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**A STUDY OF HALAL COSMETIC AND PERSONAL CARE
AMONG NON-MUSLIM: A CONSUMER PERSPECTIVE**

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“We hereby declared that we had read through this research study and in our opinion that this report is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor of Technology Management (Innovation) with Honour (BTMI)”

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DECLARATION

I declared that this thesis titled “**A Study of Halal Cosmetic and Personal Care among Non-Muslim: A Consumer Perspective**” is my original research work except as cited in the references. The research has not been accepted for any degree and is not concurrently submitted in the candidature of any other degree.

Signature :

Name :

Date :

DEDICATION

I would like to dedicate my work to my family, friends and supervisor who helped me throughout this research and give full support to complete my work.

ACKNOWLEDGEMENT

In the name of Allah, the Most Merciful and the Most Beneficent. It is with the deepest senses gratitude of the Almighty that gives strength and ability to successfully complete this report.

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ABSTRACT

Majority of non-Muslim society believes that Halal is meant for Muslim only. The way of producing the halal cosmetic, the packaging, the product and the marketing itself lead to promote exclusively for Muslim only. They don't have sufficient knowledge and awareness about halal because most of the company did not concern more about convincing and approaching non-Muslim society. So, this research is conducted to study the consumer perspective towards halal cosmetic and personal care among non-Muslim. There are 240 respondents involved in this study and survey has been distributed to all respondent by using quantitative method and structured questionnaires to analyse the most significant factor affecting the purchase intention of Halal cosmetic and personal care among non-Muslim. The result of the study shows that brand trust factor significantly influences the purchase intention of Halal cosmetic and personal care. Cosmetics companies targeting non-Muslim markets are therefore advised to construct their marketing activities based on a behavioural perspective which increases and benefits social expectations and awareness which in turn would enhance their competitive advantage. The factor that influences the purchase intention is halal awareness, religiosity, halal certification, attitude and brand trust. It also recommends that future researcher to combined two methods which qualitative and quantitative study in this research to get more in-depth about the behaviour of the non-Muslim consumer.

Keywords: Halal, purchase intention, non-Muslim consumers, personal care product

ABSTRAK

Kebanyakan masyarakat bukan Islam percaya bahawa Halal hanya dimaksudkan untuk orang Islam sahaja. Cara menghasilkan kosmetik halal, pembungkusan, produk dan pemasaran itu sendiri membawa untuk mempromosikan secara eksklusif untuk orang Islam sahaja. Mereka tidak mempunyai pengetahuan dan kesedaran yang mencukupi tentang halal kerana kebanyakan syarikat tidak lebih membimbangkan tentang meyakinkan dan menghampiri masyarakat bukan Islam. Oleh itu, kajian ini dijalankan untuk mengkaji perspektif pengguna terhadap kosmetik dan penjagaan diri halal di kalangan bukan Islam. Terdapat 240 responden yang terlibat dalam kajian ini dan tinjauan telah diedarkan kepada semua responden dengan menggunakan kaedah kuantitatif dan soal selidik berstruktur untuk menganalisis faktor paling penting yang mempengaruhi niat pembelian kosmetik dan penjagaan diri Halal di kalangan bukan Islam. Hasil kajian menunjukkan bahawa faktor kepercayaan jenama berpengaruh secara signifikan terhadap niat pembelian kosmetik dan penjagaan diri Halal. Syarikat-syarikat kosmetik yang mensasarkan pasaran bukan Islam adalah dinasihatkan untuk membina aktiviti pemasaran mereka berdasarkan perspektif tingkah laku yang meningkatkan dan memanfaatkan jangkaan dan kesedaran sosial yang seterusnya akan meningkatkan kelebihan daya saing mereka. Faktor yang mempengaruhi niat pembelian adalah kesedaran halal, religiositi, pensijilan halal, sikap dan kepercayaan jenama. Ia juga mengesyorkan bahawa penyelidik masa depan menggabungkan dua kaedah yang kajian kualitatif dan kuantitatif dalam kajian ini untuk mendapatkan lebih mendalam mengenai tingkah laku pengguna bukan Islam.

Kata kunci: Halal, niat pembelian, pengguna bukan Islam, produk penjagaan diri

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CHAPTER 1

INTRODUCTION

1.1 Background of the study

For all people who focus on their look and appearance, cosmetic and personal care was a priority. It demonstrates the true personality about itself by using all the products. The USA Food, Drug and Cosmetic Act (2012) asserts that cosmetics and personal care can be referred to products used in the human body to clean, enhance, promote attractiveness and change appearances.

