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The Application of Online Halal Label Among Food Manufacturer Behavior Toward the Halal Label System in Malaysia

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Abstract

This paper will address the determinants and identify the sources of awareness of Muslim consumers on halal products or foods. It is argued that many things can lead to awareness of halal products or food unfortunately, most of the previous studies only focused on halal certification logo. Many problems are associated with halal logo (labeling) as the only source of awareness for Muslim consumers on halal. This logo is also yet to be empirically proven as well. This paper delves into other sources that can bring about awareness of Muslims on halal products in order to fill the void. There were two types of variables in this theory which are independent variable that include the effort expectancy, social influence, performance expectancy and facilitating condition and dependent variable was the application of online halal label among food manufacturer behavior toward the halal label system in Malaysia.

Key words: Effort expectancy; Social influence; Performance expectancy; Facilitating condition

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INTRODUCTION

The rapid development of Halal certification in Malaysia has also encouraged the Department of Islamic Development Malaysia (JAKIM) to expand its larger organization law in 2005, formally naming the Halal Hub. JAKIM is responsible for monitoring the halal industry, leading to the amendment of the Malaysia Trade Information Act 2011 which gives JAKIM's mandate more power to regulate the halal industry. ("Malaysia - The world's leading hub - Malaysia Islamic Tourism Center," 2018)

Halal food is designed to protect Islamic users from fraud and mislabeling. Labeling prevents fraud and helps consumers make choices maximizing virtue. A user can get the most if he has the right information about the food being considered. Accordingly, the goal of label information is to help consumers identify the food products that best suit their choice, thereby helping consumers spend wisely. The purpose of the "halal" trademark is to prevent food from being illegally banned as halal.

The variety of nutrition are needed for optimal body functioning .However, food also are decide in price, labeling, packaging and quality of food by consumer before purchasing any food product. (Ariff, Latiff, Aisyah, & Amizi, 2016)

1. LITERATURE REVIEW

In the level of awareness of online halal label among food manufacturer behavior toward the halal system in Malaysia, Increased demand for halal food, namely USD 346.7 billion or equal to $ 1 317 billion a year is in line with the growth of the Muslim population, better education level and purchasing power is higher. By developing a global market, the company is leading the charge with innovative food carves a latest niche to get a competitive edge in the market. Government Policy for Malaysia as the Malaysian International Halal Food Hub set the path to national strategy is the basis of halal and kosher certification centers worldwide. As an Islamic

country that is very popular, simple and progressive company with more than 3,500 food manufacturing and total output more than USD 9 billion, Malaysia is willing to play a major role in improving food market. (Abdullah A. N., 2006).

The most influence factor which affect the food manufacturer behavior toward halal label system in Malaysia. For Muslim either a consumer or an entrepreneur they must aware about the food products that they use. This is the most mainly element that must be outline the production of halal products and services according to Shariah Law. However, majority of Muslim entrepreneur has their own thinking of awareness based on their background, religion (devout), culture, education and social interaction. (Rasli, A., 2013).So in this case, awareness can be described as the level of attention or awareness among Muslim entrepreneurs towards producing what is permissible for Muslims to take and use (Ambali, A.R., & Bakar, A.N. 2014). Studies in Malaysia have told us that a level of awareness among SMEs towards halal certification is low. However, most of them have a strong sentiment to produce halal food products as it is a good responsibility for the Muslim community as a whole (Tawil, N. M., Ramlee, S., Jaafar, J., & Saat, F.M., 2015).

As well as the socio-demographic factors discussed above, external signals, especially the quality or production of certificates authorized by government agencies or religious organizations (eg Halal), have been significantly influenced by Malaysians "food purchasing decisions. From many research results, mention the important of halal certification for Muslims, it is expected the food producers begins to consider to consider to register their products to obtain halal label so as to provide a sense of security and confidence to Muslim consumers (Fahmi S., 2017). The government also has a great responsibility to make regulations of local and imported product by incorporating the provisions of Islamic law (Fahmi S., 2017).

According to Ambali and Bakar (2014), halal use is influenced by religious beliefs, exposure, role played by halal certification through halal logo and health-related reasons. Therefore, policy makers should play an important role in making strict policies for those involved in the provision of halal food such as breeders, slaughter houses, certified agencies, retailers, consumers and representatives of religion.

