

# CUSTOMER AWARENESS AND BEHAVIOR INTENTION TOWARDS THE USE OF HALAL LOGO ON RESTAURANTS

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## ABSTRACT

*The trend of eating out leads the food service industry to the needs of managing customers and making sure that all their needs and preferences can be fulfilled. The certification and recognition of establishment also becomes the in thing in hospitality industry, which includes the certification of halal, HACCP, and ISO. Establishment with certification is useful as a marketing strategy to attract more customers. This study discusses the level of customer awareness of towards the halal logo used in some restaurants which is carried out to give evidence to restaurant operators regarding the importance of attaching the genuine halal logo in their restaurant. From the findings, it is showed that customers are do aware of the use of halal logo on restaurants. It is also a factor in choosing a restaurant. It is concluded that halal logo is one of the main factors for customers in choosing restaurants which in return can be a main strategy to attract and retain more customers in the future, not only for the local customer but also to foreigners.*

**Keywords:** halal logo, restaurant, awareness

## ABSTRAK

*Kecenderungan makan di luar membawa industri jasa makanan pada kebutuhan mengelola pelanggan dan memastikan bahwa semua kebutuhan dan preferensi mereka dapat terpenuhi. Sertifikasi dan pengakuan pendirian juga menjadi sesuatu yang populer dalam industri perhotelan, yang meliputi sertifikasi halal, HACCP, dan ISO. Pembentukan dengan sertifikasi ini berguna sebagai strategi pemasaran untuk menarik lebih banyak pelanggan. Penelitian ini membahas tingkat kesadaran pelanggan terhadap logo halal yang digunakan beberapa restoran sebagai bukti untuk pengelola restoran tentang pentingnya melampirkan logo halal asli di restoran mereka. Temuan-temuan menunjukkan bahwa pelanggan benar-benar peduli akan logo halal di restoran yang juga merupakan faktor dalam memilih restoran. Dapat disimpulkan bahwa logo halal adalah salah satu faktor utama bagi pelanggan memilih restoran yang berimbang menjadi strategi utama untuk menarik dan mempertahankan lebih banyak pelanggan baik local maupun asing di masa depan.*

**Kata kunci:** logo halal, restoran, kepedulian

## INTRODUCTION

Tourism Malaysia has become one of the industries that generate high income to our country. To increase more income, our government has to attract more tourists to Malaysia. Becoming a global halal hub, Malaysia has a capability to advance any research development and technology that creates products with more complex and scientific ingredients. Thus, having the halal logo for food products is a necessity. This study is also carried out to find: (1) the level of customer's awareness towards halal logo on restaurants; (2) the importance of halal logo as a marketing tool to attract more restaurant customers. It will explore the relationship of these variables and investigate the significant impact towards the restaurant industry.

### Literature Study

#### Halal

Nowadays, issue halal and Haram food become a hot topic discussed because the food will be taken into their body. This is true because all Moslems must find and eat the acceptable and good food (Arsat, 2009). The term *halal* is from (halla). Halal food is the food which is prepared, stored, manufactured, slaughtered and served in a manner required by the sharia. The term *Haram* is originated from Arabic word which means prohibited or unlawful. Haram food and drinks are absolutely prohibited by Allah. Eating haram food is forbidden for every Moslem. The ingredients and the preparation of the food must be permitted based upon Islamic teachings. The equipment used in preparing and processing the food must be in the Islamic point of view; the food is stored and served in a manner required by sharia.

According to Islamic Food and Nutrition Council of America (IFANCA), Agriculture and Agri-Food Canada (2006), and Jabatan Kemajuan Islam Malaysia (JAKIM, 2007), *halal* is an Arabic word means lawful and permitted. The opposite of halal is *Haram*, which means unlawful or prohibited. These three organizations agreed that *halal* and *Haram* are universal terms applied to all facets of life. However, these terms are used mostly in relation to food products, food ingredients and food contact materials and other aspects of life such as appearance items. In a simple description as indicated by Yaakob Che Man et al (2007), *halal* is referred to as permissible based on sharia (Islamic law) perspectives. However, the term *toyibbah* is referred to being good or wholesome, with respect to quality, safety, hygiene, cleanliness and nutrition and authentic science. While many items are clearly halal or clearly Haram, there are still some "unclear" things which has not been determined as halal or haram. These kinds of items are considered to be questionable or of being of a suspicious nature. When there is uncertainty, the item is referred to as being questionable or referred to as *mashbooh* (IFANCA, 2007; JAKIM, 2007).

