

Study on Intention and Behavior towards Halal Non-Food Product

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Abstract— although it has emerged as an active research, issue on the halal non- food product is still less explored. This study aims to observe perceived value, usefulness, and halal logistic effect on people's intention and behavior toward halal non-food product. As an empirical study involving 426 respondents in Indonesia, this study applies the statistical approach of structural equation modeling technique with a conventional regression model. This study reveals that a perceived value affect the perceived usefulness. While both perceived usefulness and halal logistics are significantly effects people's intention, in which finally affect the people's behavior in buying halal non-food products.

Keywords— *perceived value, perceived usefulness, behavior, halal product, halal logistic.*

1. Introduction

Halal (permissible) is defined in the holy Quran and the Sunnah (the Prophet's s.a.w.) as actions and tacit approval in which a dietary obligation for Muslims. Important principles pertaining to halal and haram (unlawful): the basic fundamental is the permissibility of things are: to make lawful and to prohibit is the right of Allah alone; prohibiting the halal and permitting the haram is against the fundamentals and general principles of faith; the prohibition of things is due to their impurity and harmfulness; what is halal if sufficient, while what is haram is superfluous; whatever is leading to haram is in itself haram; falsely representing the haram as halal is prohibited; good intentions do not make the haram acceptable; doubtful things are to be avoided; the haram is prohibited to everyone alike,

regardless of the school of thought; and necessity dictates exceptions [1].

Halal is an Islamic concept which explains a practical system of life or muamalat which covers shariah, akhlaq and aqidah [2]. Halal means permissible, permitted, allowed, lawful or legal in Quranic term. Halal is a universal concept comprises products and services at the premier value to encounter the increasing consumer awareness and needs in a demanding global halal market.

Perceived value is a fundamental basis for marketing activities and an effective source of competitive advantage [3], while perceived usefulness is the most important factor influencing intention of customer [4]. Although Halal concerns according to Syariah law is the Halalan-Toyiban quality level, this concept has been introduced in a more global context of social and culture, and encourages people to use product that promote goodness and social welfare in all aspects of life [5]. According to the previous research, Halal is a system which not only focus on the product, but also covers every aspect of halal logistics in which should follow the Islamic law regulating the halal related matters. It is an obligation for Muslim people to follow the halal related Islamic laws, in order to worship Allah. In Islam, it will shape people to have good behavior. Halal integrity in logistics services is focused on Halalan-Toyibban. According to Karia et al. (2015), Halal should be Toyibban, meaning wholesome and good which integrate hygiene, safety, quality, nutritious and authenticity.

Halal has become a global symbol of quality assurance and lifestyle choice [6]. Furthermore, consumers' perception on halal products is not only on how the products are made but also on how the products are properly transported, handled and stored. The traditional logistics system has been shifted to halal logistic that follows Islamic laws in every aspect including process and operation activities [2]. Both processing and operation activities must cover the process of handling, packaging, storing, and delivering. The dynamic change in business environment in halal market will transform the needs of conventional logistics into halal logistics. This transformation is a part of innovation in the business environment to gain a competitive advantage. In reality, the halal logistics services are developed to assure the halal integrity as promised from the source of suppliers of suppliers to the consumers which cover Muslim and non-Muslim. Thus, halal logistics service has made halal goods/services possible to be accessed globally by consumers.

Attitude toward the behavior is the degree to which a person has a favorable or unfavorable evaluation of a behavior, where it depends on the person's assessment of the expected outcomes of the behavior [7]. He also underlined the subjective norm refers to the social pressures perceived by individuals to perform or not to perform the behavior. It relates to beliefs that other people encourage or discourage to carry out a behavior. In terms of Halal, attitude is related to belief and could influence their behavior in daily life. Further, this research adopted the theory of planned behavior framework (TPB), perceived value, perceived usefulness, handling and logistics [2]. This study investigates the direct effects of perceived value (PV), perceived usefulness (PU), Handling (H), Logistics (Log), Intention (In), and Behavior (Bhv).

