

WITH OR WITHOUT HALAL LOGO? A DESCRIPTIVE ANALYSIS OF THE GENERATION Y PERCEPTIONS ON THE NATIONAL HALAL CERTIFICATION MALAYSIA

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Abstract

Halal certification is a substantial part of the Malaysian government's strategies in strengthening halal consumerism and its industry in Malaysia. The perception of halal certification, especially among Generation Y, is indeed important, as Generation Y is one of the key market segments for halal food and products. This quantitative study aims to explore the perception of Generation Y Malaysian on national halal certification. In addition, it examines their intention of using the Malaysian halal certification as a benchmark before consuming any food product and their ability in recognizing the halal certification issued by the Malaysian government. Questionnaires were self-administered among 425 respondents and analysed using Descriptive Analysis of Statistical Package for the Social Science. The findings revealed that halal certification is perceived as substantial and more trustworthy to the majority of the Generation Y respondents when purchasing halal food. Hence, this leads to a discussion on strengthening the quality and implementation of the Malaysian halal certification.

Keywords: Halal, Certification, Generation Y, Consumers

1. Introduction

The role of government in consumerism from the Islamic point of view deliberates the value of ethics, moral, *akhlāq* (Islamic manners), halal (permissible) and *ḥarām* (prohibited). In the view of halal governance, it is a part of the government's responsibility to educate and disperse halal awareness in the society. Government agencies, in fact, may play a role as *aḥisbah* (accountability) institution in promoting good, and in this context is to support halal consumption, particularly among Muslim consumers (Zulfakar, 2012). Nevertheless, educating Muslims about halal consumption is not solely the responsibility of the government, as Muslims as well have their religious obligation to be conscious and adhere to the Islamic rulings of halal in their consumption.

Fischer (2011) highlighted the initiatives of the government in escalating the halal industry and its consumption in the Malaysian society. He deliberated that the role of the government is important in protecting the rights of consumers in the halal markets. Indubitably, in the recent years, the food issue has become political. Fischer argued that the food issues, especially those which are linked to religious and health factors have been given attention by the government. Technically, the more Islamic consumption is practised in a society, the more the authority of halal is given to the government (Fischer, 2011).

Halal has been made as a part of a government authority in Malaysia. It is a measure of consideration in government planning for the religious, economic and consumerism development's point of view. The Malaysian government, in particular, is managing the halal matters including halal industry and consumption. As halal matters have been thriving in Malaysian society, how consumers perceive the Malaysia halal certification, especially among

Generation Y who are known for being the most lucrative consumers with significant spending power and a distinctive consumption behavior (Kristen, 2011). The perception of “reliable and unreliable” halal certification in Malaysian market, for example has arisen and been discussed among government agencies particularly the Department of Islamic Development Malaysia (JAKIM) and halal consumers. This is due to the fact that halal certification is an effective marketing tool for companies to attract the majority of Muslim consumers (Hakimah, 2004). In fact, halal certification has been identified as one of the determinants among the many categories; namely halal awareness, food quality, promotion and brand in influencing halal food purchasing among non-Muslim consumers (Yuhanis & Nyen, 2013). This has led to another question that arises; how does halal certification play a role in Generation Y’s consumption behavior and technically are they able to recognize the national halal logo issued by the government?

For the reasons above, this study is initiated to explore the perception of Generation Y about the Malaysian halal certification and ability to recognize the actual Malaysian halal logo. In addition, this study aims to examine their intention to use the Malaysian halal certification as a benchmark before consumption any food products.

2. Halal Industry in Malaysia

The government is an authorized institution in managing and controlling rights of consumers and halal matters in Malaysia. Technically, consumers in general, have their fundamental rights of consumerism. The government is accountable to ensure that consumers have right to use safe products and services in the country. Consumers should be able to access information on the products and to be informed about the product and services. In addition, they have their rights to voice out opinions and concerns about products and services through the appropriate channels provided to them (Siti Arni Basir, 2011).

