

Factors Influencing the Purchase Intention of Halal Packaged Food in Thailand

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Abstract - Halal market has been expanding staggeringly. It has a great potential to grow the global economy. Muslim minority countries like Thailand start to see the opportunity and penetrate the halal food market to boost the local economy. However, there is still a knowledge gap considering the importance of studying the halal market and the limited availability of academic resources. This research will contribute to being a reference of halal study in the future for examining the consumers' purchase behavior of halal food and being an eye-opener for the government to keep following the halal trend because the halal market size is always getting bigger. Due to that, this paper aims to investigate the factors that can influence purchase intention of halal food among the Muslim consumers in Thailand. The data were collected from 480 respondents. The purposive sampling method is used to gather respondents from the four regions: the northern, the central including Bangkok, the northeastern, and the southern part of Thailand. Multiple linear regression analysis reveals that product characteristics, places to display the products in retailing shops, halal awareness from the consumers, and the religiosity level are significantly influencing the consumers' purchase intention of halal food in Thailand. The price of the product, promotion, and the consumers' knowledge about halal food supply chain cannot influence the purchase intention of halal food.

Keywords: halal food; marketing logistics; marketing mix; planned behavior; purchase intention

1. Introduction

Halal market is growing rapidly, especially when it comes to food which is consumed every day. The main consumer of halal food is Muslims although it is not exclusively produced for them. As shown in Table 1, the global halal food market in 2009 is USD634.5 billion and increases by 4% to the amount of USD661.6 billion at the next year. Asia is the biggest market for halal food and Australia/Oceania is the least. As cited by Reference [1] from a report of The Halal Products Research Institute of

Universiti Putra Malaysia, halal food global market size is estimated to be USD680 billion in 2015 and boosted by 70% within 2050 due to the increment in population, income of consumers, and expected demand for food. The Moslem population hit almost 1.6 billion in 2010 [2] and is going to be 2.6 billion head in 2050, taking 30% parts of the world population [1].

Table 1 Global Halal Food Market

Region/Year	2009 (billion USD)	2010 (billion USD)
Asia	400.0	418.1
Middle East/Africa	150.6	155.9
Europe	66.6	69.3
Americas	16.1	16.7
Australia/Oceania	1.2	1.6
TOTAL	634.5	661.6

Source: Reference [1]

This large market is taking attention from Thailand. The Thai Government approved strategies for developing and enhancing the potential of Thailand's halal business for the next five years [3]. One of the strategies is to link Thai halal industry into the international market. In ASEAN itself, the market is huge as 46 percent of 650 million ASEAN citizens are Muslim. Since halal products and services are not exclusively for Muslims, the business can cover all groups of people and penetrate consumers in all parts of the World.

Muslim consumers are unique because they have restrictions on what they have to eat, mainly when it comes to eating animals. Muslims abstain from eating dead meat, pork, blood, anything invoked in the name of other than Allah (Quran 5:3) and anything containing wine (Quran 2:219) and other alcoholics ingredients. In addition, as the current lifestyle is to seek for cleaner and healthier food, halal food is becoming a new benchmark for all consumers and being free from harmful ingredients is the basic principle of halal food products. Reference [4] summarized the rules for the food to be considered as Halal, namely:

- It does not contain any part, products or by-products of non-halal animals,
- It does not contain any parts, products or by-products of halal animals which were not slaughtered according to Sharia principles,

- It does not contain any filthy or unclean ingredients according to Sharia principles,
- It is safe and not harmful for human consumption
- It is not prepared, processed or manufactured using equipment that has been contaminated with non-halal elements,
- It does not contain any human parts or its derivatives, and
- It is physically separated from non-halal products during its preparation, processing, packaging, storage or transportation.

Generally, it is not only about types of food or raw material to be prepared and processed, but also about the whole long way from the source of the ingredients to the consumers' hand. To understand about worldwide Muslims, it is also needed to learn about the local Thai Muslims. Since the source of the dietary rulings is one (the Holy book), the behavior of eating is considerably the same. The main market is Muslims around the World so exporting more Halal products to Muslim majority countries, like Indonesia, Malaysia, and other OIC (Organization of Islamic Countries) members can be realized.