According to Hashim, et al., (2013) shows that halal cosmetics and personal care does not contain alcohol or porcine products and it is the difference from other conventional product lines. By following laws and regulation, they should produce and distribute cosmetic products according to Islamic instruction.

The products of halal beauty known as high quality, safe and clean. According to Pew Research (2013), it would be great for the Halal cosmetic and personal care if the growth of Muslim population in international market size which in 2013 reached 2.04 billion. The Malaysian Halal problem is not something new. Many manufacturers in particular from China are looking for a chance to get a halal certification from Jabatan Kemajuan Islam Malaysia (JAKIM) and to open a company in Malaysia for halal cosmetic products.

The Halal Industry Development Corporation (2014) shows that the industry has an annual growth rate of around USD 800 million. The Malaysian halal industry is growing rapidly and is projected to grow more in the future. The 2015 Global

Economic Summit revealed that Malaysia is the highest expenditure of Muslim consumers of US\$ 2.6 billion, and has great potential for halal products, along with beauty products (New Straits Times, 2015).

JAKIM has therefore worked with the Malaysian Standard and Industrial Research Institute (SIRIM) to ensure that more cosmetic and personal care is provided with halal certification for use by Malaysian consumers. The word Halal comes from an Arabic word "HALLA" which means "allowable" and "not forbidden" to all Muslims to take this seriously in their everyday lives. Halal is hygiene, safety and standard for a Muslim to choose, use and purchase a certain product.

Nowadays, Halal is not limited to Muslims, but non-Muslims also adapt and practice in their everyday lives. According to Golnaz, et al., (2012) Halal is not limited to Muslim only but it also a choice for non-Muslim worldwide. Halal is an innovation to all products because it is way more hygienic and safe to be used. The Halal product contains no dangerous and harmful ingredient.

The Halal industry in Malaysia had rapid growth in not only a healthy lifestyle but also in other life activities. Therefore, manufacturer and entrepreneur must come out with a fresh and new idea in developing a variety of Halal products that can be used not only Muslim but non-Muslim as well. In order to ensure non-Muslim also buy a Halal product, the companies need to convince and create awareness in their community.

In Malaysia Budget 2019, the government has stated that they will focus more on halal industry where the government will allocate 100 million ringgit to improve the capacity of small and medium-sized enterprises in the halal industry through different programs to increase exports and make Malaysia as a global halal hub by 2020 (Global Islamic Economy Gateway, 2018).

According to Golnaz, et al., (2012) states that non-Muslim society has yet to appreciate the underlying benefits of Halal products that include a hygienic process. Before reaching the market, Halal products must be subjected to them. Today, the trends in the purchase of cosmetic and personal care are increasing every day. It will grow rapidly if non-Muslims intend to purchase a Halal cosmetic and personal care product.

1.2 Problem Statement

According to Golnaz, et al., (2010) pointed that today, Halal consumption does not only about the obligation of religion by Muslims, but is now regarded as a standard of practice and choice by non-Muslims because the halal concept provides a good way for healthy eating and lifestyle that encourages elements of safety and hygiene.

With regard to the issue of halal cosmetic and personal care products, the majority of the studies were carried out only at the stage of the purchase intention of Muslim consumers. In comparison, only a few research have been found in the area of the buying behavior of halal cosmetic products by non-Muslims. Majority of that society believes that Halal is meant for Muslim only. The way of producing the halal cosmetic, the packaging, the product and the marketing itself lead to promote exclusively for Muslim only. So, they thought that the halal cosmetic and personal care are not focusing on them as well. They don't have sufficient knowledge and awareness about halal because most of the company did not concern more about convincing and approaching non-Muslim society.

In response to this problem, the purpose of this research is to understand the awareness of halal cosmetic and personal care among non-Muslim. This research will help persuade non-Muslims that the concept of halal focuses not only on food but also on cosmetic and personal care. Research on the perception and consumption patterns of non-Muslims towards halal products is limited, which factors initiate the consumption of non-halal products and influence their purchasing behavior.

1.3 Research Question

- i. What is the factor affecting the purchase intention of Halal cosmetic and personal care among non-Muslim?
- ii. What is the most significant factor affecting the purchase intention of Halal cosmetic and personal care among non-Muslim?
- iii. What are the strategies for Halal companies to increase the awareness of Halal cosmetic and personal care among non-Muslim?