The importance of halal food was inaugurated institutionally by JAKIM and further developed and industrialized by Halal Development Industry Corporation (HDC). The establishment of the HDC on 18 September 2006, indeed, is the most remarkable initiative of the Malaysian government in developing the halal industry. HDC primarily manages the overall development of halal industry at a local and international level. This includes matters such as halal standards, audit, capacity building for halal products and services. From the commercial point of view, HDC objectively stimulates the involvement of Malaysian companies in the halal industry and promotes halal understanding among consumers. It is also a center for consultation, information and business support for halal companies. In specific, HDC coordinates policies and programmes of the national agenda as according to the Halal Master Plan (<http://www.hdcglobal.com/publisher/faq>).

The Halal Master Plan is a comprehensive planning of halal certification, development, integrity, implementation and its covers the responsibilities of government bodies which is involved in halal development. There are three phases of the Halal Master Plan. Firstly, phase 1 (2008-2010) is a stage of developing Malaysia as a global centre for halal integrity and preparing the growth of halal industry. The second phase (2011-2015) is a stage of establishing Malaysia as a centre for halal related business. The final phase (2016-2020) is a stage of expanding geographic footprint of home grown companies in the international market (Abdul Manaf, 2013).

The institutionalization of halal and the growth of halal industry in Malaysia could be a result of the economic growth of the country and the emergence of the larger middle class consumers among Malay Muslims. In addition, the government’s initiatives on halal production, trade and

consumption have strengthen the halal industry in Malaysia (Fischer, 2011). Similarly, halal has received attention from the private organization, consumer groups and academic institutions in which each of them play their respective role on halal.

3. Malaysian Halal Certification

Malaysia has been regarded as the top first country in the world for establishing halal food indicators. It is reported that the global expenditure of Muslim consumers on food and lifestyle sectors expected to reach USD 3.7 trillion by 2019. This shows the potential market for halal food sectors. The value of Malaysian halal food industry is estimated at RM 37.7 billion, which can be considered as a rapid growth in the food industry (Rafi-uddin Shikoh, 2015). The food industry is now giving more attention to halal requirements, not only to fulfill a religious obligation for Muslims to consume halal food, but also to expand the potential halal market to non-Muslims consumers (Khalek, 2015; Khalek, Hayaati&Ibrahim, 2015).

Generally, the demand for halal food in the world market has escalated due to the growth of the Muslim population, the increase of purchasing power among Muslim consumers (Fischer, 2012), and the awareness of Islamic rulings on halal and *haram* in the society. Thus, the halal certification for the food industry has been given attention due to the increased demand from consumers, especially consumers who are more likely to eat out in urban areas. As a response to consumers' awareness on halal consumption, the halal certification has been made an important responsibility of JAKIM (Suhaimi, 2011).

Halal endorsement and certification was first introduced in 1974 by the Malaysian government. Initially, the Research Center of the Islamic Affairs Division of the Prime Minister's Office issued halal certification letters for products that met the standards. Progressing from that, JAKIM approved halal verification in the form of a certificate with a halal logo in 1994. Later, the government decided that all halal certification activities were conducted by the division of Food and Islamic Consumer Products that involved 28 personnel. Since then, halal certification has been visible and significant whereas there has been rapid development of the food industry which acquired halal certification. The Public Service Department of Malaysia set up the Halal Hub Division with a total of 165 personnel in November 2005. The Halal Hub division has acted as a central office for halal matters, especially regarding regulations and certification. (<http://www.halal.gov.my>)

In 2008, there was an immense change made in the national halal management when the role of JAKIM on halal certification was taken over by the Halal Industry Development Corporation in 2008. The HDC enhanced the Malaysian halal certification by confirming it with the Hazard Analysis and Critical Control Points (HACCP) standard of quality. The HACCP is a certification of systematic preventive approach to food safety. This has added the value of halal certification in terms of food quality and procedure. In addition, companies which produce halal products are also evaluated for Good Manufacturing Practices (GMP) to enhance to the credibility of halal food in the market. The HACCP and GMP certifications, indeed, has enhanced the value of Malaysian halal certification among local and international markets. Later in 2009, the authority of halal certification was reverted to JAKIM. Until present, JAKIM remains as the responsible body in charge of halal certification, hand in hand with the State Religious Department. (<http://www.halal.gov.my>)

