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Halal Products Purchase Intention in Pakistan: Evidences from Non-Muslim Community

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Abstract

Factors for purchase intention of Halal products are obvious in Muslim consumers but non-Muslims are rapidly turning to Halal products all around the world. Therefore, factors that influence non-Muslims to purchase Halal products are essential to know today for marketers. Aim of the study is to know the impact of attitude towards Halal brand on non-Muslim consumers for Halal products' purchase intention and recognizing the role of social influence as moderating variable as it has its significant and vital role in purchase intention of every product and for every consumer. Research paradigm that is followed for the study is quantitative research approach following purposive sampling method for data collection. A total sample of 300 respondents has been taken from major cities of Pakistan to examine the relationship of factors that influence customer's Halal purchase intention. Data are collected through structured questionnaire having five-point Likert scale and analyzed through software SmartPLS 3. This paper has drawn the findings that attitude has a positive relation with purchase intention for Halal products in non-Muslim consumers and Social influence as a moderating variable strengthens the relation of these factors.

Keywords: Halal products; Non-Muslim consumers; Attitude; Islam; Social influence

Introduction

Background of the study

Halal is an Arabic word meaning permissible or lawful and is an obligation that governs all aspect of the lives of over Muslims worldwide. The realm of Halal may extend to all consumables such as toiletries, pharmaceutical, cosmetics and services including finance [1]. Mukhtar and Butt [2] added that Halal is no longer just purely religious issue. It is in the realm of business and trade, and it is becoming a global symbol for quality assurance and lifestyle choice due to its trustworthiness, pureness and validity. Harran [3] discovered that therefore, consumers not only Muslim but also non-Muslims, would turn their attention to a well-marketed product that have a Halal mark but they would read its ingredients, in contrast to purchasing one that is not Halal.

Attitude is often viewed as an index of the degree to which a person likes or dislikes an object and carries favorable connotations [4]. It plays an important part in determining a person's behavioral choices and intentions [5] because it reflects a person's evaluation of an object or evaluative judgment and embodies their salient beliefs at a given point in time [6].

A study conducted by Jiang and Benbasat [7] explored that the importance of forming a favorable attitude toward a product, the result of a consumer holding favorable beliefs toward the product, is that it motivates to purchase intention without interruption. They further elaborated that various studies found that attitude has a positive relation with purchase intention of Halal commodities even in non-Muslim communities especially in Asia and Africa.

Abundant empirical evidence supports that social group influences consumer attitude and purchase behavior in general [8]. Likewise, Halal certification and societal references and related activities push consumers towards Halal food purchase intention [9]. Non-Muslims living in Muslim communities face social pressure to buy Halal items and prevent themselves from getting involved in activities that are against the religious guidelines [10,11].

Additionally, Mukhtar and Butt [2] explained that they are appreciated and encouraged to buy and utilize Halal products. They are commended by peers, social communities, friends, neighbors and other social circle. It can be observed that non-Muslim consumers are rotating to Halal products due to social influence and credibility and trust factor of Halal products.

Shafie and Othman [12] concludes that given the speed of trade globalization, the advancement in science and technology, the continuous change in products' formulation, and the on-going initiatives to simplify manufacturing processes of Halal brands, it is clear that the social pressure and positive attitude for Halal related items is attracting non-Muslim consumers swiftly towards purchase intention of Halal products. Alam and Sayuti [13] also acknowledged this and additionally explored that this is important because as the consumers become more aware of Halal-commodities, and other factors i.e., brand trust, attitude and perception are also strong, non-Muslim consumer will also be looking for products that not only satisfy their needs but also give them peace of mind.

Research Gap

Problem statement or research gap is basically measuring the attitude of non-Muslim consumers, towards Halal product purchase; the intention is still questionable and is therefore an under-researched area [14,15]. Because demand for Halal products and services have been increased by non-Muslim consumers some factors are fundamentally significant and needed to know in terms of Halal brand intention, acquisition and consumption particularly for non-Muslim consumers

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Page 2 of 6

due to their rapidly increasing concentration and acquisition of Halal brands [16-18].

Furthermore, no previous study has been found that has intention to know the non-Muslim consumers' purchase intention as result of attitude towards Halal brand [18] while keeping Social influence as moderating factor.

Research Objectives

- To discover the effect of attitude on purchase intension for Halal products in non-Muslim consumers.

- To explore the effect of social influence for Halal products in non-Muslim consumers.

- To recognize the role of Social influence on the relationship of attitude and purchase intension for Halal products in non-Muslim consumers as moderating variable.

