four factors, a topic that has been subjected to few scientific publication (Majid et al., Ahmed et al., 2019). This study should strengthen the theoretical foundation essential to the development of research in this area and highlight the connection between knowledge, religiosity, awareness, halal logistics and purchase intention of halal food among consumers.

2. LITERATURE REVIEW

The following section shall present a review of literature on purchase intention, knowledge, awareness, religiosity and halal logistics, the main variables under present study and their interlinking relationships.

2.1 Knowledge

Knowledge has been defined as the information, which is known and potentially actionable, that someone has received and in terms of halal, this knowledge would constitute the understanding of halal and haram concepts (Majid et al., 2021). From Islamic point of view, the ingredients of a product need to meet certain criteria set by the Shariah law and the knowledge about the product ingredients is important for the consumers, since it will affect the purchasing intention of the said product (Ahmed et al., 2019).
2.2 Religiosity

Arguably one of the most important social factor influencing the life of a Muslim is religion (Mukhtar and Butt, 2012), defined as a system of beliefs and practices regarding what is sacred (Johnstone, 1975) therefore playing a dominant role in shaping a person’s attitude and behaviour towards goods and services (Fam et al., 2004). Religiosity is the intensity of a person’s religious belief and it is of paramount importance to measure religiosity at individual level because it plays a strong role in predicting a consumer’s intention to choose halal products (Mukhtar and Butt, 2012; Souiden and Rani, 2015; Amalia et al., 2020; Aruan and Wirdania, 2020; Ustaahmetoglu, 2020). Some scholars have argued that the word Halal is linked with religious fervour and beliefs of Muslims, and Muslims always eat Halal food regardless of where they live (Ali et al., 2017). There has been argument that religion, a part of culture, is bound to shape individuals’ behavior, and influence their actions and decisions and moderate consumer attitude and purchase intention (Souiden and Jabeur, 2015).

2.3 Awareness

Awareness, an important first step of the purchasing process is a concept where consumers who are not well versed with a product became familiar with it and will subsequently influence consumer’s purchase intention (Bashir, 2019) especially when now, more than ever, consumers are being more aware of the importance of health in food consumption, which affects their behaviour (Majid et al., 2021). Vice versa, when consumers are aware or have suspicion that there are elements of prohibited (haram) services in the products, an increase in the subjects' level of religiosity brings about a decrease in the purchase intention (Ustaahmetoglu, 2020).

2.4 Halal Logistics

“Halal logistics has been defined as the process of managing the procurement, movement, storage and handling of materials, parts, livestock, semi-finished or finished inventory both food and non-food, and related information and documentation flows through the organisation and the supply chain in compliance with the general principles of Shariah” (Tieman et al., 2012) and therefore is essentially the activities of halal food distribution along the halal supply chain (Zailani et al., 2018). Recently, a growing number of research have started focusing on halal logistics due to worldwide demand for halal products and services (Majid et al, 2021) where Muslims need to ensure that the preparation of their foods are according to the Islamic rules and principles (Fathi et al., 2016). Halal practices can become a key to ensure halal food quality which will satisfy customers (Zailani et al., 2018).

2.5 Purchase Intention and Theoretical Framework

The Theory of Planned Behaviour (TPB) proposes that a person’s intention to purchase a product is largely influenced by attitude, subjective norms and perceived behavioural control (Ajzen, 1985, 1991) and will lead to the formation of a “behavioural intention” which in turn influences the behaviour (Ajzen, 2002). These factors, or behavioural beliefs, have been rigorously used in past researches to understand consumer’s intention to choose a wide range of products and services, in this case, halal products (Mukhtar and Butt, 2012).

Figure 1: Theoretical Framework
Based on the theoretical framework presented in Figure 1 and research objective, the subsequent hypotheses of this paper is as follows:

\[ H1: \text{Knowledge has a significant influence on the purchase intention of halal food among consumers in Klang Valley.} \]

\[ H2: \text{Religiosity has a significant influence on the purchase intention of halal food among consumers in Klang Valley} \]

\[ H3: \text{Awareness has a significant influence on the purchase intention of halal food among consumers in Klang Valley} \]

\[ H4: \text{Halal logistics has a significant influence on the purchase intention of halal food among consumers in Klang Valley.} \]

3. METHODOLOGY

This study utilises a quantitative methodology using a survey to collect data. This study’s survey was designed and sent out for the purpose of finding out what is going on with regards to factors that lead to purchase intention. The research population for this study was the consumer in Klang Valley, Malaysia. There are more than eight million consumers in Klang Valley (Department of Statistics Malaysia, 2020) and a sample size of 385 manufacturers was chosen in accordance with the guideline provided by Sekaran (2003) and Krejcie and Morgan (1970).