2. METHODOLOGY

The research of the survey was conducted at the Malaysia Halal Showcase (MIHAS) exhibition on the Matrade Exhibition and Convention Centre (MECC), Kuala Lumpur region. This area was selected because easy to conduct the survey among food manufacturer. A set of survey questionnaires was ready to be given to the respondents about 100 samples to study relationship between effort expectations, social influences, performance expectations and ease of ease towards the use of online halal labels between the behaviors of food manufacturers towards the halal label system in Malaysia.

3. LACK OF FIRST CLASS TITLE

3.1 Conceptual Framework

Independent Variable Dependent Variable

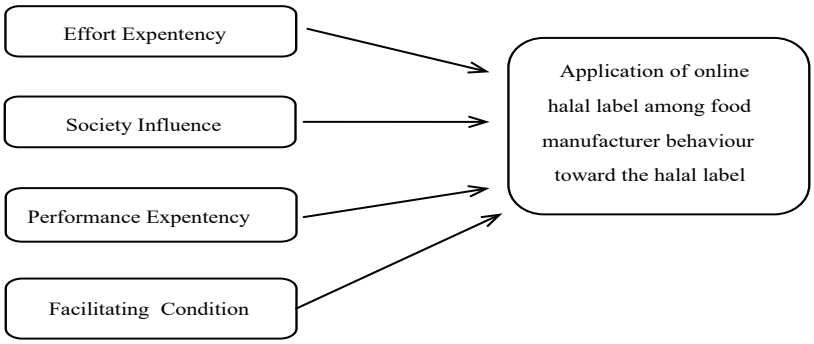

Figure 1
Conceptual Framework of the Unified Theory of Acceptance and Use of Technology (UTAUT) With the Application of the Intention Toward the Application of Online Halal Label Among Food Manufacturer Behaviour Toward the Halal Label System in Malaysia

3.2 Data Collection

The research of the survey was conducted at the Malaysia Halal Showcase (MIHAS) exhibition on the Matrade Exhibition and Convention Centre(MECC), Kuala Lumpur region. This area was selected because easy to conduct the survey among food manufacturer. A set of survey questionnaires was ready to be given to the respondents to study relationship between effort expectations, social influences, performance expectations and ease of ease towards the use of online halal labels between the behaviors of food manufacturers towards the halal label system in Malaysia. Questionnaire is

design based on objective. In addition, the questionnaire has sections covering demographic factors such as respondents' sex, age, education level, job status and monthly income. In section B contains B1, B2, B3, and B4. In B1 contains the information gathered related to the expectations of food makers on the online halal label system in Malaysia. B2 questionnaire is related to the relationship between demographic factors and social influence of food manufacturing into the online halal label system in Malaysia. B3 then relates the performance expectancy factor to the behavior of food producers into the online halal label system in Malaysia. Finally, for B4 related to the situation facilitates food producers towards the online halal label system in Malaysia. A set of questionnaires has 1-5 Likert scale that represents very disagreeing, disagreeing, disagreeing or not, agreeing and strongly agreeing. In addition, this questionnaire also has dwi language which were Malay and English.

3.3 Data Analysis

Data analysis was the processed of checking, transformation and data modeling by focusing on finding useful information, conclusions and making analysis of support decisions. Data were run using the SPSS program to analyze data. This data is to study the subject of descriptive and statistical conclusions. Therefore, this data also includes demographic factors on respondents among the consciousness of food producers. The minimum, maximum, frequency, percentage and size of the standard deviation are analyzed in a descriptive subject by the SPSS program. In addition, reliability tests, chi-square tests and factor analysis in statistical conclusions.

4. FINDING AD DISCUSSION

4.1 Demographic Information of Food Manufacturer

Descriptive analysis was carried out to measure the demographic information of food producers on the whole sample of the population at the Halal Malaysia Halal Exhibition (MIHAS) of this study. Demographic information includes gender, age, education level, occupational status, monthly earnings, and most food manufacturers awareness on online halal label systems.

According to overall results, the majority of respondents of the food manufacturers were women (32 persons) which is 64.0%. Meanwhile, men (18 people) were 36.0%. The highest percentage of all food manufacturers aged below 25 and 26-35 were (36.0%), followed by age between 36-45 years (16.0%), 46-55 years (4.0%) and retirement age above 56 years (8.0%). The highest level of education was the degree (46.0%), followed by diploma (24.0%), followed by other education level (14.0%), followed by secondary school (12.0%) and lower percentage was PhD (4.0%). Most food producers have monthly income of about RM2000 (40.0%), followed by monthly income between RM2001-4000 (28.0%), followed by monthly income of between RM4001 and 6000 (14.0%), followed by one month's income -> RM8000 (8.0%) and ultimately the lowest monthly income between RM6001 - RM8000 (4.0%). In terms of employment status, most food producers from private sector (54%), followed by self-employed workers (40%) and finally for the government are lower for job status (6%). Finally, the survey also measures the awareness of food producers in the online halal label system in Malaysia which is the highest percentage (94.0) and unacknowledged food producers on online halal label systems in Malaysia only 6%.

