

## SUPERVISOR'S APPROVAL

I hereby declared that I have read this thesis and this research is sufficient in term of scope and quality. This project is submitted to Universiti Teknikal Malaysia Melaka (UTeM) as a requirement for completing and fulfillment of Bachelor Degree of Technopreneurship with Honors (BTEC)

Signature :

Name of Supervisor : Dr. Murzidah Binti Ahmad Murad

Date : 2019

Signature :

Name of Panel : Puan Nor Ratna Binti Masrom

Date : 2019

FACTORS INFLUENCE PURCHASE DECISION OF HALAL FOOD AMONG  
NON-MUSLIM IN MELAKA

NUR SYAHIRAH BINTI ABDUL HAMID

This report submitted in partial fulfillment of the requirements for the award of

Bachelor Degree of Technopreneurship with Honors

Faculty of Technology Management and Technopreneurship

Universiti Teknikal Malaysia Melaka (UTeM)

2019

## DECLARATION

I hereby, declared this report entitled “Factors Influence Purchase Decision of Halal Food Among Non-Muslim In Melaka” is the results of my own research except as cited in references.

Signature :

Name : Nur Syahirah Binti Abdul Hamid

Date : 2019

## DEDICATION

**For my beloved parents who were always supported me,**

En. Abdul Hamid Bin Ismail

Puan Mazni Binti Zainul Abidin

*For my supporting supervisor,*

Dr. Murzidah Binti Ahmad Murad

## ACKNOWLEDGEMENT

Alhamdulillah and Thanks to Allah with all gracious and merciful for giving me strength and ability to accomplish this project research successfully. I would like to express my gratitude to all those who gave me the possibility to complete this thesis especially En. Abdul Hamid Bin Ismail and Puan Mazni Binti Zainul Abidin. I am deeply indebted to my supervisor Dr. Murzidah Binti Ahmad Murad whose help stimulating suggestions, encouragement and guidance helped me in all the time of research for and writing these thesis. Finally, I would like to thanks to all my friends for all their help, support, interest and valuable hints in completing this thesis.

## ABSTACT

The purpose of this study is to identify the factors that influence purchase decision on halal food among non-muslim in melaka. In this study, the researcher have set objective : (1) To investigate the factor influence in purchasing decision on Halal food among non-Muslim., (2) To investigate the significant relationship between the variables and purchase decision on Halal food among non-Muslim and (3) To investigate the most influence factor in purchasing decision on Halal food among non-Muslim. Respondents were from Melaka area and involved only non-Muslim. Researcher conducted pilot test using 30 samples to compile and analysis the question. Later, the researcher conducted the research with 384 samples were taken. The questionnaire developed contains purchase decision, cultural factor, social factor, personal factor and psychological factor that affect purchase decision. As the result, researcher found that all the factor have influence purchase decision and social factor is the most influential.

*Keyword: Purchase decision, Halal food, Cultural, Social, Personal and Psychological factor.*

## ABSTRAK

Tujuan kajian ini adalah untuk mengenal pasti faktor-faktor yang mempengaruhi keputusan pembelian makanan halal di kalangan bukan muslim di melaka. Dalam kajian ini, penyelidik telah menetapkan objektif: (1) Menyasat pengaruh faktor dalam pembelian keputusan tentang makanan Halal di kalangan non-Muslim. (2) Untuk menyelidiki hubungan yang signifikan antara pembolehubah dan keputusan pembelian makanan halal di kalangan non- Muslim dan (3) Menyasat faktor paling mempengaruhi keputusan membeli makanan Halal di kalangan bukan Islam. Responden berasal dari kawasan Melaka dan hanya terlibat bukan Islam. Penyelidik menjalankan ujian perintis menggunakan 30 sampel untuk mengkompilasi dan mengkaji soalan. Kemudian, penyelidik menjalankan penyelidikan dengan 384 sampel diambil. Soal selidik yang dibangunkan mengandungi keputusan pembelian, faktor budaya, faktor sosial, faktor peribadi dan faktor psikologi yang mempengaruhi keputusan pembelian. Hasilnya, penyelidik mendapati bahawa semua faktor mempengaruhi keputusan pembelian dan faktor sosial adalah yang paling berpengaruh.

Kata kunci: *Keputusan pembelian, makanan halal, kebudayaan, sosial, peribadi dan faktor psikologi.*

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**LIST OF ABBREVIATIONS, SYMBOL AND NOMENCLATURE**

FYP 1	Final Year Project 1
FYP 2	Final Year Project 2
BTEC	Bachelor of Technopreneurship

## CHAPTER 1

### INTRODUCTION

#### 1.1 INTRODUCTION

Halal food is related to Muslim society (Alam, S.S, & Sayuti, N. M.,2011) but there is a high potential to attract the interest of non-Muslim society. Food generally important to people even though they come from different religion, culture and background. In today's society, people have a high concern regarding healthy and hygiene of food. People awareness and understanding of importance of clean food affect their food purchasing decision.