Literature Review

The Halal products are more and more growing in popularity among non-Muslim consumers due to human animal treatment concerns and the perception that Halal products are healthier and safer. Non-Muslim Russians made purchases from Muslim stores because they believe the products are fresh, safe and infection free [19]. Likewise, most, but not all, religious diets prescribe a variety of foods on a temporal or permanent basis, and thus these diets become restrictive in nature.

A survey conducted by Bonne et al. [16], shows that the Halal meat products are chosen by French non-Muslim consumers as they believe that Halal products were tastier, healthier and the Islamic slaughter method is less painful for the animal. Moreover, societal factors i.e., peers, neighbors and their relatives also prefer to buy Halal products and they encourage and appreciate the acquisition and consumption of Halal items.

The individual's positive or negative evaluation of performing the behavior. This factor is termed attitude toward the behavior. Basically, attitudes are a function of beliefs [4]. Lada et al. [20] further explored that a person who believes that performing a given behavior will lead to mostly positive outcomes will hold a favorable attitude toward performing the behavior, while a person who believes that performing the behavior will lead to mostly negative outcomes will hold an unfavorable attitude. The beliefs that underlie a person's attitude toward the behavior are termed behavioral beliefs (i.e., the act of consuming and buying Halal or non-Halal products).

Social influence which originates from psychological studies, refer to a change of thinking or feeling of individuals reflected on their behavior owing to the relationship with others [21]. Woolthuis et al. [22] suggested that even though a person might not have a constructive attitude towards Halal products, the incongruence between his or her attitude and family or friends' expectations may influence his or her behavior to buy Halal products. They may embark on purchasing Halal commodities to ensure their legitimacy, since they may look for a balance between their actions and how they are perceived by others.

Montalvo [23] and Pavlou and Chai [21] explored that numerous past studies suggest that Social reference and peer pressure can be considered a moderator or enhancer as it strengthens the relation of various factors perception, religion, attitude, motivation etc. for conviction and buying behavior.

To sum up, considerable literature reflects the work of different academic scholars who suggest that non-Muslim consumer's behavior shows a visible preference towards consuming Halal meat. One such research is conducted by Ahmed [1] in which he claims that Muslims in UK prefer to buy meat sold in their local shops rather than the supermarkets. Similar work is contributed by Bonne et al. [24], they have used the theory of planned behavior to explain non-Muslim consumer's behavior towards meat consumption due to their favorable approach, positive feelings and clean perception of Halal products (Figure 1).

Hypotheses development

- **H1:** Attitude toward Halal products has a significant and positive impact on purchase intension for Halal products in non-Muslim consumers.

- **H2:** Social influence has a significant and positive impact on purchase intension for Halal products in non-Muslim consumers.

- **H3:** Social influence moderates the relationship of Attitude and purchase intension for Halal products in non-Muslim consumers.

Research Methodology

Design of research

Quantitative research paradigm is followed for this particular study as Black [25] explained that quantitative research design measures consumers' behavior, opinions, and attitudes in the form of numerical and statistical data, it has been suitable to choose this method because it is more relevant to this research and deliver more reliable outcome.

Quantitative type of data can range from simple counts such as the frequency of occurrences of more complex data such as scores, facts, figures, numeric etc. Data obtained with this method is through questionnaire, surveys, or from secondary sources [26].

Time horizon

Cross-sectional studies are those in which information is accumulated once. This study has been conducted in 6-8 weeks and is cross sectional study as data are collected from non-Muslims just once for the study [27].

Data collection method and instrument

This study has been conducted in Punjab, Pakistan's restaurants like Gourment, Sheezan, PC hotel and Avari hotel in order to get information of purchase intention towards Halal products from non-Muslims. Gorsuch [28] and Kline [29] suggested sampling at least 100 subjects. Comrey and Lee [30] provided the following scale of sample size adequacy: 50–very poor, 100–poor, 200–fair, 300–good, 500–very good, and 1,000 or more–excellent.
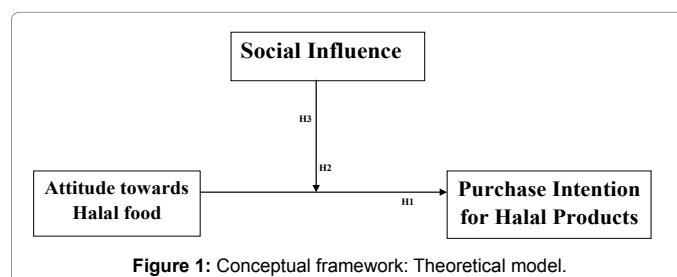

Figure 1: Conceptual framework: Theoretical model.

Non-Muslim consumers who visit restaurants offering Halal certified brands and have intentions to buy Halal certified products are target audience for data collection and sample size for this particular study is 300 as suggested [28-30].