#### Halal logo

Restaurant and food which are in compliance with Islamic dietary laws are sometimes marked with the symbol registered to the Department of Islamic Development, Malaysia. It signifies that the food served is fit for Moslem consumption. The symbol is known as "halal logo" (Figure 1).



Figure 1. The halal logo applied in Malaysia (Bin Abdullah, 2010).

Sadek (2001), states that the desire among Moslem consumers to eat only halal food made it incumbent upon Malaysian government to enact laws, procedures, and guidelines with regards to halal good, the passage of Trade Description (use of expression “halal” ) Order. 1975 and Trade Description Act (Halal Sign Marking ) 1975 makes it an offence to falsely label the food as halal, also for the use of the halal sign on the specific food products when actual sense it is not. Plus, under section 3 it is mentioned that if a company or person who does not apply the halal meaning and procedure but put the halal logo at their restaurant or products will be considered as a criminal.

Zulkifli (2008) also mentioned about the Food Act 1983 that stipulates an offence is for any person to prepare, pack, label or sell food in any false, misleading or deceptive manner as to its character, nature, value, substance, quality, composition, merit or safety strength, purity, weight, age, origin and proportion. Although this act does not mention any abuse or illegal use of halal, but it does concern the misleading or deceptive acts in which a product is marked as ‘halal’ when it is not. The Food Regulations 1985 states that food containing beef or pork or its derivatives, or lard, should be written on its label (Ramli & Ibrahim, 2008).

In Malaysia, restaurants are identified by the recognition given by the authority. The guidelines are prepared by the Ministry of Health for restaurant operators. Grade A and B show that the premises have achieved the standard of cleanliness, sanitation and high quality of food. As grade C shows that there are still needs for improvement in terms of the quality. Inspections will be conducted every three months to make sure that the operator maintain the quality, cleanliness, hygiene and sanitation in the restaurant (Jabatan Kesihatan Negeri Sembilan).

### **Halal logo and Customer Behavior**

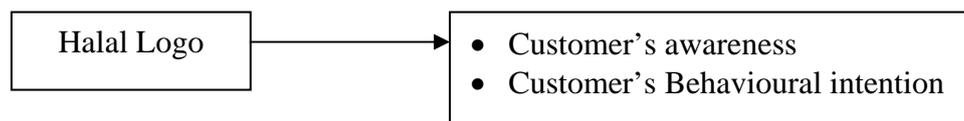
The ethnic and religious diversity in Malaysia has encouraged the food industry to prepare products which are suitable to different groups that can fulfill the consumer needs. Clearly, halal is a big and the ‘in’ thing in Malaysia. As reported by Chang (2006), the Malaysian government is encouraging local food manufacturers and operators to expand their exports and take opportunity of the USD 500 billion global halal foods market. Malaysia’s halal standards are widely recognized in the Moslem world. According to (Habibah Abu Talib, Khairul Anuar Mohd Ali, & Khairur Rijal Jamaluddin, 2008), halal food covers all aspects in term of quality and safety of food, health and also nutrition. Amat Sumali (2006) states that by getting halal products certified by JAKIM, manufacturers and producers are getting the assurance that their ingredients, preparation, processing, hygiene and sanitation procedures do not only meet the halal standards, but also be consistent with HACCP and other established quality assurance standards.

From the Moslem consumer perspectives, products with halal logo are much more meaningful and crucial compared to those with International Organization for Standard (ISO) recognition or similar certification to produce and provide halal foods. As reported by Bernama (2009), the uncertainty of halal status is seen as one the main reasons why Moslems in Malaysia or Japan are not motivated to have their meals in Japanese restaurants or foodstuff. This situation might be difference once Japanese chain stores or restaurants applied for the halal logo certificate, (Arsat, 2009). Problems arise when there will be varieties of people, ethnic and background to be served by restaurants in Malaysia. The use of halal logo on restaurants in Malaysia will be questioned as if it can increase the number of customers. Looking at the past literature, it can be concluded that certification of a restaurant do have a positive relationship towards purchase behavior. The increasing level of awareness towards cleanliness and halal food is seen as a pushing factor for a restaurant operator to get a certification and build their good reputation in the customer's eyes. By doing this, the restaurant can generate more income for the restaurant and at the same time gain the trust of the customer's to dine-in the restaurant.