Table 1
Demographic Factors of Food Manufacturer

Character		Frequency	Percent
Gender	Male	18	36
	Female	32	64
Age	< 25	18	36
	26-35	18	36
	36-45	8	16
	46-55	2	4
	> 56	4	8
Level of Education	Secondary school	6	12
	diploma	12	24
	degree	23	46
	Phd	2	4
	Other	7	14
Employment status	Self employ	20	40
	government	3	6
	Private sector	27	54
Monthly income (RM)	< 2000	20	40
	2001-4000	17	34
	4001-6000	7	14
	60001-8000	2	4
	> 8001 above	4	8
Do you aware of the online halal label system	Yes	47	94
	No	3	6

4.2 Reability Test

Descriptive analysis of mean score was determine to identify the level of awareness of online halal label among food manufacturer behavior toward the halal system in Malaysia. Based on the result, the high mean score was subjective norms and performance expectancy of 2.86, followed by perceived effort expectancy of 2.80 and facilitating condition is 2.60. Besides that, the standard deviation the high value was facilitating condition is 0.57,

followed by performance expectancy 0.48. Then, effort expectancy is 0.45 and followed by subjective norms is 0.35.

Table 2
Mean Score of the Effort Expectancy, Subjective Norms, Performance Expectancy and Facilitating Condition in Application of Online Halal Label Among Food Manufacturer Toward Behaviour of Online Halal Label System in Malaysia

Factor	Mean	SD
Efford expentency	2.80	0.452
Subjective norms	2.86	0.351
Performance expentency	2.86	0.482
Facilitating condition	2.60	0.572

4.3 Chi- Square Test

Research shows chi-square results in Table 3 to identify the relationship between demographic factors and social influence towards halal label use of online behavior among food manufacturers to label halal system in Malaysia.According on the result, in social influence have highest significant value > 0.05 means that H_o accepted. Besides that, the result to confirm the relationship between employment status with social influence was presence because of the significantly greater than the value of p (p = 0771, p <0.05). This test shows that there is no relationship between employment status between subjective norms halal label application online behavior among food manufacturers to label halal system in Malaysia.

4.4 Factor Analysis

Factor analysis was to identify the influenced factor on the application of online halal label among food manufacturer behaviour toward the halal system in Malaysia. A set of questionnaire have 38 statement of application of online halal label among food manufacturer behaviour toward the halal system in Malaysia have Five Point Likert scale of their effort expentency, society influence, performance expentency and facilitating condition.

4.4.1 KMO and Bartlett's Test

Keizer-Meyer-Olkin (KMO) and Bartlett test Sphericity factors that must exceed 0.6 and below 1.0 eigenvalues. In addition, KMO is the test side. However, Bartlett Sphericity test is to verify whether the factor analysis is correct or not analyze and examine the correlation between the statements (Tabachnick, 2007).

According to Table 3, the results show the importance of trade, the influence of society, concerns performance and convenient facilities. The value of the result is greater than the result 0.7 shows that the value received exceeds 0.6. Sphericity test of Bartlett shows the important 0000 level for this test. This test shows the relationships between all the variables.

Based on the total percentage of variance, the factor that most contributed toward Halal label is Effort expectancy which is 71.802%. The result of contributing factor was summarized in Table 5 and the factor loading was presented after the manufactures gave the respond to the questionnaire which related to this study. The factor was ranked systematic according to the total variance explained proportion and the most inclination factor between Contributing Factor on effort expectancy, subjective norm, performance expectancy and facilitating condition toward Halal Label.

The most contributing factor on consumer application of online halal among food manufacturer behavior toward the halal label system in Malaysia is was effort expectancy. The factors have four sub-variables and the total variance was 71.802%. The sub-Using the online halal logo system would be not effective to my business (0.788),by involving in halal online application, It was enhance the effectiveness of my business (0.735), I would find online application easy to use and flexible (0.729), and I like the idea of using online halal label system (0.742). Based on the result obtained, consumers have high perception the online halal logo system would be not effective to their business.