Heading to become a global halal hub, the Malaysian government strives to gain commitments from halal manufacturers, traders and consumers. Resulting from government strategies and continuous improvements made, now, the Malaysian halal certification issued by JAKIM is well-accepted and prominently recognized in the international market. Another achievement of the

national halal certification is the Malaysian Halal Standard MS1500:2004 launched by the Malaysian government which was regarded as the first Halal Standard developed by any Muslim country. Furthermore, the MS1500:2004 is enhanced and complied with Good Manufacturing Practices (GMP) and Good Hygiene Practices (GHP). It is observed that the blueprint, incentives, monetary supports such as grants provided by the Malaysian government have strengthened the effort of Malaysia to appear as a global halal hub (Nik Maheran 2009).

4.Methodology

4.1 Sampling and Data Collection

The sampling structure of this research consisted of Generation Y Malaysian Muslims residing in urban areas of Klang Valley Malaysia. Generation Y as the sample of this study is grounded on the definition of Markerts (2004) which describes Generation Y as a demographic characteristic of a young group of people who were born between the duration of 1986-2005 (Markert, 2004). A hard copy of the questionnaires was distributed randomly to the Generation Y respondents for data collection. 600 questionnaires were distributed for this study; a total of 425 completed questionnaires were returned, taking up of 70.8% completed questionnaires.

4.2 Instrumentation and the Measurement of Constructs

A self-administered survey was adopted in this study. The survey instrument consisted of three sections, namely, respondents' personal information, halal certification awareness and halal certification logo. The instrument used in this study was constructed by the researcher based on the previous literature, conceptual framework and discussion on this topic. Sometimes, pertaining to the perception of halal certification and intention to consume halal were adapted based on previous studies (Lada, Tanakinjal & Amin, 2009; Alam & Sayuti, 2011; Khalek, 2015; Khalek, Hayaati&Ibrahim, 2015) and some items were self-constructed by the researcher to achieve the objectives of this study. Each item in this scale was measured using a five-point Likert scale ranging from strongly disagree to strongly agree which was adopted to measure their perception and intention. A pre-test was also conducted examine the usability of the instrument (Hunt et al., 1982). Before the actual study was conducted, the study was piloted among 52 respondents. The pilot study indicated a sufficient minimum alpha at 0.7, as 0.7 is an acceptable alpha for Social Sciences study (Nunally & Berstein, 1978).

4.3 Findings

The present study looks at the perceptions of Generation Y on halal certification by analyzing mean and percentage scores of each statement. Table 1 indicated that the mean for all items were at more than 4.44, which suggests the respondents have relatively positive awareness of halal certification. The maximum score for all items was 5 (strongly agreed) and the minimum score was 1 (strongly disagreed).

Table 1: The Mean Scores for All Items

Statements	Mean	SD	Strongly Disagree	Disagree	Some-what Agree	Agree	Strongly Agree
1. Halal certification is important for me	4.67	.674	2 (0.5%)	5 (1.2%)	27 (6.4%)	69 (16.2%)	322 (75.8%)
2. I trust halal certification which ensures that the food is halal	4.67	.637	1 (0.2%)	2 (0.5%)	28 (6.6%)	76 (17.9%)	318 (74.8%)
3. I look at halal certification before I purchase the food	4.58	.711	0 (0%)	8 (1.9%)	34 (8%)	91 (21.4%)	292 (68.7%)

4. I will not buy food which does not have any halal certification	4.49	.803	1 (0.2%)	9 (2.1%)	58 (13.6%)	75 (17.6%)	282 (66.4%)
5. I dine only in halal certified food outlets	4.51	.806	3 (0.7)	14 (3.3%)	36 (8.5%)	89 (20.9%)	282 (99.8%)
6. I check for halal certification before I purchase any food	4.45	.897	4 (0.9%)	17 (4.0%)	50 (11.8%)	71 (16.7%)	283 (66.6%)
7. I trust only the Malaysian department of Islamic development JAKIM's halal certification	4.44	.984	10 (2.4%)	19 (4.5%)	41 (9.6%)	63 (14.8%)	292 (68.7%)

Source: Questionnaires conducted between 30th September and 30th December 2013

From the statistics generated from table 1, 75.8% of the respondents strongly agreed, 16.2% agreed and 6.4% somewhat agreed that halal certification were important for them. It is observed that the percentages of respondents who agreed and strongly agreed were considered relatively high. This could be interpreted that Generation Y Muslims in Klang Valley believed the importance of halal certification in ensuring the status of halal food. This statistic suggests that the government initiatives in developing and publicizing the halal certification in Malaysia, probably has influenced the Generation Y's awareness on halal food certification.