1.4 Research Objectives

- i. To identify the factor affecting the purchase intention of Halal cosmetic and personal care among non-Muslim
- ii. To analyze the most significant factor affecting the purchase intention of Halal cosmetic and personal care among non-Muslim
- iii. To suggest the strategy for Halal companies to increase the awareness of Halal cosmetic and personal care among non-Muslim

1.5 Scope and Limitation

The quantitative method used in this research to deploy questionnaires. The questionnaire's target respondent was non-Muslim in Penang because their acceptance level towards personal care and Halal cosmetics was very low. The collection of data supported the research from time to time. For further validation, the results of the research were used.

Since very few research studies have carried out on the perception and awareness of non-Muslim of halal cosmetic and personal care products, there have been a few limitations, problems and further studies must be carried out. A key limitation of this study was the limited time required for questionnaire surveys and

data collection. The awareness of Halal cosmetic and personal care was also affected by the validity of the research in Malaysia, as not all non-Muslims knew that personal care and Halal cosmetics existed on the retail.

1.6 Importance of the study

This research purpose is to identify and acknowledge the awareness and intention to purchase Halal cosmetic and personal care among non-Muslim. By having known about the factor that influences their attitude, all the cosmetic and personal care companies will focus more on marketing their product and cater to the non-Muslim consumer as well. Indirectly, this research will create awareness towards non-Muslim as Halal cosmetic and personal care is meant for everyone not only for Muslim consumer. This also will assist the cosmetic industry to choose the best marketing strategies on how to attract non-Muslim to use their product.

1.7 Summary

This chapter was discussed about the introduction of the research which was to understand the purchase intention and the awareness of Halal cosmetic and personal care among non-Muslim. Then, the problem statements which were the source of the research were stated here with the objectives to support them. The scope and limitation of the research were in this chapter along with the importance of the study as these were important to support the outcome of the research.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

In this chapter will explain more about the literature review in this research. Factor affecting the purchase intention of non-Muslim consumers on personal care and Halal cosmetic were discussed in this chapter. Summary for the overall chapter will make the researcher be able to construct a theoretical framework which will summarize this chapter.

The theory that has been proposed to explain the factor that affecting purchase intention on Halal cosmetic and personal care is using the Theory of Planned Behavior (TPB). This review will cover five major factors which are affecting the purchase intention. These factors are Halal awareness, religiosity, Halal certification, attitude and brand trust. This research will prior focus on their application towards purchase intention on Halal cosmetic and personal care among non-Muslim.

2.2 Halal Definition

The word Halal originates from an Arabic word "HALLA" which indicate "allowable" and "not forbidden" to all Muslims to take this seriously in their everyday lives. Halal is nowadays a universal concept (Kasmarini, et al., 2014). Non-Muslims also believe they should not buy or use an animal-based product. It will have a long-term health effect if we use a product that is directly tested on animals. Many cosmetic and personal care products with no halal logo will not meet the requirements of Kementerian Kesihatan Malaysia (KKM) and Standard and Industrial Research Institute of Malaysia (SIRIM).

According to Pew Research (2013), the growth of Muslim populations worldwide, in 2013 already reached 2.04 billion, is generate chances for the personal care and Halal cosmetic industry. Malaysia also has the potential to grow globally because the market for halal is massive. As a Muslim country, Malaysia is more concerned about halal certification and the process being carried out. The increasing Muslim population around the world will give the company more opportunities to market the halal product internationally.

2.3 Halal Cosmetic

Different people say different things about halal cosmetics. Some people say that halal cosmetics are safe and convenient, the others say that they are free of haram. The cosmetic product will enhance our physical appearance to meet new people more confidently. In general, women say that the cosmetic product includes eye shadows, mascara, blusher, and foundation while the shampoo, soap is classified as a personal care product (Soraya, 2010).

The requirement for innovative cosmetics and personal care products increases every day. This means that the manufacturer needs to work harder to produce a product

that meets consumer demand. According to Soraya (2010), there is an increasing demand for products such as organic products and Halal products.

This concept is no longer limited slaughter of animals for the use of Muslims consumers, however, includes products and services in a demanding market for non-Muslim consumers (Darma & Norlida, 2016).

As a Muslim and non-Muslim concern about what and how the product is processed and produced, the Halal industry will keep growing. The global industry of Halal is expected to increase in the next five years between US\$ 3 billion (New Straits Times, 2018).