2. Hypothesis Development

2.1. Perceived Value and Usefulness

Perceived value is defined as "an overall assessment of the utility of a product or service based on perceptions of what is received and what is given" [8]. Perceived value can also be defined as a tradeoff between perceived

benefits and perceived cost that consumers gain. For a specific product or service, perceived value increases when users believe the benefits outweigh the costs. Perceived value has been linked to a number of positive outcomes such as a high degree of behavioral intention to use, increased user satisfaction and loyalty and purchase intention [9]. Perceived value is deal with multi-dimensional construct in the context of consumer value. It includes value for money, social value, performance value and emotional value [9]. While perceived usefulness is the trust of consumers to take any choice that they believe can improve their quality of life [4]. Further, this study defines PU as the extent to similar with previous research which a Muslim consumer believes that purchasing a halal-labeled product improves his or her experience of shopping for food products. Muslims consider the halal label as a relevant information cue enhancing the label's PV and PU. PV and PU reflect cognitive beliefs about purchasing and using halal- labeled products and, according to the theory reasoned action affect behavioral intentions, the first set of hypotheses appears as:

H1: A significant positive relationship exist between Perceived Value and Intention

H2: A significant positive relationship exist between Perceived Usefulness and Intention

2.2. Logistics

The activities of halal logistics cover handling, packaging, storing and delivering, all of which obey the halal related Islamic law [10]. Halal logistics plays a key role in protecting the halal integrity of the halal products through proper handling and storage activities. There are several main principles of halal logistics to ensure the integrity of halal during shipment for instance, both the physical and the virtual segregation of the products inside the warehouses and during the transportation are maintained, the guarantee that the halal goods are not mixed with the non-halal products, the strict internal audits to maintain quality service are conducted, and the real-time tracking system of the goods is applied [11].

A fast-growing global halal market is indeed enormous and further increase significant demand on advanced halal logistics services. In

the fast-paced world, logistics plays a vital role in delivering the halal goods/services. Indeed, not many researches focus on understanding the roles of halal in adding value and enabling logistics services [2]. These imply that halal business is yet to be perceived as a potential business.

Halal is not static, but goes through evolution from a Muslim company, halal product, halal supply chain, to a halal value chain [10]. As halal is extending upstream and downstream along the supply chain, the logistics of halal products are being questioned by the food industry as well as the logistics industry itself, leading to initiatives to certify logistics operations according to halal standards (12, 13, 14). Halal logistics and supply chain management (SCM) is an important discipline for the halal industry in extending the halal integrity from the source to the point of consumer purchase. However, literature on halal food logistics and SCM is still limited [15]. Therefore, the second set of hypotheses appears as

H3: A significant positive relationship exist between Halal Logistic and Intention

2.3. Intention to Behavior

TPB is an extension of the theory of reasoned action (TRA), this research adopts by theory planned behavior (TPB), that an underlying premise of the current study is the beliefs about the halal food purchasing. Halal acceptance and intention are interconnected. When consumers already assess all they information and decided to trust Halal, it leads to Halal acceptance [16]. This means that consumers already known Halal and its relation to their benefits, consumer try to evaluate whether Halal is good or not for them. Afterwards, as results from previous studies, this acceptance leads to consumer intention to purchase [17, 18]. Therefore, the second set of hypotheses appears as

H4: A significant positive relationship exist between Intention and Behavior

3. The Empirical Study and Results

3.1. Scale item development

The research step is started with preliminary through literature review to construct the variable and item that will be used, which then followed by instrument development. The random sampling is used to collect primary data from the respondent. The questionnaire was divided into two sections; the respondent demographic and basic information background, such as gender, age group, income level, and education background, followed by the basic information of the respondent about their knowledge in Halal concept of product. Second is the question or statements related to variables and items. It consists of 16 questions derived from the five variables. Items were evaluated using a 5 point Likert-scale to illustrate their degree of agreement.

3.2. Data Collection and Sample

The data collection used is through online survey. This study applies the statistical approach of structural equation modeling technique with a conventional regression model. The target of the sample of population for the research is between 30 to 500 [19].

Variable construct

In this study, the variable construct developed adopts the theory planned behavior (TPB). It elaborates the perceived value, perceived usefulness, logistic, intention and also behavior in one model.

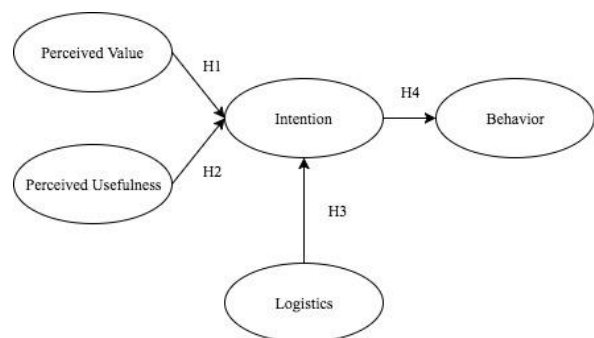


Figure 1. Model 1 (Base Model)

Perceived value is postulated to have a direct relationship with intention behavior. The relationship between other elements is also posited as a direct relationship. All elements that have a direct relationship with intention also

have an impact into behavior.

