

The Importance of Halal to Muslim Consumers: Are They Powerful Stakeholders?

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ABSTRACT

Despite the importance of halal to Muslims, issues of forge certificates and logo or closure of premises due to unhygienic productions still occurs. As a stakeholder, Muslim consumers should be able to exercise their power when they considered the halal issues are very important to them. Since halal is sensitively related to religiousness, this study employed a qualitative approach using open-ended surveys. It is divided into two, where in the first survey which nothing related to halal was mentioned to avoid their judgments be influenced by researchers' idea. Findings of this study indicated that Muslim did not necessarily react accordingly to what they beliefs in purchasing food products. Due to that, it would be easy for companies to disregards their needs and demands. This is due to their power are weak when they failed to demonstrate how it is very important for them to consume halal food products.

KEYWORDS: Stakeholder Power, Halal, Qualitative Approach.

INTRODUCTION

Muslim population worldwide for 2010 is 1.8 billion. It is forecasted to grow at twice the rate by 2030 which representing 27% of global population [1]. In Malaysia, Muslims form 60% of the total population [2]. The life of a Muslim revolves around the concepts of halal [3]. For Muslims, being religious mean that must to fulfil all the requirements of the Islamic religion including make sure their food consumptions are halal [4].

Halal refers to a code of conduct which is permitted by Syariah, and it applies to every activity carried out by a Muslim [5]. Commonly known that, consumption of alcohol, pork, blood, dead meat and meat that had not been slaughtered according to Islamic rules are forbidden for all Muslims. Therefore, the concept of consuming halal foods is not only bound to the foods itself but also to the process of producing them. Halalan tayyiban concept highlighted the importance for the food not only has to be halal by itself, but it also need to be produced in clean environment and are safe for everybody to eat [1]. However, identifying the ingredients used as halal and approving the production process had followed the requirement of halal are not an easy task for most consumers [6]. Thus, institutes like the Department of Islamic Development Malaysia (JAKIM) had taken the responsibility to supervise and regulate the food industries. Halal certificates are given to companies that manage to comply with the halal concept. This would enhance consumers' confidence in making sure the foods that they consume are halal [7].

Unfortunately, even has stated the importance of halal to Muslims, issues of forge certificates and logos or closure of premises due to unhygienic production processes are never failed to make news headlines in Malaysia [8, 9]. Focusing too much effort on maximising profit clouded companies' judgement that led them to act unethically, even repeatedly. By right, growing demand from stakeholders could enforce companies to extend their responsibility by producing halal foods accordingly to ensure survival of their businesses [10]. Yet, there are still companies that failed to consider the importance of halal to Muslims seriously. Lack of monitoring and enforcement by JAKIM as the authority had making it worse further [11]. Accordingly, collaboration with key stakeholders is necessary. But, many companies still unable to view halal as part of their Corporate Social Responsibility (CSR) activities [7].

Therefore, Muslim consumers should play their role as a stakeholder in ensuring their needs will be fulfilled by the food manufacturers. Previous studies indicate positive consumers' behaviour in support of halal related matters. However, most of the studies employed questionnaires as their main survey. Halal issues are closely related to Islamic religion, which providing adverse responses that would then resemble themselves as bad Muslims. Alternatively, this study applied qualitative approach in trying to identify how consumers themselves as one of the stakeholders' value know about the importance of halal in their purchasing decision of their food consumption. Having to know the importance of halal to the consumers would possibly ascertain their power as one of the stakeholder in influencing companies to be more conscious in halal relate matters.

LITERATURE REVIEW

Halal Concepts

Religion is defined in [12] as ‘a particular system of this belief and all the ways of expressing your love for your god....., and duties that are connected with it’ in which most religion prescribes or prohibits certain behaviour including food consumption [11]. Choices of food and consumption are also determined and influenced by ones religion [6, 13]. Several religions restricted consumption of certain types of food or prohibited food which are not following certain processing procedure and are not prepared accordingly. For example, Islam prohibits alcohol and pork and sources of meat need to be ritually slaughtered.