Every country has its own halal certifier. It is up to the companies to designate a particular body, private- or state-owned, to get halal logo on its product but consumers may not trust the designation because standards vary between countries [4], especially in Muslim-minority countries where workers or the machine operators in companies might not be Muslims and they may not understand well about halal procedures. A small observation on chocolate-based products, a popular snack for young consumers, was conducted in several retailing businesses selling food and beverages in Thailand, such as 7:11 and TESCO Lotus, on July 24, 2017. The Pocky® and Chokola®, which are made in Thailand but produced by Glico (a Japanese company), received its halal certification from Thai Halal certifier CICOT (the Central Islamic Committee of Thailand). However, The Hershey's®, a US chocolate brand, is produced in China but certified by Malaysian (JAKIM) and Indonesian Halal certifier (MUI). China has its own halal certifier but the company chose the halal certifiers from the Muslim majority countries with some good reasons behind it, indeed.

A research conducted in Malaysia by Reference [6] gave a suggestion to non-Muslim's halal packaged food manufacturers to keep serving and expanding the business in order to establish Malaysia as a world Halal hub center. In Malaysia, the Muslims and non-Muslims interact well and live together harmoniously, as well as the country is a Muslim majority country. Although the main target of Halal products is all Muslims in everywhere, it is important to see the purchase intention of the local Thai Muslims towards Halal products in the country. Halal food producers need to uphold the trust from consumers and keep their purchase intention strong. Factors influencing the purchase intention need to be known which can be increased by some marketing activities.

Consumers are having variables in making a decision to purchase products. This can be explained by Theory of Planned Behavior (TPB) which deals with antecedents of attitude, subjective norms, and perceived behavioral control [7]. Marketing mix functions (4Ps) which are the factors coming from the products and consumers' internal factors which come from the personal perception are believed to be the experimental variables that can influence the consumers' purchase intention of halal food. Marketing logistics functions acquire marketing mix 4Ps functions to relate logistics activities to marketing strategies.

2. Literature Review

Halal and Halal Food

Halal generally means lawful or permitted. Halal food is the food that is prepared in compliance with the Islamic law or also known as the Sharia law. The principle of Halal is based on Quran (the Muslim Holy book) and Sunnah (habitual practices of Prophet Muhammad). However, the Halal standard between countries is different due to different understandings of Halal concept. Current Halal standards only regulate food production, preparation, handling, and storage to some degree, but not ensure that the product is Halal at the point of consumption [8]. People nowadays should be able to distinguish the definitions between Halal product and Halal supply chain. Moreover, the concept of Halal (especially in the food industry) has been extended to the halal value chain.

Table 2 Evolution of Halal

Phase Name	1	2	3
	Halal product	Halal supply chain	Halal value chain
Characteristics of Halal	Based on the local Halal standard. Source is Halal certified	Based on the complex set of local, regional, and international Halal standards.	Islamic multinational food companies that control entire supply chains from seed to form.
Issues of Halal	Efficiency of Halal certification, Lack of Halal certified ingredients	Halal standards are not harmonized, Lack of certified logistics service providers.	Lack of Islamic and Halal researches, Ownership of natural resources
Example countries	GCC (Gulf Cooperation Council) countries, Indonesia, Singapore, Thailand, the USA, Canada, France, the Netherlands, Australia, New Zealand, Bosnia, and the UK	Malaysia and Brunei are in the early stage of phase 3.	None

Source: Reference [9]

Purchase Intention

Purchase intention can be explained by Theory of Planned Behavior (TPB) which deals with antecedents of attitude,

subjective norms, and perceived behavioral control [7]. These elements are used in an attempt to understand people's intention to involve directly or indirectly in a number of activities such as willingness to vote and giving [10]. TPB theory has also been used by various researchers in measuring people's intention to purchase with other variables rather than those mentioned above. In this case, the variables are marketing mix functions (4Ps) and the consumers' internal factors, like Halal Awareness, Religiosity Level, and Knowledge about Supply Chain on Halal Food.

Marketing logistics functions

Marketing and logistics might seem to be opposed each other. Logistics deals with the nuts and bolts of handling and delivering products whereas marketing, on the other hand, is a combination of creative activities and the detailed analysis that backs them up [11]. Simply, marketing rules how to sell the products in the market while logistics handles the products from the production plant to the customers' doors efficiently. They seem to contrast each other but they actually support the performance one and another. This is how marketing logistics can be a new topic need to explain. The marketing mix functions are operated and translated into logistics activities therefor marketing mix functions and marketing logistics functions are the same. There are four functions of marketing logistics that can help the organization to reach the target customers and deliver the products or services sold by the organization to customers, namely (a) product characteristics, (b) price, (c) promotion, and (d) place [12].