3.1 Research Design and Instrument

The main research instrument used in this study was a questionnaire. The questionnaire, designed to fulfil the research’s focus on factors that affect purchase intention consists of sections dealing with awareness, knowledge, religiosity and halal logistics factors and the dependent variable of purchase intention. Likert scale were used ranging from 1=Strongly Disagree to 5=Strongly Agree. The questionnaire went through pilot testing and was subsequently modified which was then used to collect data. Table 1 presents details of measurements items in the questionnaire. Please refer to Appendix 1 for full questionnaire.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of Items</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halal Logistics</td>
<td>10</td>
<td>Fathi et al., (2016), Karia (2019)</td>
</tr>
</tbody>
</table>

3.2 Validity and Reliability of Instruments

First, data analysis for this research was performed using the version 26 of the SPSS™ software. A Cronbach Alpha test was conducted to measure the reliability of our scales. The results are presented in Table 2. It is generally agreed that a Cronbach Alpha in the range of 0.600 to 0.700 is the minimum required to indicate a reliable construct and that the closer to 1.000 the result, the more it becomes reliable. From Table 3, we find that for each category, the scales used show an excellent degree of internal consistency, greatly exceeding 0.600 and reaching 0.933 in the case of awareness and 0.951 for halal logistics.
Table 2: Measurement Items

<table>
<thead>
<tr>
<th>Scale</th>
<th>Number of Elements</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge</td>
<td>9</td>
<td>0.850</td>
</tr>
<tr>
<td>Religiosity</td>
<td>10</td>
<td>0.820</td>
</tr>
<tr>
<td>Awareness</td>
<td>10</td>
<td>0.933</td>
</tr>
<tr>
<td>Halal Logistics</td>
<td>10</td>
<td>0.951</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>8</td>
<td>0.852</td>
</tr>
</tbody>
</table>

4. FINDINGS

In this study, 400 out of the 425 consumers to whom the questionnaires were sent completed the questionnaire, for a response rate of 94%. The number of respondents compares favourably with that reported in similar studies. It is interesting to note that we did not find any statistically significant difference related to gender in our results where majority of the consumers are female (58%) but mostly belong to the age group of 21-30 years old (49%). Most of the respondents (36%) earned less than RM2,500 per month. Majority of respondents are degree holders (53%) mostly working in the private sector (51%). These are young consumers with quite a high level of education but do not have a very high income.

4.1 Data analysis and results

Enter regression procedure was applied to test the model. In the model all the independent variables including knowledge, religiosity, awareness and halal logistics were used to predict intention to choose Halal products. The regression results indicate that the model was significant statistically F (4, 395) = 200.45, p<0.000, R² = 0.67. The results of the final model indicate that knowledge (β = 0.125, p < 0.005) and religiosity (β = 0.175, p < 0.000) and awareness (β = 0.258, p < 0.000) and halal logistics (β = 0.367, p < 0.000) positively influence purchase intention towards the Halal products. A summary of the multiple regression results is presented in Table 3. These results therefore lend support to all the four hypotheses presented earlier. A detailed examination of the regression results indicate that halal logistics is the most significant predictor/antecedent of intention to choose Halal products. The R² of 0.367 indicates that nearly 37 per cent of the variation in predicting intention to choose Halal products was elucidated by halal logistics. It appears from the results of this research that factors like concern for prevention of contamination, segregation of halal and non-halal foods plays a powerful role in shaping consumer intention towards purchase of Halal food products. More interestingly, consumers, besides knowledge, awareness and religiosity, are placing a particular importance in aspects of halal logistics for them to buy halal food.

Table 3: Multiple Linear Regression Results (N=400)

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardised coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge</td>
<td>.101</td>
<td>.035</td>
<td>.125</td>
<td>2.921</td>
<td>.004</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>H1 Supported</td>
</tr>
<tr>
<td>Religiosity</td>
<td>.135</td>
<td>.032</td>
<td>.175</td>
<td>4.223</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>H2 Supported</td>
</tr>
<tr>
<td>Awareness</td>
<td>.188</td>
<td>.037</td>
<td>.258</td>
<td>5.067</td>
<td>.000</td>
</tr>
<tr>
<td>Halal Logistics</td>
<td>.287</td>
<td>.038</td>
<td>.367</td>
<td>7.606</td>
<td>.000</td>
</tr>
<tr>
<td>Dependent Variable: Purchase Intention</td>
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</table>