Generally, as stated in the Al-Quran the Muslims’ scripture, all foods are Halal except those that are specifically defined as Haram (unlawful or prohibited) [3]. As guided by the [14]:

“Forbidden unto you (for food) are: carrion, and blood and swine flesh, and that which hath been dedicated unto any other than Allah, and the strangled, and the dead through beating, and the dead through falling from a height, and that hath been killed by the gorging of horns, and the devoured of wild beasts saving that which ye make lawful and that which hath been immolated to idols, and that ye swear by the divining arrows”

(Surah Al-Baqarah; 172)

“Forbidden to you is anything that dies by itself, and blood and pork, as well as whatever has been consecrated to something besides Allah, and whatever has been strangled, beaten to death, trapped in a pit, gored, and what some beast of prey has begun to eat, unless you give the final blow; and what has been slaughtered before some idol, or what you divide up in raffle; (all) that is immoral”

(Surah Al Ma'idah; 3)

Therefore, for Muslims, determining whether the food that they want to eat or products that they would like to consume are halal or not are critically important [7]. It is sinful for any Muslim who failed to obediently follow Islamic principles.

“O mankind, eat from whatever is on earth [that is] lawful and good and do not follow the footsteps of Satan. Indeed, he is to you a clear enemy.

(Surah Al-Baqarah; 168)

Stakeholders: The Consumers

According to [15], companies are answerable to numerous groups of stakeholders and paying attention to adequate degree of their welfare might be crucial to the companies’ survival. In [16] defines stakeholders as “entities or individual that can reasonably be expected to be significantly affected by the organization's activities, products, services; and whose actions can reasonably be expected to affects the ability of the organization to successfully implement its strategies and achieve its objectives”. Then, they may include shareholders, employees, lenders, suppliers, customers, government and the society at large.

On the other hand, stakeholder theory suggests that the organization success is dependent upon its ability to manage the relationship with stakeholders successfully [17]. In [18] suggests that a company is implied to have contract with various stakeholders. However, in [19] argues that not all stakeholders are equal and there is an existence of a hierarchy of stakeholders. The more powerful the stakeholders, the more companies have to fulfil their needs and demands [20, 21], and tend to disregard the concerns of less powerful groups [22]. In accordance to [23], companies need the stakeholders’ support to be in existence for the foreseeable future since stakeholders have the power on the resources of the companies. Thus, if Muslims consumers hold the power on the companies’ resources namely sales revenue, the importance of providing halal food to them should not be taken lightly since it is crucially important to Muslims market.

Halal as Criteria for Food Selection

In survey conducted by [24] in UiTM Pulau Pinang, 53 respondents returned the questionnaires. From that, 53 respondents (66%) stated that they are very careful and conscious in buying and eating meat foods and products. While 73.6% respondents highlighted that they will be very careful in evaluating the halal logo to ensure it is genuine, and 67.9% were also very concern on the authority bodies that certified the halal logo.

In another survey conducted earlier by [11], 1,000 questionnaires were conveniently distributed to Malaysian consumers where 891 (89.1%) indicated that halal logo did play a role in their purchasing decision. Even though this survey employed both quantitative and qualitative approach, only a group of managers producing consumers’ products were interviewed while those representing consumers as one of the stakeholders were given questionnaires to fill in.

It is also supported by study conducted by [6] when the researchers recognised that Muslims are increasingly requesting a halal label informing and assuring them about the status and the wholesomeness of halal meat. The study is conducted in Belgium where questionnaires were developed to obtain responses from the Muslims about the confidence of Muslims consumers on the information provided by the sources of halal meat. In France, Muslims consumers tend to buy halal food product at retail stores. The halal food products that presented provide them with more information and reassurance on the safety of halal meat product [25]. On the other hand, in [4] distributed 300 questionnaires where 211 responses show the level of religiosity. Halal perception among Non-Arab Muslims is higher compared to Arab Muslims, where the Non-Arab Muslims are more careful when purchasing food products compared to Arab Muslims [25].