Consumers' internal factors

In making a judgment, there are external and internal reasons affecting the decision. When a consumer decides to purchase halal food, some internal factors like their awareness towards halal food, level of religiosity, and the knowledge about the supply chain of halal food, are known to be the factors that can influence whether they will buy the halal food or not.

3. Methodology

In order to conduct this study, product characteristics, prices of the products, places to display the products, and promotion to boost the sales are served as the first four independent variables, as well as halal awareness, religiosity level, and halal food supply chain knowledge are operated as the other independent variables. The assumption is that those independent variables can influence purchase intention. The variables are withdrawn from some related researches. Therefore, this paper proposes this following framework illustrated in Figure 1.

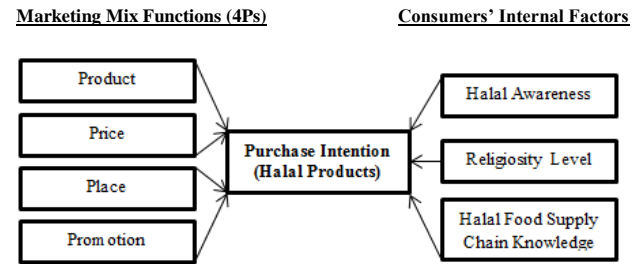


Figure 1 Research Framework

From the framework, the hypotheses can be withdrawn as follows:

- H1: Product characteristics can significantly influence the purchase intention of halal food in Thailand
- H2: Prices can significantly influence the purchase intention of halal food in Thailand
- H3: Places to display products can significantly influence the purchase intention of halal food in Thailand
- H4: Promotion can significantly influence the purchase intention of halal food in Thailand
- H5: Halal awareness can significantly influence the purchase intention of halal food in Thailand
- H6: Religiosity level can significantly influence the purchase intention of halal food in Thailand
- H7: Halal food supply chain knowledge can significantly influence the purchase intention of halal food in Thailand

4. Data Collection

This paper is a quantitative research which uses primary data gathered from the respondents by questionnaire. A total of 535 questionnaires, online and paper, have been distributed. Of that number, 480 sets (89.7%) were successfully collected. Field observations are also conducted to see the current condition of Thai Muslim eating behavior.

The questionnaire is divided into 4 sections: A: Marketing Mix Functions, B. Consumers' Internal Factors, C. Purchase Intention, and D. Demographic Profile, and uses a 5-point Likert scale questionnaire ranging from 1 (strongly disagree) to 5 (strongly agree). It consists of 30 items adapted from [13], [6], [14], [15], and [16]. The hypotheses are tested using a statistical software called SPSS version 23 and analyzed by multiple linear regression analysis (95% confidence level; p-value 0.05).

The research object of this research is Thai Muslim society which comprises 2,910,358 inhabitants based on the census in 2010. Ref. [17] categorizes the 76 provinces and 1 special administrative area (Bangkok) into four regions: southern, central, northeastern, and northern part of Thailand. A purposive sampling method which is a non-probability sampling technique is used in order to conveniently reach the respondents representatively as well as effectively in cost and time.

Table 3 Population and Sample

No.	Region	Population		Sample	
		Muslim Population	%	Sample per Region	%
1	Northern	12,672	0.4	42	8.8
2	Central	551,287	18.9	64	13.3
3	Northeastern	2,200	0.08	8	1.7
4	Southern	2,344,199	80.6	366	76.3
TOTAL		2,910,358	100	480	100

Source: Modified from Reference [17]

5. Results

Socio-Economic Characteristics of Respondents

From 480 respondents, 45.6% is male and another 54.4% is female. Mostly, the respondents are young generations: 28.3% is below 21 years old, 41.3% is 21 to 30 years old, 21.3% is 31 to 40 years old, and the rest is above 40 years old. The respondents live under prosperous life as more than 90% of them earn money more for than 20,000 baht per month. They are educated enough by possessing bachelor (72.1%) and postgraduate degree (10.4%). In the case of employment, almost 34% of them work in private sectors and 28% of them employ themselves. For favorite food in retailers, snack is the most-wanted product followed by meat and instant noodles. The frozen meal is mostly popular among students. Refer to Table 2 for the complete profile of the respondents.