5. DISCUSSION

As shown in the findings section, all four hypotheses could be validated by statistical analysis. Clearly, knowledge, awareness, religiosity and halal logistics are all influencing purchase intention of halal foods among the consumers in Klang Valley. We first posited that knowledge has a significant relationship with purchase intention of halal food and it has been shown to influence purchase intention of consumers in this study. It may be due to a phenomenon where, as consumers receive more positive information about halal, they may have a positive perception, which may create the belief that they should consume halal products (Majid et al., 2021). There is a
need to disseminate halal knowledge so that companies can further attract a larger customer base for halal food (Khan et al., 2020). Awareness has been agreed to influence purchase intention as posited by previous studies (Syukur and Nimsai, 2018; Bashir, 2019) especially in term of Halal certification where a clear halal logo should be attached on the product in order to provide assurance of the Halal-ness of a product (Syukur and Nimsai, 2018). Another explanation provided by Bashir (2019) is that it could be due to consumers being more aware of their halal food consumption inducing them to make rational decisions to purchase halal food products.

Religiosity has been shown to influence purchase intention in line with previous study where aspects of religiosity such as concern for others and interacting with religious community has a strong influence to purchase intention and that a particular brand can face ruins if it is perceived to be violating the religious obligations of Muslims Sharia Law (Mukhtar and Butt, 2012) putting forth the argument that purchasing decision can be strongly influenced by religious associations attached to halal foods consumption (Ali et al, 2018). Furthermore, for Muslims, consumption of Halal food is not just a dietary awareness but an obligation and the higher the religiosity of the consumer, the more he/she cares of his/her diet and the higher the intention to purchase halal food (Syukur and Nimsai, 2018). The ethos of religiosity could assist in attracting the consumer to the products with need to focus on the larger acceptability and recognition of the religious values (Khan et al., 2020) as religious associations linked to Halal foods consumption would presumably make buying decision different and more important for Muslim consumers from regular non-Muslim consumption (Ali et al., 2017). In line with a study by Soudein and Jabeur (2015), they contend that that depending on the strength of their Islamic beliefs, individuals’ attitudes toward and purchase intentions will vary greatly. This result is in line a study by Ratnasari et al., (2021) who argued that there is a rising trend by a society that define successful businesses as ones that touch upon the spiritual aspects of the shoppers.

Of a more interesting finding emerging from this study is that halal logistics plays a powerful role in influencing consumer’s intention to purchase halal food. It is important for the Muslims that food is not prepared, processed or manufactured using equipment that has been contaminated with non-halal elements and that it is physically separated from non-halal products during its preparation, processing, packaging, storage or transportation (Syukur and Nimsai, 2018). In fact, halal logistics is critical in ensuring the halal integrity for the Muslim consumer and a certain specified level of segregation is required throughout the supply chain (Tieman et al., 2012; Zailani et al., 2018). These discerning consumers may be willing to pay even more for Halal products, as long as the producers can properly ensure that the products are compliant with Halal Shariah principles (Ahmed, 2019). Scholars have also argued that implementation of halal practices can create competitive advantage with the quality of halal logistics service a key to ensure halal food quality from the point of view of Islamic law which will satisfy customers (Zailani et al., 2018). There is, however, a need to provide maximum transparency about the product and processes as this may lead toward food safety and drive the customers’ attitude toward halal food purchase (Khan et al., 2020).

6. Conclusion

The objective of this study was to examine the impact of knowledge, awareness, religiosity and halal logistics on purchase intention of halal food. An important element of decision making in the purchasing halal food, the influence of knowledge, awareness, religiosity appears to be also a key factor in the success of purchasing behaviour. In addition, we have shown the importance of halal logistics in its impact towards purchase intention. It led us to conclude that besides knowledge, awareness and religiosity, halal logistics is gaining traction in influencing consumer’s purchasing behaviour.

Our research was limited by a certain number of elements which should be explained in order to judge the true value of our results and there were also several constraints related to our methodology. Although our use of consumers only in Klang Valley, Malaysia, whose response is strictly a voluntary one, does not seem to have led to any major complications, the fact that purchase intention was evaluated by young consumers in one region themselves could have introduced a certain bias. It may have been better to adopt quantifiable operational measurements for each consumer segment, which would have allowed us to evaluate the purchase intention more objectively. However, time constraints and the ability to reach total consumers within the Covid-19 lockdown constraints to provide quantifiable purchase intention data were undeniable obstacles in this study. Finally, it would be beneficial to compare other regions’ consumers, analysing the differences in the use of this tool, while also verifying whether or not a correlation exists between knowledge, awareness, religiosity, halal logistics and
export performance. Research into the different countries perceptions of the rules and their interpretation based on their culture, could also prove quite interesting. Studying the cultural aspects of the questions surrounding purchase intention of halal food would also allow the manufacturer, retailers and government to improve their marketing strategies and policies of halal consumption.

REFERENCES