Despite of the above, in [6] conversely mentioned that the public does not always make food-related decisions that are safe. In some cases, other factors such as tradition, habit, pleasure, financial constraints, may be more salient features of decision making besides risk. In [13], a survey conducted in Pakistan stated that Muslim beliefs are closely related with religious commitments. But, people who are highly religious may not necessarily transform into high level of awareness about halal foods.

Previous studies indicate positive consumers behaviour in support of considering halal criteria as part of their decision making process in their food consumption. However, most of the studies employed questionnaires as their main survey tools where consumers were urged to response to several questions, items and statements provided to them. As such, respondents could be easily influenced by the options provided since halal issues are closely related to Islamic religion and adverse responses would resemble themselves as bad Muslims.

RESEARCH METHODOLOGY

This study employed a qualitative approach that requested respondents to complete two sets of surveys comprised of all open ended questions. The first set of survey, identified as survey A was distribute first prior to the second survey, survey B. Both surveys were distributed in classrooms where their actions were monitored and discussions were prevented. Survey A mainly asked the respondents to list five criteria about what they looking for in purchasing food products where no halal related information was mentioned in survey A. Even, the researchers who were responsible in distributing the surveys were reminded not to mention anything about halal when the survey was conducted.

The survey was conducted in such a way to ensure the criteria stated by the respondents were the actual criteria that they apply in purchasing food products and their judgment were not clouded by researchers' idea. Furthermore, since halal issues is closely related to Islamic religion and disregard it would be considered to be sinful, Muslims highly show their conscious towards halal even in reality they act differently. Once the first survey A were completed and collected, the second survey, survey B was then distributed to the same respondents. In this survey B, the respondents were asked on how they value the importance of halal in purchasing their food products. Responses from both surveys would provide information on how respondents value the importance of halal in purchasing food products, and how they actually react in purchasing the food products.

About 92 Diploma in Accountancy's students were chosen to form part of the respondents for this study. All the students chosen are studying in last semester of part 6. These groups of students were chosen, and assuming that almost all of them had similar academic background, age and preference needs as students. Furthermore, once they graduated, they will be working and have their own purchasing power in buying their need including their food products.

RESULTS AND DISCUSSION

Majority (78.3%) of the respondents had a CGPA 3.0 and above. Knowing that they are final semester's students, their CGPAs then showed that they have good academic background and would possibly indicated that they would have good justification in making decision. Also noted that 12 (13%) of the respondents had attended religious schools during their secondary schools education. This would make them to be highly aware of halal issues and are more knowledgeable than others in Islamic matters.

Table 1: Respondents' academic background

CGPA	Number of Respondents	Percentage (%)
3.5 and above	33	35.9
3.0 to 3.49	39	42.4
2.5 to 2.99	16	17.4
2.0 to 2.49	4	4.3
TOTAL	92	100

Since the survey was conducted in UiTM Kelantan, not surprisingly that almost 70% of the respondents are from east coast of Malaysia (Kelantan, Terengganu and Pahang) with more than half of them came from the state of Kelantan.

Table 2: Respondents' state of origin

State	Number of Respondents	Percentage (%)
Kelantan	38	41.3
Terengganu	18	19.5
Selangor	16	17.4
Pahang	8	8.7
Wilayah Persekutuan	8	8.7
Kedah	2	2.2
Johor	2	2.2
TOTAL	92	100

Consistent with previous studies, since halal issues related to one's religiousness, almost all (98.9%) of the respondents answered 'Yes' when they were asked in Survey B whether they looked for halal logo when choosing food products. About 53% gave a clear and specific reason for such practice either; 1) because they are Muslims or 2) because it is an obligation by Islam. However, finding of this qualitative approach revealed that when they were asked earlier in Survey A to list five (5) criteria that they would consider in choosing food products in supermarket or hypermarket, only 67.4% of the respondents included halal as one of the criteria that they will consider while another 32.6% did not at all stated halal as one of the five (5) criteria they consider. Even though they are aware of the importance of purchasing halal food products, they might have failed to execute their awareness and beliefs into actions. Astonishingly, 6 out of 12 respondents who had attended religious schools did not at all include halal as one of the criteria they would consider in purchasing food products.