Halal food promised to be clean and safe to consume as in Islam as it is an necessary aspect of the religion. In Islam, all living things must be treated with care and respect. Halal food is based on criteria that animals reared for consuming are cared which they are fed and raised in a good conditions. This will ensure that the animal is healthy for slaughtered and no disease is transferred to the consumer.

Non muslim attention has gained to the product requirements called Halal food product (Rezai G, Mohamed Z & Shamsudin MN, 2012). The concept of Halal food is not just about healthy and safe food, but is also about humane processes in which the animals are not painfully prepared and prepared. The acquisition of Halal food is therefore a good concept to practice Muslims as well as non-Muslims who want to live a good health.



## 1.2 BACKGROUND

Definitions of halal norms and procedures are restricted not only to the observance of Islamic rites, but also to cleanliness and quality control (Yaacob et al., 2007). Also the raw materials, intermediate goods and all machinery used must comply with Shariah law and must comply with the specifications (Riaz & Chaudry, 2004; Lokman, 2008). The stream of food production must be controlled by qualified Muslim inspectors (Chaudry, 1997; Malaysia Halal Certification, 2009). Halal accreditation is said to have such processes and procedures that have followed Halal standards.

Halal accreditation could be an effective tool to monitor and supervise the production of halal, including storage and transport. Once the producers followed the halal standard and procedures, the products manufactured could obtain halal certification from a government-appointed body. The halal certificate could be obtained from the Islamic Development Department (JAKIM) in Malaysia and the certificate issued was recognized worldwide (Trade Mart, 2005). One way to inform consumers that the authorized body already obtains halal certification from the respective food producer was to display an authorized JAKIM Halal logo on food packaging.

The logo displayed on the packaging was shown to influence them to buy any processed food products, according to Shahidan and Md Nor (2006). This is because halal certification not only ensures halal and sharia compliant product (Shahidan & Md Nor, 2006), but also hygienic product (Lokman, 2008). The logo placed should, however, be clear and meaningful in order to avoid consumer confusion (Degnan, 1997).

Halal food in Islam is known and practiced but should not comply with the requirement of halal food in other religions. The concept of Halal is well known in Malaysia as a Muslim country to non-Muslims. The awareness and understanding of Halal food is growing rapidly today. Golnaz, Zainalabidin and Mad Nasir (2012) research has shown that at least 79 per cent of non-Muslim consumers know Halal principles and have acknowledged that their awareness of Halal's principles has improved with publicity.

Halal is no longer only about religion, but a global economic determinant (Teng PK & Wan JWJ, 2013). But some non-Muslims still consider Halal food from a religious point of view. This group is not concerned with the Halal food concept and still does not appreciate the advantages it can gain from Halal food consumption. The Halal food concept therefore needs to be better understood other than religious in different contexts. Furthermore, the world's food sector is looking for Halal food products that it thinks are safe.

### **1.3 PROBLEM STATEMENT**

The importance of the Halal industry continues to rise rapidly. In many non-muslim countries, halal food are increasing in demand (Bonne & Verbeke, 2008; Ayyub, 2014). Based on Vloreen Nity Mathewa et al. (2014), the rapid growth of halal market and consumer demand for food has created an enormous opportunity for Halal industry to tap the market of non-Musim consumers and take advantage of this industry as well as reveal the importance of Halal to many customers including non-Muslim consumers.

Golnaz Renai et al., 2010 points out that the concept of Halal is poorly understood by non-Muslim due to lack of knowledge and concept information. Other than that, the lack of views on non-Muslim behavior towards halal product and no substantial evidence shows that non-Muslims are aware of its benefits on halal products that limit the opportunity to explore and develop halal markets. (Vloreen Nity Mathewa et al., 2014; Golnaz Renai et al., 2012; Golnaz Renai et al.,2010).

In order to gain Muslim confidence in the acquisition of products and services, the problem of Muslim consumers being deceived by unscrupulous manufacturers using prohibited ingredients in their halal certified products and services must be solved. Several unauthorized manufacturers were caught using either the fraud logo or the actual ingredients were misrepresented, making the halal logo questionable. To determine if the halal logo has an impact on a purchase decision-making process, it is necessary to determine the Muslim buyers' perceptions of how they actually make their purchase decisions. (Jusoff, Hamdan, & Mat Issa,2013)

According to Hamdan, Jusoff & Mat Issa (2013), non-Muslims did not care if the food was halal or haram, but it is also imperative to see if they are actually buying the halal certified products and services because in their operation the manufacturers followed the Halal standard.

This research is aimed at investigating factors influencing non-Muslim purchase decision on halal food. By understanding the influence of non-Muslim purchases on Halal food, the industry is particularly helpful in understanding the significant influence and indicating the possibility of exploiting this market as the niche halal market, which could then contribute more to the expansion of the halal food industry.

#### **1.4 RESEARCH QUESTIONS**

Main purpose of this research is to investigate the significant factor that influence non-Muslim to purchase Halal food. Therefore, the researcher comes out with the following research questions to be defined in the research as below :

RQ1 : What are the highest factors that influence purchasing decision on Halal food among non-Muslim ?

RQ2 : What are the significant relationship between the variables and purchase decision on Halal food among non-Muslim ?