The second item tests the confidence of respondents on the halal certification in ensuring the food is halal. It is demonstrated in table 1 that 74.8% of the respondents strongly agreed, 17.9% agreed and 6.6% somewhat agreed to the statement that "I trust halal certification could ensure that the food is halal". The trust of Generation Y on halal certification was slightly higher compared to the importance of halal certification to them. Only 0.5% of the respondents strongly disagreed and 0.2% disagreed to the statement which indicated that they did not trust that halal certification could ensure that the food is halal.

Next item described the respondents' behavior in checking halal certification before purchasing the food. 68.7% of the respondents strongly agreed, 21.4% agreed and 8.0% somewhat agreed that they looked at halal certification before they purchased the food. This data implies that the Generation Y Muslims' awareness on halal certification is considerably high. Only 1.9 % of them did not look at halal certification before buying the food. This was actually explained by the previous question about the concern of Generation Y Muslims about halal certification of the food that they purchase and consume.

In explaining the halal certification awareness, Table 1 also demonstrated that the respondents strongly agreed (66.4%), agreed (17.6%) and somewhat agreed (8.5%), that they will not buy food which do not have any halal certification. Only 2.1% of the respondents strongly disagreed and (0.2%) of them were disagreed with the statement. This implies that the percentage of 2.3% of respondents would buy foods which do not have halal certification is very low compared to the majority who strongly agreed, agreed and somewhat agreed to this statement. Most of Generation Y are students and young working adults who spend most of their time outside the house. Thus, dining out seems to be common or a trend for Generation Y to spend most of their money on food (Kristen, 2011). Therefore, it is important to comprehend their food consumption behavior particularly while dining out.

Item 5 describes the behavior while dining out for Generation Y Muslims, whether they dine in only in halal food or non-halal food outlets. Among the respondents, 66.35% strongly agreed, 20.9% agreed and 8.5% somewhat agreed, 3.3% disagreed and 0.7% strongly disagreed that they dine only in halal food outlets. This corresponds with the previous findings, which shows that

the respondents were concerned with halal certification when they purchased and consumed food. In addition, finding of item 6 revealed that 66.6% respondents strongly agreed, 16.7% agreed, 11.8% somewhat agreed, 4.0% disagreed and 0.9% strongly disagreed that they checked halal certification upon purchasing any food.

Exploring the trust of Generation Y on the national halal certification, responses for item 6 shows that 68.7%, 14.8% and 9.6% of respondents strongly agreed, agreed and somewhat agreed that they trust only JAKIM's halal certification. Whereas, 6.9% strongly disagreed and disagreed with this statement, implying that they trusted halal certification issued by other bodies. At the end of questionnaire, respondents were asked to choose the correct national halal certification logo from out of 3 other halal certification logos. It was found that, even though, 93.1% of respondents trusted only JAKIM's halal certification, yet only 78.4% could identify the actual halal logo issued by JAKIM. This could also be due to the fact that the government has changed their halal logo a few times which may cause confusion among consumers. Moreover, there were many kinds of halal logo issued used by food operators in Malaysia by different bodies locally and internationally.

5. Discussions

The finding of the present study has shown that halal certification was perceived as important among Muslim in ensuring halal food consumption. It also demonstrated the significant role of halal logo in the purchasing decision among Muslim consumers in Malaysia, as well as among Arab Muslims (Rezai et al., 2012). In addition, other studies also showed that majority Muslim consumers checked the halal logo on the products' package to ensure the products that they consume were halal (Dali et al., 2007). This study has shown that JAKIM's halal certification was perceived as the most trusted halal certification by Generation Y Muslims. Similarly, research conducted by Fischer(2012) argued that the JAKIM halal certification was preferred compared to other halal certification in Malaysia. Likewise, the study conducted in Kedah Malaysia, showed that consumers who had halal knowledge and perceived value on halal were more influenced to consume products with the halal logo (Habibbah, 2011). However, the unreliable halal brands, trademarks and logo authenticity has caused probable doubts among the consumers in Malaysia. (Zailani et al., 2010)

