

FACTORS THAT INFLUENCE PURCHASE INTENTION TOWARDS HALAL
FOOD AMONG ENGINEERING STUDENTS IN UTeM

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DECLARATION OF ORIGINAL WORK

“I hereby declare that the work I am submitting for assessment contains no section copied in whole or in part from any other source unless explicitly identified in quotation marks and with detailed, complete and accurate referencing.”

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DEDICATION

I would like to dedicate the appreciation to beloved parents who supported me from spiritually and financially. A special thanks to my supervisor, Dr. Nurulizwa Binti Abdul Rashid and panel, Dr. Haslinda Binti Musa who guided me throughout this research and also thanks to my friends that helped and assisted me through the journey of research.

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ABSTRACT

Halal food had become popular and fast growth because not only Muslims purchased and consumed it and also increasing the number of non-Muslims purchased and consumed it. This was because the protection of food quality, safety and hygiene gained the Muslims and non-Muslims trust and believe. In this research was aim to identify the factors that influences purchase intention towards halal food among engineering students in UTeM. Theory of planned behaviour (TPB) used as reference framework in this research. Quantitative research was used to conduct this research. Therefore, questionnaires distributed to the engineering students in Faculty of Engineering Technology (FTK) and Faculty of Mechanical Engineering (FKM), Universiti Teknikal Malaysia Melaka (UTeM) by randomly. Statistical Package for the Social Science (SPSS) version 20.0 was the software used to analyze the data gathering from respondents. From the results, attitude, subjective norm and perceived behavioural control had strong relationship in purchase intention towards halal food. The hypothesis in this research was valid and supported by the findings. So the limitation was the limit determinants were tested in this research. In future research, researchers were recommend to test with potential determinant in different area of respondents.

Keywords: Purchase intention, Halal food, Students, Theory of Planned Behaviour

ABSTRAK

Makanan halal telah menjadi popular dan pertumbuhan pantas kerana bukan sahaja Islam membeli dan menggunakannya dan juga pertambahan bilangan bukan Islam membeli dan menggunakannya. Ini adalah kerana perlindungan kualiti makanan, keselamatan dan kebersihan telah membawa kepercayaan dan keyakinan kepada umat Islam dan bukan Islam terhadap makanan halal. Kajian ini adalah bertujuan untuk mengenal pasti faktor-faktor yang mempengaruhi niat pembelian terhadap makanan halal di kalangan pelajar kejuruteraan di UTeM. Teori gelagat terancang (TPB) yang digunakan sebagai rangka rujukan dalam kajian ini. Penyelidikan kuantitatif digunakan semasa menjalankan kajian ini. Oleh itu, soal selidik diedarkan kepada pelajar-pelajar di Fakulti Teknologi Kejuruteraan (FTK) dan Fakulti Kejuruteraan Mekanikal (FKM), Universiti Teknikal Malaysia Melaka (UTeM) secara rawak. Pakej Statistik untuk Sains Sosial (SPSS) adalah penggunaan perisian untuk menganalisis data yang dikumpul daripada pelajar kejuruteraan. Sikap, norma subjektif dan kawalan tingkahlaku yang dilihat mempunyai hubungan yang kuat dengan niat pembelian terhadap makanan halal. Hipotesis dalam kajian ini adalah sah dan disokong oleh keputusan. Oleh itu, penentu had untuk ujian adalah kurang dalam kajian ini. Penyelidik mengesyorkan untuk menguji dengan potensi penentu dengan responden yang berbeza bidang dalam kajian masa depan.

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LIST OF ABBREVIATIONS

AT	=	Attitude
FKM	=	Faculty of Mechanical Engineering
FTK	=	Faculty of Engineering Technology
HDC	=	Halal Industry Development Corporation
IMP3	=	Third Industrial Master Plan
JAIN	=	Jabatan Agama Islam Negeri
JAKIM	=	Malaysia's Department of Islamic Development
MAIN	=	Majlis Agama Islam Negeri
MDTCC	=	Ministry of Domestic Trade, Co-Operatives & Consumerism
MITI	=	Ministry of Trade And Industry
PB	=	Perceived behavioural control
PI	=	Purchase intention
SN	=	Subjective norm
SPSS	=	Statistical Package for the Social Science
TPB	=	Theory of planned behaviour
TRA	=	Theory of reasoned action
UTeM	=	Universiti Teknikal Malaysia Melaka

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

This chapter discuss about the background of study in the first part, next is problem statement and then followed by research questions, research objectives, scope of study and last is contribution of study for this research. Halal is the word that used to express the products and services which are lawful or permitted use by Muslim. In Malaysia, halal food is the most common halal products that Malaysian purchased every day and consume daily. Malaysia has plan to become global halal hub by 2020 with the rich of halal products in the country.