## METHOD

### Research Design

Based on the purpose of this research, a study framework is developed as below (Gambar 1):



The method of measurement used to collect data is survey. The instrument used is questionnaires distributed to four universities in Malaysia: University Teknologi PETRONAS (UTP), University Sains Malaysia (USM), Universiti Teknologi MARA (UiTM), and University Kebangsaan Malaysia (UKM), focused on the international students in the universities. The four universities completed this questionnaire with implementation of halal logo and certification in this country. These universities were selected as they have the highest number of international Moslem students.

From 600 copies of the questionnaires distributed only 515 questionnaires were received back. Each subject from the sample is a foreigner student who came from Asia, South Africa and also Middle East. All of them have different ethnic background. The targeted population is all of the students from the four univeristies while the targeted sample is the foreigner students from the four universities.

The reason the researchers choose foreigner students as the sample for this study is because they spend more time in the country. Undergraduate programs offered in that University requires them to spend 4 years to complete the study. Meanwhile, the postgraduate programs take two years of study. It is believed that the targeted sample has more understanding about the halal logo and requirements since Malaysia is known as one of the Islamic country in South East Asia.

The survey consists of the respondent's background, general information about the halal logo and the respondent's understandings about the use of halal logo on restaurants. The interitem consistency reliability or the Cronbach's alpha reliability coefficient of the variables was obtained. The result is .812 which means that all the variables are positively correlated. In other word, .8.12 range are consider good, the respondents understand what it is about, which is question are very clear and easy to understand. Perhaps in future, this questionnaire will be used in future and give an effective and efficiency result.

## RESULTS AND DISCUSSION

To achieve all the objectives of this research, the relationship between the two variables, was tested through conducting hypothesis testing. The entire item is tested with the cross tabulation ( $p < 0.05$ ) to find the correlation between two variables. The results for hypothesis testing are shown in Table 1 and Table 3.

Hypotheses 1:

There is a relationship between customer's awareness towards the use of halal logo in the restaurant.

Since both variables are nominal, a chi-square test ( $X^2$ ) was done. The results of which are shown in the Output 1. It is related because .000 is less than .05 significant mean ( $p = .000 < .05$ ). There is a relationship between the awareness of customers towards the use of halal logo on restaurants.

Hypotheses 2:

There is a relationship between halal logo and behavioural intention.

To interpret this data, a chi-square test ( $X^2$ ) (Table 2 and 4) is done, where the results are shown in Table 3. The cross-tabulation indicates that the total number of respondents who identify the halal logo implementation have a strong relationship with the performance of the restaurants. It may be seen that the  $X^2$  value of 19.257 with four degrees of freedom, (df) is significant. The variables are related because .000 is less than .05 significant mean ( $p = .000 < .05$ ). The null hypothesis is rejected. Thus, there is a strong relationship between the important of halal logo and restaurant development.

Tabel 1 *Customer Awareness of the Use of Halal Logo in the Restaurant*

know\_logo \* logo\_quality Crosstabulation

Count

		logo_quality				Total
		Disagree	Neutral	Agree	Strongly Agree	
know_logo	Yes	14	37	351	63	465
	No	8	0	27	0	35
Total		22	37	378	63	500

Tabel 2 *Chi-Square Tests*

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	36.677 <sup>a</sup>	3	.000
Likelihood Ratio	30.265	3	.000
Linear-by-Linear Association	17.778	1	.000
N of Valid Cases	500		

a. 3 cells (37.5%) have expected count less than 5. The minimum expected count is 1.54.

Table 3 *Implement Halal Logo towards Restaurant's Performance*

important\_logo \* logo\_development Crosstabulation

Count

		logo_development			Total
		Neutral	Agree	Strongly Agree	
important_logo	Yes	15	263	154	432
	No	68	0	0	68
Total		83	263	154	500

Table 4 *Chi-Square Tests*

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	395.415 <sup>a</sup>	2	.000
Likelihood Ratio	319.202	2	.000
Linear-by-Linear Association	225.714	1	.000
N of Valid Cases	500		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 11.29.