Table 4 Respondents' Demographic Profile

Items	N	%	Items	N	%
Gender			Level of Education		
Male	219	45.6%	Below bachelor	84	17.5%
Female	261	54.4%	Bachelor	346	72.1%
			Above Bachelor	50	10.4%
Age Group			Employment		
≤ 20	136	28.3%	Government Sector	110	22.9%
21 - 30	198	41.3%	Private Sector	162	33.8%
31 - 40	102	21.3%	Self-employed	136	28.3%
≥ 41	44	9.2%	Student	72	15.0%
Average Income per Month			Favorite Products		
≤ 9,000	122	25.4%	Frozen Meal	46	10.0%
9,001 - 20,000	330	68.8%	Instant Noodles	80	17.5%
20,001 -30,000	18	3.8%	Meat	99	21.6%
≥ 30,001	10	2.1%	Snacks	233	50.9%

Reliability Analysis of the Qualitative Data

Before proceeding to the regression analysis, the collected data were checked for the reliability through Cronbach's alpha. Alpha 0.8 is typically employed as a rule of thumb to denote the acceptable level of internal reliability [12]. Alpha 0.7-0.8 (good reliability) and alpha 0.6-0.7 (fair reliability) can be accepted but not for alpha lower than 0.6 (poor reliability) [19]. All items in this study had a satisfactory level of internal reliability since they had a coefficient alpha above 0.60. In spite of that, the overall coefficient Alpha of the 21 measured items is 0.867. All of

the constructs in this study were also refined further through the use of Exploratory Factor Analysis to ensure that the constructs are related each other and can represent their own variable.

Table 5 Factor Loading (Explanatory Factor Analysis) and Cronbach's Alpha (Reliability)

Measured Items for Purchase Intention	Factor loading	Cronbach's Alpha
A.1 Product		
A clear halal logo needs to be patched on the package of the food	0.723	0.650
It is easy for me to find Halal food in Thailand	0.627	
Thailand should have food manufacturers that produce only halal food	0.604	
A.2 Price		
Companies need to burden the halal certification fee	0.796	0.788
The price of Halal food is acceptably higher	0.855	
Halal food is more expensive because it goes through special production process	0.845	
A.3 Place		
It is easy to find retailers or supermarkets selling halal products	0.600	0.692
Halal food and non-halal food must be in the different rack	0.848	
Frozen halal food should be placed in separate refrigerators	0.844	
A.4 Promotion		
There are some news or publications related Halal food from Thai TV or radio programs	0.855	0.788
There is a special discount during Ramadan or other big Islamic events in Thailand	0.833	
B.1 Halal Awareness		
I know and understand about Halal and Halal food	0.706	0.836
I think Halal-ness is very important for all Muslims	0.781	
Halal certification is the best manufacturing benchmark	0.720	
I am fully aware and informed about Halal	0.724	
B.2 Religiosity Level		
I always follow the rules of eating Halal food	0.777	0.786
My religion requires me to always eat halal food	0.831	
My diet style determines my religious level	0.635	
B.3 Halal Food Supply Chain Knowledge		
Halal food and non-halal food must be in the same container truck during distribution to the retailers	-0.791	0.652
The halal principle must be implemented in all supply chain stages of the food production	-0.553	
I prefer a specific halal logistics service provider	-0.842	

Hypothesis Testing Results

Out of seven factors in the model, only four of them have a statistically significant influence on the purchase intention of halal food. The variable of product, place, halal awareness, and religiosity level have significant influence whereas the variable of price, promotion, and halal food supply chain knowledge have insignificant influence on purchase intention of halal food.

Table 6 Multiple Linear Regression Result (N=480)
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Conclusion
	B	Std. Error	Beta			
1 (Constant)	3.801	.758		5.018	.000	
Product	.291	.065	.183	4.447	.000	H1 accepted
Price	.055	.035	.046	1.562	.072	H2 not accepted
Place	.159	.048	.113	3.285	.001	H3 accepted
Promotion	-.077	.055	-.046	-1.411	.159	H4 not accepted
Halal Awareness	.242	.053	.196	4.557	.000	H5 accepted
Religiosity Level	.667	.066	.438	10.053	.000	H6 accepted
Halal Food Supply Chain Knowledge	.005	.044	.003	.108	.914	H7 not accepted

a. Dependent Variable: Purchase Intention (95% Confidence Interval)

6. Discussion

Testing of the hypothesis can be analyzed from Table 5. According to the sig. value or p-value, only four hypotheses are accepted ($p\text{-value} < 0.05$). Product, place, halal awareness, and religiosity level can significantly influence the purchase intention of Halal food. Price, promotion, and halal food supply chain knowledge cannot influence the consumers' purchase intention of halal food with the sig. value of 0.072, 0.159, and 0.914 respectively.