Halal and haram were Arabic word. Halal defined as lawful or permitted as prescribed by Islam while the opposite of the word was haram which defined as forbidden or prohibited as prescribed by Islam. There were variety halal products or services offered in the market which included food and beverage, consumer goods, cosmetics, medicine, financial services, etc. According to Halal Industry Development Corporation (2016) had reported that estimation USD 2.3 trillion which was 60 percent was gained from halal food industry in the annual international market of the entire halal trade. So halal food consisted as the largest sector in the halal industry.

Food is plant or animal origin which provide nutrient to people. Food is important in our daily life because it provided essential nutrition like carbohydrates, fat, protein, vitamin or mineral to support our body. Our body organism need those nutrients to produce energy, stimulate growth, and maintain life which can support our body for daily activities. Therefore people must take food with balance nutrient to support the body which can provide energy to do daily activities.

There were variety categories of food available around us such as meat, egg, oil, fruit, vegetables, nuts, grain, etc. However, halal food was the one of the common food that we consumed in our life. In additional, halal food must be bear with the Islamic requirements throughout the process from preparation of raw materials until serving the food to consumer. This process included slaughtering, processing, storage and displaying must be prepared in condition of cleanliness and sanitation. Therefore Malaysia had responsible department to ensure the halal products and services were fulfill the requirement of halal.

Malaysia had plan to become global Halal hub in 2020. The amount of halal food outlet and products had rapidly increasing in the market (Bohari, Hin, & Fuad, 2013; Ruzanna Muhammad, 2015). In order to make sure the halal products or services operators obey the Islamic law, Malaysia's Department of Islamic Development (JAKIM) was the authorized department to promulgate and supervise the halal certification in Malaysia. JAKIM also one of the department under the Prime Minister's Department. So, halal certification was the proof by halal products or services manufacturers or operators to consumers which their products or services were halal compliant. Generally, the halal food manufacturer and food outlet operators were compulsory to apply the halal certification from JAKIM when declared as halal food or halal product. In this way, consumers can easily to distinguish halal food by looking the logo of halal certification in the food outlets or the packaging of the products. Therefore, consumers especially Muslims can ensure the food was safety and compliance with halal requirements before consume the food.

Malaysia is a multi-racial country which form by three main races included Malay, Chinese and Indian. In Malaysia, the majority of the population was Muslims which consisted 61.3% of the total population in 2010 (Department of Statistics Malaysia, 2016). Muslims had religious obligation to only consume food that were halal. Therefore, the demand of the halal food in the market had increase due to the growing trend of the population of Muslim. It also was due to the raise of consumers' power of purchase to the halal food. Besides that, the number of non-Muslims consumed halal food also increase because the quality, cleanliness and process of the food provided can be maintain and qualified by JAKIM (Khalek, 2014). In order to increase the purchase intention towards halal food, halal food providers should maintain the standard and quality of the food provided.

Purchase intention was the willingness of an individuals to purchase product or service. Purchase intention was dependent on the factors whether internal or external factors that influence the purchase decision. The stronger the intention the bigger probability to purchase the product or service. So, individuals considered the product quality, price, process, safety and others when make the decisions to buying product or service. Sometime consumer compared the same product within the different type of store in term of quality, price and others. So it was important to fulfil the consumer needs and wants in order to increase their purchase intention to the product or service.

Halal food can be found easily in the market because the demand of halal food was high in Malaysia. Generally, the majority religion was Muslims who compliance to consume food with halal requirement. In order to increase engineering students in halal food purchasing, halal food must be comply with the Islamic law which can gain trust from the consumers and repeat purchasing occurred especially in aspects of students. So, this research focus on students because students are the lucrative market in food industry and will to spend much in purchasing food.

1.2 Problem statement

Nowadays, students became the lucrative consumers for the current and future halal market (K. M. R. Johnson, 2011). Students also known as young adults who will join in the workforce in future. So, the purchasing decision of students were important to contribute in the market growth for current and future market. Halal food operators or university cafeteria tend to understand the changing needs and wants of the students in the criteria of food. They intend to satisfy the needs and wants of students in order to increase their purchase intention towards halal food. Muslims students had obligations to consume halal food but some non-Muslims students also had considered halal food as Islamic food (Sarwar, Tarofder, & Hossain, 2015). Therefore, it was important to conduct this research to identify and measure the perceptions of students' in halal purchasing intention. In additional, it was important in contribution to the growing of halal industry in the future and to realize Malaysia to become global halal hub.