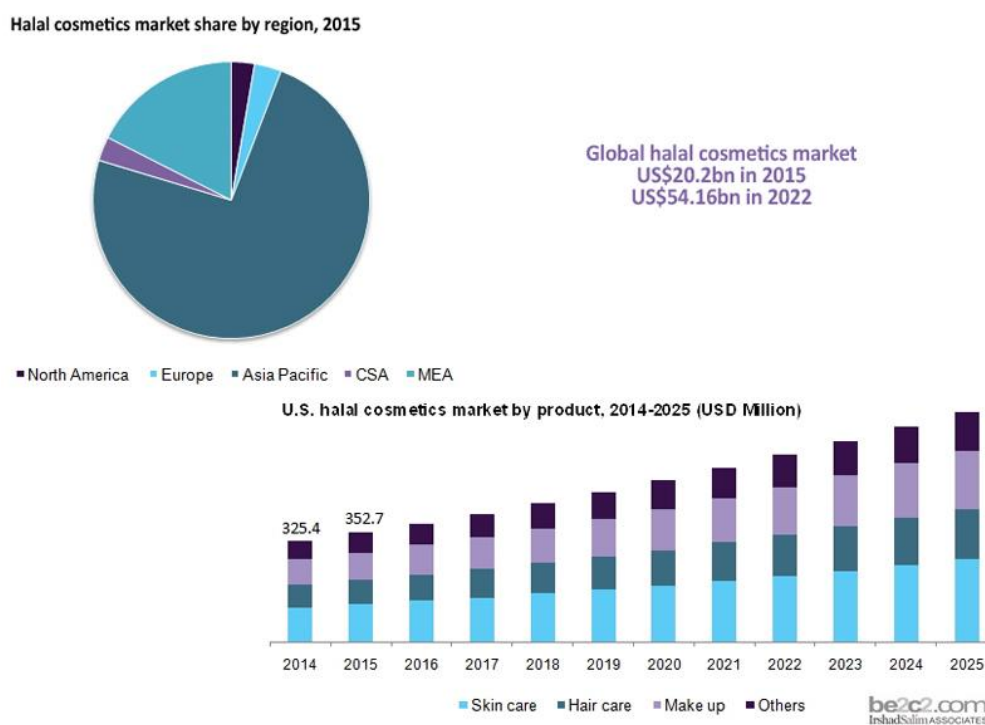


Figure 2.1: Expected growth of Halal cosmetic industry

Malaysia is one of the society which comprises a multi-ethnic, multicultural society (Golnaz, et al., 2010). Because of this, it is not impossible for halal product and personal care to be accepted not only Muslim but non-Muslim as well.

According to Siti, et al., (2015), cosmetics and women consumer undoubtedly attached. Indeed, sales of cosmetics keep growing in Malaysia. Many consumers are

concerned about different cosmetics problems and become more careful in selecting a suitable cosmetic especially the beginner who is trying to focus more on taking care of their skin.

2.4 Theory of Planned Behaviors

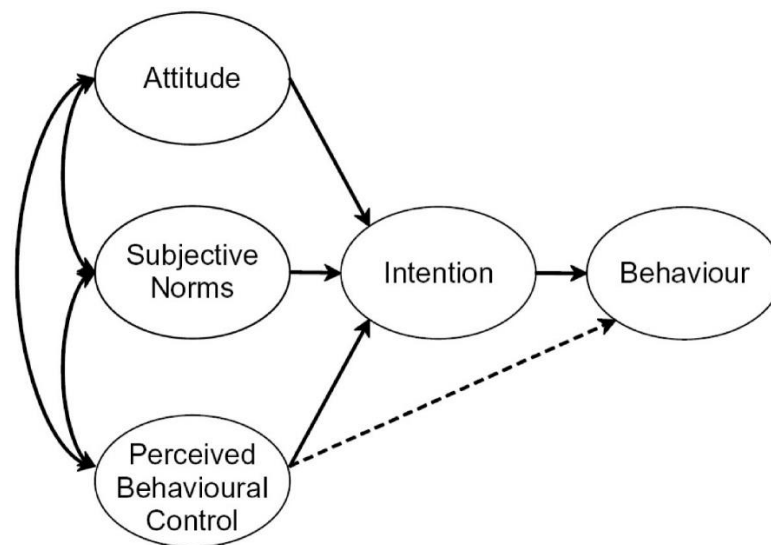


Figure 2.2: Theory of Planned Behavior by Ajzen (1991)

According to The theory of planned behavior (Ajzen, 1991) was developed as an improvement on the theory of reasoned action of Fishbein and Ajzen (1980). The TPB model show emphasizes the execution of a person's actions in order to complete the behavior. The element in Theory of Planned Behavior discloses facilitate aim to carry on subsequently behavior itself, i.e. attitude, subjective norm and perceived behavior control (Aziz & Yuhanis, 2013).

Alam and Sayuti (2011) state that attitude has a significant and positive impact on the intention to purchase halal. It shows that attitude is one of the essential factors that people will consider when purchasing halal food product because a highly positive attitude seems to have more intention in purchasing Halal food products.