Table 3: Halal as criteria for selection

Preference of Halal as Criteria for Selection	Frequency	Percentage (%)
Criteria Number 1	17	27.3
Criteria Number 2	8	12.9
Criteria Number 3	12	19.4
Criteria Number 4	13	21
Criteria Number 5	12	19.4
TOTAL	62	100

From 62 respondents that mentioned halal as part of the criteria that they will look for in purchasing halal food products, only 17 (27.3%) positioned halal as the first criteria that they would looked for.

Table 4: The criteria considered in purchasing food

Preferable Criteria for Selection	Frequency	% of Total Respondents
Price-Cheaper and reasonable	78	84.8
Halal	62	67.4
Expiry date	62	67.4
Packaging-interesting	44	47.8
Quality	42	45.7
Brands	38	41.3
Ingredients	30	32.6
Physical form-still in good condition	29	31.5
Clean and safe to eat	15	16.3
Taste	15	16.3
Quantity	15	16.3
TOTAL	430	

In fact, prices were listed as the top selection criteria when 78 (84.8%) of the respondents listed it as the main criteria that they looked for in purchasing food products and it outperformed halal. Expiry date of the food products seems to be equally important with halal when it was listed as the second and third selection criteria. It seems that, as Muslim consumers, we ourselves might not place halal as the main criteria in purchasing food products even though we as Muslims aware and believe that it is an obligation. Instead, Muslim consumers might be too driven by cheaper price rather than other criteria that could be more important to be considered. As such Muslim consumers would easily be blinded by cheaper prices offered, attractive packaging, brands and other criteria which they considered to be more important than halal.

Meanwhile, ingredients of the food products had met one of the criteria for only 30 (32.6%) respondents. Still, when the respondents were asked later in Survey B whether they read or checked the ingredients of the food products, again majority (75/81.5%) said 'Yes'. Those respondents who said 'No' (17/18.5%) commonly mentioned that they did not read or checked the ingredients because lack of knowledge of the ingredients used especially when scientific name were used. Few of them also

mentioned that they did not check the ingredients because they were confident with the halal logo on the products. About 7 respondents freely mentioned that they did not do it because 'they were in hurry and have no time to do it'. However, from the majority number of respondents who said 'Yes', only (18/24%) read and checked the ingredients to ensure that the food products are free from non-halal ingredients. The rest of the respondents (57/76%) checked the ingredients only to ensure that they had quality, healthy and safe food products for consumption.

Thus, Muslims consumers purchasing behaviour would let them to be easily deceived by greedy food producers. Since seeing halal logo alone sometimes is already enough for some Muslim consumers, usage of forge halal logo would be hardly prevented. In making sure the food products are halal, Muslims need to holistically ensure that not only the final products are halal, but the ingredients and the production processes need to be halal as well. Unfortunately, Muslim consumers may rely too much on JAKIM to verify the food products to be halal. This would eventually weaken their power as one of the stakeholders. Muslim consumers' needs and demands will be disregard by companies when they appeared to be the less powerful groups [20, 21, 22]. Furthermore, busy daily routines, hectic lifestyles would drive Muslims consumers to almost grab whatever food served and said to be halal.

CONCLUSION

Muslim consumers need to heighten their power as stakeholders to ensure their needs and demands will be considered by companies. In doing so, halal related matters should always be considered as top priority in choosing food products. Wide range of social media such as Facebook, Twitter, Whatsapp and others should be utilised to the benefits of Muslims by informing others of any unethical activities by any company. Any confusion with regards to the ingredients should be clarified firmly with the companies. Changing the purchasing behaviour by taking more conscious act upon halal issues would demonstrate the seriousness of Muslim consumers in making sure the food products that are served to them are halal and according to the Islamic principle. As the stakeholders, make them as one who holds greater power and control over companies' resources. It leaves them with no other choice but to fulfil the needs of Muslims consumers.

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