Halal industry became the fast growing industry globally (Lipka & Hackett, 2015). Malaysia had plan to become global halal hub in 2020. The intention to purchase and consume the halal products or services was important in order to help the growth of halal industry. It was due to the stronger the purchase intention to consume the halal products, the more likely the behaviour will be performed (Ajzen, 1991). Manufacturers or operators in halal industry had to compete between each other because there were different brand of same products in the market. It was important to them to produce high quality, safety and fulfill halal requirement in order to increase the revenue of the halal industry. Besides that, the high quality of halal products not only Muslims purchase and consume, non-Muslims also attracted to purchase and consume the halal products. Therefore, multi-racial in Malaysia had gain the advantage to adopt halal in products or services which offered in the market. It also to realize the Malaysia became global halal hub by 2020 and increased the revenue gain in the halal industry.

Muslim was the majority races in Malaysia which they had obligation to purchase and consume the halal food and products. But nowadays, non-Muslim consumers also had positive attitude towards the halal food. Non-Muslim consumers increased consume halal food in their daily life (Kawangit & Guleng, 2015; Sarwar et al., 2015). Halal values and principle can be popularized among non-Muslims if the society put effort to promote the awareness of issues that concerning safety, healthy, social justice, environmental, hygiene and animal welfare (Quantaniah, Noreina, & Syakinah, 2013). Therefore, identifying the consumer intention toward halal products and services was topical in order to give the evaluation in halal food market size (Quantaniah et al., 2013). Therefore, factors that influence students' purchase intention towards halal food was describe in this research.

In this research, purchase intention towards halal food is determine by several factors. Through this research, marketers can identify the factors influence engineering students purchase intention towards halal food.

1.3 Research questions

This research focused on the following research questions to achieve the research objective which were:

- i. What is the purchase intention towards halal food among engineering students?
- ii. What the critical factors that influence purchase intention towards halal food among engineering students?
- iii. Which is the most influential factors that influence halal food purchasing intention among engineering students?

1.4 Research objectives

This research aimed to identify the factors that influence purchase intention towards halal food among engineering students. There were several objectives to achieve in this research which were:

- i. To describe the purchase intention towards halal food among engineering students.
- ii. To identify the critical factors that influence purchase intention towards halal food among engineering students.
- iii. To determine the most influential factors that influence halal food purchasing intention among engineering students.

1.5 Scope of study

This research was to identify the factors that influence purchase intention towards halal food among students. The target respondents were students from Faculty of Engineering Technology (FTK) and Faculty of Mechanical Engineering (FKM), Universiti Teknikal Malaysia Melaka (UTeM) which also represent young adults in the pursuit of higher education. Now, they were in tertiary education level and in future, they will become the employers or employees who potential join in the workforce. Therefore, they were the key customer segment for food service because they had the purchasing power in contribution in the food market. In additional, students also were spent more in purchasing food compare to other generation such as generation X and elderly (NPD Group Millennial Research, 2016). Naturally, students from Faculty of Engineering Technology (FTK) and Faculty of Mechanical Engineering (FKM), Universiti Teknikal Malaysia Melaka (UTeM) were purely engineering students and also the target respondents for this research. They were busy due to there are a lot of experiments need complete for their coursework. The intention and behaviour in

purchasing food was vital to study in order to understand their intention in purchasing halal food. So in this research was to identify the factors which influence purchase intention towards halal food among engineering students.

1.6 Contribution of study

In Malaysia, there were many research had done related to halal industry but there were few research done among students especially engineering students. This research may be as a guideline for the food operator in campus to identify the factor students purchase intention towards halal food. Food operator can provide more variety of halal food to increase the students' halal food purchasing intention. Besides that, the increasing of halal awareness among students through this research. Students can better understand the principle of halal especially for non-Muslims students. So food operator can understand the factors that influence students' purchase intention and make improvement to attract the students consumed halal food.

This research was important in consumer perception because it contributed an insight on the methods to shape the consciousness about halal food in consumer mind. The findings from this research will provide insights for academic, food manufacturers, university and marketers. Generally, it was important for the consumers to differentiate the products that they purchased or consumed under the halal requirement. Therefore this research was essential for students to let they become more alert and aware about their purchase intention towards halal food. Students also should understand and aware to the halal principle. In additional, students were gained extra knowledge about halal principle and concerned on purchase decision for food.