After the interpretation from the dependent and independent variables, all results are gathered to distinguish the relationship of both variables and relate it with the research objectives and research questions. Looking at the results, it showed that there are significant relationships between all the variables in the study.

It is not surprising because the food industry is an evergreen industry and the halal food is the latest trend in the world market. On that issue, customers' demand for halal food is increasing not only in the Islamic countries but also in Europe and America. Taking into account, the increasing of halal product markets, especially food, the Malaysian government intends to make Malaysia a regional halal hub. Therefore food manufacturers in Malaysia should take this opportunity to increase the country's halal products for export purpose.

There is a strong relationship between awareness levels among customer with halal concept itself. The consumers especially Moslems are aware of the halal concept and the elements of halal logo which includes the recognition of Malaysia as the world's halal hub, the standardization of halal logo, the cleanliness of equipment and facilities in the restaurant, and also the quality of food served. When the elements are positively correlated, it shows at the degree of respondents' awareness about halal is good. It is not only looking at the aspect of halal foods but also the cleanliness aspect, the food quality aspect and also the authorization from local government. Nowadays, halal food industry are not only restricted to Moslems, but also to Christians, Jews and others because halal food guarantee the safety, nutritious unharmed containing values.

Halal food products are quickly gaining worldwide recognition as a new benchmark for quality and safety assurance. Food products that are halal-certified are readily acceptable by Moslem consumers due to the concept of halal that is wholesome, as required by sharia, and covers aspects of hygiene, safety and sanitation. These attributes appeal to non-Moslems as well.

Nowadays, halal food industry is the fastest growing global business across the world. The reason customer can recognize the logo is because they can find the logo itself back in their country.

They have basic education about the halal industry. They perceived that restaurants with halal logo are clean and attractive. The workers at the restaurant should be neat, well dressed and were educated with halal concept. Tourists also perceive that halal logo comprises HACCP, good hygiene practice and good manufacturing practice. This is one of the reasons of non-Moslem customers look in halal food. They believe that halal concept guarantees food quality and health assurance.

In addition, halal logo provides consumer assurance which allows them make informed choice of their purchase. It is because halal logo refers to the examination of food process in its preparation, slaughtering, cleaning, storing, transportation and also management practice. Due to recognition of Malaysia as the world's halal hub, halal concept is applied to all stage of processing. Therefore, consumers especially tourist are very confident, enjoy eating and spend more time in Malaysia.

Halal logo is also a factor in choosing a restaurant to dine-in. This is shown through the relationship of halal logo towards behavioural intention. The restaurant's performance will increase due to halal implementation. The data provided that the restaurant will gain more profit because nowadays demand of halal food are boost. The research notes that demand of halal food are not consider to Moslem consumers but also those from different race or ethnic in all over the world. It also is a competitive advantage as manufacturers can use it as marketing tool to secure bigger market share as halal food is suitable for both Moslem and non-Moslem. What most important is that the implementation of halal logo itself provides information of the products served in restaurants that implement it.

### **Limitations and Future Research**

This study is utilized on a small sample size; only four universities in Malaysia participated in. As for the scope of study, it only focused on the factors, constraints and the impacts on implementation of the halal logo and certification based on the international students point of view. The results obtained only reveal minor aspects of the whole restaurant operations. Despite of these limitations, some useful insights and information related to the implementation of halal logo and certification are obtained.

Therefore, in the future, it is recommended for potential researchers to look into the same aspects, plus some extra elements such as the processes and the procedures, both from the manager's and employee's perspectives. The same framework can also be applied to other samples of customers, and comparison can be made in terms of local and international customer. It is recommended to analyze the impact and awareness of halal logo in terms of customer's background which will contribute more in terms of theoretical and practical in hospitality industry.

## **CONCLUSION**

As Malaysia, a multi-religious country with Islam as the official religion, provides a solid platform for an efficient system for the certification of halal food in relation to foodservice operation and a strong base for halal food industry, which results a big business for halal food. This study proves that there is a relationship between customer's awareness towards the use of halal logo in the restaurant as well as proves that there is also a relationship between halal logo and behavioural intention. However, the implementation of halal concept in Malaysia has not optimized, as it needs proper and professional management. There are still more food manufacturing sectors which must understand the implementation of halal concept to meet the demands of the local Moslem population as well taking the opportunity of the lucrative Moslem market all over the world.

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