RQ3 : What are the most influence factors in purchasing decision on Halal food among non-Muslim ?

#### **1.5 RESEARCH OBJECTIVE**

The main objective of this project is to provide information regarding purchase decision on halal food by non-Muslim. The study highlighted to look into the factors that influence the purchase decision by non-Muslim on Halal food.

In order to make this finding successful, the objective have been declared must be achieved. The objective of this research can be defined as below :

RO1 : To investigate the highest factor influence in purchasing decision on Halal food among non-Muslim.

RO2 : To investigate the significant relationship between the variables and purchase decision on Halal food among non-Muslim.

RO3 : To investigate the most influence factor in purchasing decision on Halal food among non-Muslim.

## **1.6 SCOPE OF STUDY**

The scope of this research is to identify factors that influence non-Muslim to purchase Halal food. Non-Muslim in Melaka will be chosen for this research because the urban lifestyle and purchasing decision.

## **1.7 SIGNIFICANT OF STUDY**

Muhammad, Norhaziah, Nuradli, & Hartini (2007) highlighted that halal food benefits everyone in general. The study is significant in identifying the factor influence non-Muslim to purchase Halal food. The research focus on non-Muslim as they bring a huge impacts on the economics of Halal food industry. This target market have a high percentage in Melaka which give them high opportunities to contribute in the growth of Halal food industry.

## **1.8 SUMMARY**

This chapter 1 begins with a brief introduction to the research topic and background. The problem is stated followed by research goal and research questions, which in this chapter are also the main contents. In addition, the study scope also explained to highlight this research's target market and location. This chapter will conclude with the significant study outlining this research's contribution to Halal food industry growth.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

As in chapter 1, Halal food's overall concept is briefly discussed. This chapter will explain in more detail the factors influencing non-Muslim buying Halal food. The theories used in this research as a reference for supporting and reinforcing the meaning of the theoretical framework as the guidelines from journals, reference books, thesis and other published material. In this chapter, to further understand the reasons for buying Halal food, each factor is discussed in detail.

## **2.2 HALAL FOOD CHOICE**

According to Wibowo, M. W. & Ahmad, F. S. (2016), market potential and growth in the food sector are very promising with everyone from different religions and cultural backgrounds, and the fact that food is common needs in people and individual food choices may vary according to external and internal factors affecting their attitudes and opinion.

The World Population (2017) reports 61.3% of Muslims in Malaysia are drives growing interest in halal concept (Battour, M. & Ismail, M. N. 2015). According to Wibowo, M. W. & Ahmad, F. S. (2016) ; Golnaz & Mad Nasir, (2012) there was also a positive response to halal food headers between non-Muslims in recent years where Halal food is no longer seen as a religious requirement. Curiosity about the non-Islamic determination in Halal food choice is stimulated in line with the increase in acceptance towards halal food. (Krishnan, S., Mohd Aderis, M. H. H., Azman, M. N. & Kamaluddin, M. N. A. ,2017)

## **2.3 PURCHASE DECISION**

According to P. Kotler, 1969, consumer purchasing decisions are the behavior shown in the purchase, use and disposal of goods and services by the decision-making unit. Consumer purchasing decisions are processes of decision-making and physical activities involved in the assessment, acquisition, use or disposal of goods (David & Albert, 2002). Schiffman & Kanuk, 2007 argue that consumer decision that is vulnerable to the purchase, use, evaluation and disposal of the products, services and ideas that they expect to meet their needs.

## **2.4 FACTOR AFFECTING PURCHASING DECISION AMONG NON-MUSLIM ON HALAL FOOD**

Engel, Blackwell and Miniard present the most recognized model of customer purchase decision-making. With the aid of the model, Engel et. Al (1995) have identified factors that affect customer decision making. These factors fall into four categories which are culture, social, personal and psychological factor.

Kotler & Armstrong (2010) also support the model by stated that the decision to purchase is influenced by factors of social, personal and psychological. Consumer decisions are part of human behaviour, and marketers can estimate how users can behave in the future in purchasing decisions by studying previous buying behaviour.

### **2.4.1 CULTURE FACTOR**

Culture is critical to understanding an individual's preferences and behaviors. Culture is, in fact, part of every environment and the main cause of people's desires and behaviours. Culture's effect on habits differs across continents, so advertisers need to be vigilant when evaluating different cultures from different groups, regions or even nations. A person will be affected during his or her life by his or her family, friends, cultural environment or society that teaches them the values, interests and common behaviors of their own cultures.. To change the product and marketing strategy of a brand, the cultural factors inherent in each market or circumstance need to be understood and taken into account. Because these play a role in of consumers attitudes, habits, behaviors, or expectations.

#### **2.4.1.1 SUB-CULTURE**

In a society where people can identify, there are several sub-cultures. Subcultures are groups of people who, based on a common experience or similar lifestyle, share the same values in general. Each culture includes different subcultures such as religions, nationalities, geographic regions, racial groups, etc. Malaysia has variety of culture but still has the same preference as food in its life. Cultural factors moderate many