Table 1. Variable and Items References

Variables	Items	References
Perceived Value	Halal and toyiban	Mathew et al (2012) and Ruzevicius (2012)
	High Quality Lifestyle	
Perceived Usefulness	In accordance with the principle of halal	Regenstein et al., 2003; Zakaria, 2008
	The product is safety to consumed or used	Ruzevicius (2012)
Logistics	Health	Ruzevicius (2012)
	To avoid the products from being contaminated during distribution(H)	Abdul et al., 2009; Othman et al., 2009
	Importance of product handling and storage	Harvey (2010)
Intention	No sharing tools, machines, and display	Harvey (2010)
	Awareness to Halal Logo	Halal Assurance System
	Preference for Halal cosmetics	Halal Assurance System
Behaviour	Preference for Halal Pharmaceutical	Halal Assurance System
	Assurance to purchase products with halal logo	Abdul et al. (2009)
	Assurance to choose Wholesaler/retailer with good reputation in selling Halal Product	Kamali (2010)
	Assurance to choose Manufacturers with good reputation in producing Halal Product	Kamali (2010)
	Assurance to choose Halal Ingredients or Materials	Halal Assurance System

3.3. Psychometric analyses

Statistical measurement is required to measure consistency of questionnaire answer. With Cronbach's Alpha greater than 0.60 it is considered to be reliable, with factor loading >0.5. The summary of the psychometric analysis is shown in Table 2. While for good fit model, the suggested threshold is 0.9 for goodness fitness index, with RMSEA of 0.03, and AGFI of 0.9.

4. Findings and Conclusions

This study yields 426 respondents as shown in table 3. Most respondents are aged between 17-23 years old, who are mostly students.

In the survey, respondents may input multiple answers in question about basic information that consist of: halal definition and about product that should match with halal requirement. And most of the respondents answer multiple fit with their answer. A regression analysis is performed for hypothesis testing. The following table (Table 4) shows the findings from the hypothesis testing result.

Table 3. Respondent Profile

Gender	Male	43.20%	184
	Female	56.80%	242
Age	17-23	72.10%	307
	23-40	21.80%	93
	>40	5.90%	25
Occupation	Housewife	0.90%	4
	Student	50%	213
	Employee	37.60%	160
	Entrepreneur	7.30%	31
	Others	4.20%	18
Education	High School	12.70%	54
	Undergraduate	78.40%	334
	Master	8.20%	35
	Doctor	0.70%	3

The first and second column shows the hypothesis result from base model. As the result yields fitness index lower than 0.9, thus a modified model is developed by connecting the perceived value to perceived usefulness as shown in figure 2. By doing this step, this study yields a better fitness model with goodness fitness index of 0.90, RMSEA of 0.09, and AGFI of 0.85.

Table 4. Hypothesis Testing Result

Model 1 (Base Model)	Standardize d Estimates	Model 2 (Modifie d Model)	Standardize d Estimates
PV -> Intention	-0.417	PV -> PU	0.694
PU -> Intention	0.696	PU -> Intention	0.622
Logistic -> Intention	1.213	Logistic - > Intention	1.483
Intention - > Behavior	0.819	Intention -> Behavior	1.045
CFI	0.85	CFI	0.90
GFI	0.87	GFI	0.90
AGFI	0.84	AGFI	0.85
NFI	0.83	NFI	0.87
CMIN/DF	4.469	CMIN/D F	4.434
RMSEA	0.093	RMSEA	0.09

From the modified model, perceived value directly influence perceived usefulness of halal non-food product. Perceived usefulness is having positive relationship to intention. Meaning that perceived value and usefulness that refers to safety, quality, and a healthy show there is the positive influence to Intention. In another study perceived value has been proven to link positive outcomes such increased user satisfaction and loyalty and purchase intention [9].

According to Table 4, the result shows that logistics has consistent result, indicating the awareness of people toward halal logistic is existed instead of only aware on halal product. This results is consistent to Kamaruddin (2012) that consumers willing to pay for halal logistics [20].