In producing halal food, there are some causes that can increase the expenses or the cost of the products such as special treatment of ingredients, dedicated assets in the process of halal food, and also the fee for halal certification. Muslim consumers do not take an account of prices of a product because they already understand that the prices can be higher due to the factors. That is why when there is a promotion like discounted price, Muslims do not care that much. Despite that, before setting the price, management also needs to consider the non-Muslims as their bigger consumers.



Figure 2 A microwaves (dedicated assets) for Halal products

Muslim consumers need assurance of the Halal-ness of a product. A clear halal logo attached on the product can assure the consumers and therefore are licensed by a trustworthy Halal authority [14]. As the Government currently supported and promoted Halal products in the country, the availability of Halal products is quite high. To boost the purchase intention from consumers, the government can collaborate with the halal authority, CICOT, for the improvement of the Halal standard.

Based on the field investigation in the south of Thailand, especially in the Province of Yala, Narathiwat, and Pattani, where more than 76% of our respondents are

living, Halal food and non-halal food are placed on a different rack and refrigerators. The observation as shown in Figure 3 took place in conducted in one 7:11 store in the province of Yala and we found that the retailer puts a green banner “สินค้าฮาลาล HALAL PRODUCTS” on every Halal rack. This can confirm that the place to display halal food product or segregation between halal and non-halal product is important for Muslim consumers.

Figure 3 the segregation between halal and non-halal products



Source: Field observation in the province of Yala

Business people by the time are getting more understood about halal food supply chain because they start knowing that they need to segregate the halal and non-halal food in the displaying. Thai Muslim consumers do not have sufficient information about halal distribution process, halal food supply chain in the factory, and halal logistic. In Australia, Malaysia, and Singapore, Reference [20] found that knowledge of Halal supply chain and logistics is the second top priority in making the decision to purchase halal meat products since issues on the infrastructure of the supply chain for halal meat products are raised there. Society might need an exposure or publication on how Halal principle is implemented on that particular product through advertisement in TV, magazines, or books.

Awareness is an important role in determining the intention to choose [13]. It is a concept of understanding and then implementing a particular event or subject. In this study, halal awareness can give significant influence on purchase intention of halal food. This result is in concordance with the research result of Ref. [6]. Yet, Ref. [21] argued that Halal awareness cannot predict the purchase intention on Halal products while the respondent of their study is the non-Muslims in Malaysia.

Eating halal food is not just because Muslims are aware of it, but it is also an obligation for them. Consuming non-halal food means breaking one rule of Islam and is one of the bad deeds. With other words, dietary can reflect the religiosity level. The more religious someone, the more he/she cares of his/her diet and the higher the intention to purchase halal food.

7. Conclusion

Studies on Halal food are very limited in Thailand. To provide more references about Halal market, this research can fill the gap and be a reminder for the government to keep following the update of halal trends as the halal market size is getting bigger. The result of this study should be used by marketing people to design marketing strategies to win the market by setting up strategic tactics based-on the variables which are critical for Thai Muslim consumers, such as product characteristics, place for displaying, halal awareness, and religiosity level.

Generally, the result of this research can be used to increase the purchase intention of halal packaged food sold in merchandising business. Recommendations that can be proposed to stakeholders are (1) the Thai government together with CICOT collaborates to increase the halal standard of the country in order to have trusts from international Muslims, such as choosing a consistent color for the logo and technology advancement. The government can be from various ministries, such as transport, industry, commerce, and agriculture; (2) companies should make sure that their downstream and upstream supply chain members understand about halal supply chain in order to move from “halal products” into “halal supply chain”; (3) academicians and scientists should conduct further research on halal in terms of marketing strategies for halal products, a new technology to detect pork gelatin in the products, business opportunity for potential halal logistics service provider, etc.

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