In firming up the national halal certification and halal consumption, the concept of *ḥalālān ṭayyibā*(lawful and good quality)in food has been adopted in halal food standard procedure and application of national halal certification. However, there were some improvements that could be made by the authorities, particularly JAKIM in relation to the halal procedure and framework. The concept of *Maqāsīdal- Sharīah*(the goal of Islamic law) should be integrated in the execution of halal certification. An effective government should indeed fulfill the objectives of *Shariah* for the betterment of the people (Al-Qudsy&Rahman, 2011). In applying the concept of *Maqāsīdal- Sharīah*, it should observes the elements of educating the individual (*tahdīb al-fard*) and promising *maslahah*(public interest) in the society (Hashim kamali, 2008). In the same vein, the government should spread knowledge of halal among Muslims in the society. Therefore, it could protect the *maslahah* (public interest) as halal ensures safety, cleanliness and wholesomeness of the food.

In particular, the concept of *maslahah* and *mafsadah*(harmful) should be incorporated in the Malaysian halal food certification and operational system. This will ensure the application of *ḥalālān ṭayyibā*act in accordance with the perspective of *Maqāsīd al-Shariah* on halal food certification in Malaysia (Arif, 2012). The proactive development could also be made in the area of implementation and enforcement of halal law for instance in the case of misusing and abusing the halal certification (Mahmood, 2011). Halal consumers generally demand more proactive

monitoring of halal certification and better enforcement against false labeling of halal (Abdul et al., 2009). In fact, vigilant mechanism should be considered in executing halal certification, as it should be regarded as an affirmative aspect to maintain the religious obligation of halal for Muslims and as a products' quality assurance for non-Muslim consumers.

From a governance point of view, it is essential to define the distribution of power and effectively coordinate the halal certification matters between the authorities in one country. In the case of Indonesia, for example, Soesilowati(2010) reflected that the poor coordination between *Majlis Ulama'* and the Health and Religious Affairs Department in managing halal matters had caused issues in the halal endorsement. Consequently, the halal certificate was not given a greater attention by consumers in choosing halal food (Soesilowati, 2010). Hence, it should be observed that a clear jurisdiction and coordination of different bodies in halal certification is important. In line with this thought, Malaysia encountered the same challenge previously, in matters concerning halal governance between the federal government and state government (Nurulhuda Noordin, 2009). Therefore, the Malaysian government has straightened out measures in defining and coordinating different bodies which are involved in halal matters, for example JAKIM, the HDC and the State Religious Department (Mahmood, 2011).

Reviewing the standard procedure of the national halal certification, the Prime Minister's Department government has established a focus group to resolve the inefficiency of the halal certification process (Jabatan Perdana Menteri Malaysia, 2012). Based on the outcome of this focus group, several steps have been implemented in improving the standard and procedure of halal certification. In addition, JAKIM should also focus on improving the human factor efficiently which was found as a prevalent gap to meet halal food manufacturers' expectations (Badrudin et al., 2012). In a nutshell, the national halal certification management are continuously reviewed and improved to encounter the current challenges and resolve the issue that may arise from time to time.

Conclusion

This study has shown the positive perceptions of Generation Y on the halal certification and their intention of relying on it when purchasing the halal food. In addition, the ability of generation Y in recognizing the halal certification has been revealed and discussed. Looking at the perceptions and intentions of Generation Y on halal certification, it could be escalated to a discussion of building trust and branding the Malaysian halal certification. It is important to highlight that JAKIM halal certification is an established certification with standard and quality procedure implied on that certification. However, there is still room for improvement particularly in execution and implementation of this certification. Future research could explore on the impact of JAKIM repeatedly altering their logo outlook on the consumers' awareness and trust. Consumers' trust and awareness on halal certification is imperative, as it would affect their confident on halal products and services and ultimately giving a positive push factor for the nation to achieve it aim as a global halal hub.

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