Finally, intention is also having positive relationship to behavior. This significant result is consistent with previous research by Khalek (2014) that behavior and intention has positive correlation [21]. This intention also related to positive or negative behavior control of individual. Thus, the further research could be elaborate factors that influence consumer to have positive or negative behavior toward halal products.

Table 2. Psychometric Analysis

Variables	Items	Item-total Correlation	Cronbach Alpha (standardized)	Composite Reliability
Perceived Value	Halal and toyyiban	0.559	0.882	0.787
	High Quality	0.608	0.881	
	Lifestyle	0.523	0.882	
Perceived Usefulness	In accordance with the principle of halal	0.562	0.882	0.896
	The product is safety to consumed or used	0.543	0.881	
	Healthy	0.513	0.882	
Logistic	To avoid the products from being contaminated during distribution	0.604	0.878	0.546
	Importance of product handling and storage	0.670	0.875	
	No sharing tools, machines, and display	0.472	0.884	
Intention	Awareness to Halal Logo	0.561	0.880	0.601
	Preference for Halal cosmetics	0.593	0.878	
	Preference for Halal Pharmaeceutical	0.504	0.884	
Behavior	Assurance to purchase products with halal logo	0.548	0.883	0.77
	Assurance to choose Wholesaler/retailer with good reputation in selling Halal Product	0.532	0.881	
	Assurance to choose Manufacturers with good reputation in producing Halal Product	0.532	0.881	
	Assurance to choose Halal Ingredients or Materials	0.647	0.877	

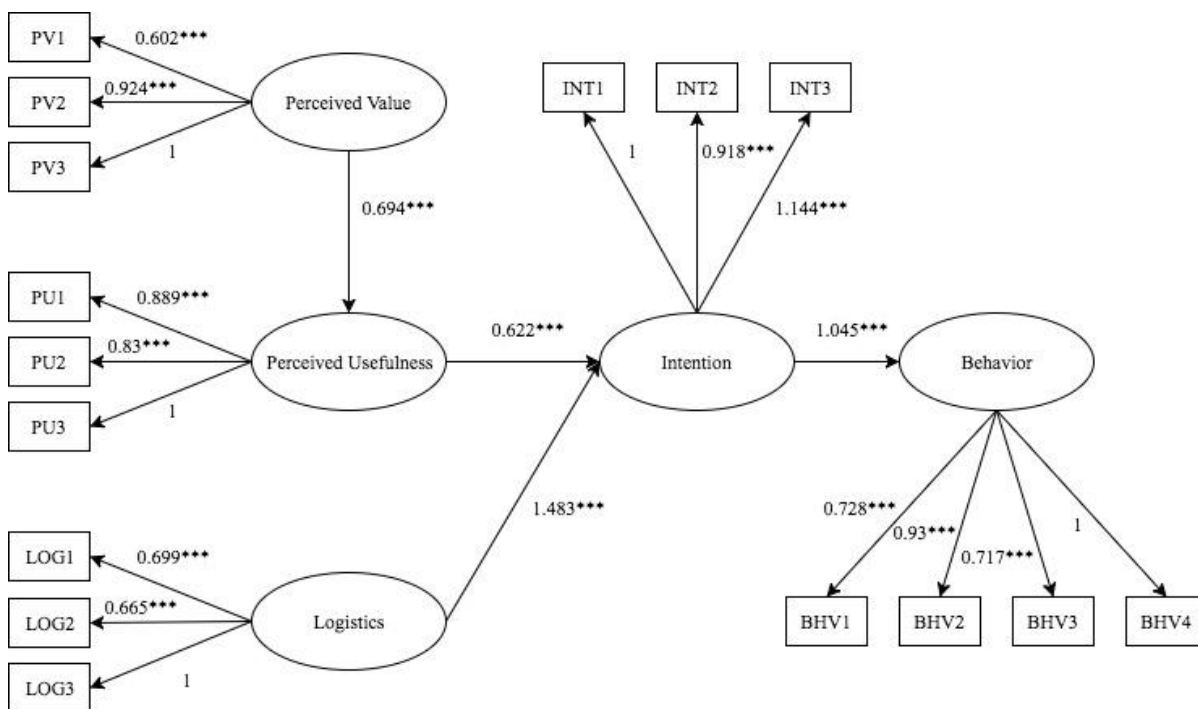


Figure 2. Modified Model

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