The second factor presented contributing factor on consumer application of online halal among food manufacturer behavior toward the halal label system in Malaysia is Facilitating Condition. The factors have four sub-variables with 70.400% total of variance. The sub-variables The necessary support and assistance to use online halal label system is available to me (0.835), the financial resources requirement to use online halal label system (0.820), It is necessary to food manufacturer to have knowledge about online halal label system. (0.795), and can find for help when there are difficulties during the online halal system(0.704).From the result, there are several manufacturer which necessary support an assistance to use online halal label system is available to them.

Table 3
Relationship of Demographic Factor Toward Social Influence of the Application of Online Halal Label Among Food Manufacturer Behaviour Toward the Halal Label System in Malaysia

Variable	Chi-square	Degree of freedom	Significant	Decision
Gender	1.666	1	0.127	Fail to Reject H_o
Age	4.896	4	0.298	Fail to Reject H_o
Level of Education	5.553	4	0.235	Fail to Reject H_o
Employment Status	0.520	2	0.771	Fail to Reject H_o
Monthly Income	2.665	4	0.615	Fail to Reject H_o
Do you aware of the online halal label system	0.991	1	0.324	Fail to Reject H_o

Table 4
KMO and Bartlett's Test

		Effort expentency	Subjective norm	Performance expentency	Facilitating condition
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.855	0.779	0.885 0.798	0.798
Bartlett's Test of Sphericity	Approx.Chi-Square	231.232	226.275	323.572	212.204
	Df	28	28	28	28
	Sig.	0.000	0.000	0.000	0.000

Table 5
Contributing Factor on Effort Expectancy, Subjective Norm, Performance Expectancy and Facilitating Condition Toward Halal Label

Items	Factor loading			
	Factor 1	**Factor 2**	**Factor 3**	**Factor 4**
Effort expectancy toward Halal Label				
Using the online halal logo system would be not effective to my business	.788			
By involving in halal online application, It was enhance the effectiveness of my business.	.735			
I would find online application easy to use and flexible	.729			
I like the idea of using online halal label system	.742			
Variance (percent of explained)	71.802			
Subjective Norm toward Online Halal Label				
Sometimes the community hard to believe and using the application of online halal label system		.945		
The participant in online halal label system can make food manufacturers and consumer to ensure the product is acceptable.		.757		
Jakim make me aware of halal label online in my product.		.722		
The community is encourage to use the halal online label and share information of halal food.		.700		
Variance (percent of explained)		68.400		
Performance expentency towards Halal Label				
I can get the good or positive perception from muslims consumer of my product.			.824	
Online halal label system advertisement affects my purchasing behaviour.			.800	
Knowing how online halal label system is very important to my product.			.795	
I can publish my halal product to the customer through online application.			.746	
Variance (percent of explained)			69.487	
Facilitating Condition towards Halal Label				
The necessary support an assistance to use online halal label system is available to me				.835
I have the financial resources requirement to use online halal label system.				.820
It is necessary to food manufacturer to have knowledge about online halal label system.				.795
I can find for help when there are difficulties during the online halal system.				.704
Variance (percent of explained)				70.400

Performance expentency towards Halal Label was the third factor with total variance has 69.487%.There was four sub-variables indicated I can get the good or positive perception from Muslims consumer of my product(0.824),online halal label system advertisement affects my purchasing behavior(0.800),Knowing how online halal label system is very important to my product(0.795), and can publish my halal product to the customer through online application(0.746).The result presented that manufacturer can get the good or positive perception from Muslim consumer of their product.

Subjective Norm toward Online Halal Label was the last factor with total variance has 68.400%.There was four sub-variables Sometimes the community hard to believe and using the application of online halal label system(0.945),The participant in online halal label system can make food manufacturers and consumer to ensure the product is acceptable(0.757), Jakim make me aware of halal label online in my product(0.722), and The community is encourage to use the halal online label and share information of halal food(0.700). The result presented that Sometimes the community hard to believe and using the application of online halal label system.

CONCLUSION

In conclusion, mean score for knowledge level is 2.34 – 3.67. It can be categorized in moderate level. The highest variance explained is attitude (71.80%) was the most influencing factor of the intention of food manufacturer

toward online halal label systems in Malaysia. The result show that the attitude was significant, null hypothesis was rejected and had a strong relationship with awareness of food manufacturer toward the online halal label systems.

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