Tool for data collection is 5 point Likert scale (1=strongly agree, 5=strongly disagree) questionnaire, that was adopted from different authors having 12 items in total as Ticehurst and Veal [26] informed that in quantitative studies, usually data are obtained with the method is through questionnaire, surveys, or from secondary sources, but questionnaire is most accepted and widely used approach.

Sampling technique

A purposive sample is a non-probability sample that is selected based on characteristics of a population and the objective of the study. Purposive sampling is basically done to select and choose particular set of audience from whole population [25,27]. Only those non-Muslim consumers are targeted who actually consume Halal brands and those consumers are picked up purposely from various restaurants of Punjab province. Total 300 non-Muslims of Punjab province were approached through email, social media and actually meeting in order to collect data for particular study. The characteristics of sample are attached as appendix, 300 was sample size from which data are collected through semi structured questionnaire depicting that more than 70 percent population was male and majority respondents are Christians that are more than 61 percent.

Data Analyses and Interpretation

In this research, PLS Structural equation modeling (SEM) 3 was employed to examine and interpret collected data suggested by Hair et al. [31]. First of all, a measurement model, comprising all the construct of interests was evaluated. Two psychometric tests i.e., validity and reliability were performed based on the full measurement model generated (Supplementary tables 1-3).

Convergent and discriminant validity

As shown in table that is attached in appendices, total 5 items were dropped due to factor loading value less than 0.7 [32]. All the kept indicators of following three constructs had factor loading value greater than 0.7 benchmark and average variance extracted (AVE) values are greater than the threshold point of 0.5 [31] depicting that instrument is absolutely valid in terms of convergent validity.

In table attached in appendices, constructs are proved valid in terms of discriminant validity as well because cross loading value of

each indicator in its construct was highest and in other constructs it was lesser depicting that all the factors and their indicators are discriminately valid [33,34] (Table 1).

The Cronbach's Alpha for all factors surpassed the recommended 0.70 threshold, portraying that constructs are reliable i.e., there is consistency in the responses of audience [35,36]. Furthermore, another evidence for instruments reliability is Composite Reliability (CR), that is average of indicators' reliability, also exceeds level of 0.07 showing that instrument is completely reliable (Table 2).

Relational or path model was used to test hypotheses and the beta value i.e., one unit change in dependent variable will bring how much change in dependent variable (Figure 2).

Main effect means the effect of independent variable Attitude toward Halal products on dependent variable Purchase intention that is 0.681 individually and 0.477 in the presence of moderation, depicting that particular positive change will occur in dependent variable purchase intention due to one unit change in Attitude toward Halal products independent variable as results are positive and significant.

Moderator variable Social influence was introduced in Moderator direct effect model which tested its direct effect on Purchase intention dependent variable. Beta value is positive and significant showing that Social influence has positive relation with purchase intention and increase/decrease in Social influence by 1 unit will increase/decrease purchase intention for Halal products with 13.2 percent in non-Muslim consumers.

In Moderating effect, both independent and moderator variables were tested along with moderation effect (interaction of both independent and moderator). The yield results describe that 0.091 or just 9.1% change is occurred in purchase intention of non-Muslim consumers due to moderating effect of Social influence that is too low depicting that Social influence is not very much influential on the purchase intention of non-Muslims for Halal products. However, value is significant at <0.05 and positive. Furthermore, even partial moderation exists, but it strengthens somewhat relationship of Attitude and Purchase intention positively (Table 3).

T-statistics exceeds 1.96 criteria of hypotheses acceptance [37] showing that H1, H2 and H3 (Hypothesis 1, 2 and 3) are accepted as P value is less than 0.05 for all the T-statistics showing that all values are significant as well (Table 4).

R square is 0.783 for dependent variable Purchase intention indicating a plausible model fit [38] as attitude toward Halal product, social influence and their interaction (moderation) is 78.3 percent responsible for Purchase intention in non-Muslim consumers for Halal products. In other words, purchase intention can be controlled 78.3 percent with these variables and other 21.7 percent may be due to other numerous latent variables.

Adjusted R square is 79.2 representing that if sample was taken from another portion of population, what could be the results. It is near to R square which means acceptable [37].

Variables	Chronbach's Alpha	Composite Reliability
Purchase intention	0.786	0.903
Social influence	0.755	0.856
Attitude toward Halal products	0.781	0.901
Moderation (Attitude toward Halal products × Social influence)	0.98	0.99

Table 1: Measurement model (Reliability).

Relation	Main Effect	Moderator Direct effect	Moderating Effect
	Path Coefficient (Beta value)		
Attitude toward Halal products →Purchase Intention	0.681***	0.580***	0.477***
Social Influence→Purchase Intention	-	0.132*	0.118*
Social Influence×Attitude toward Halal products→Purchase Intention	-	-	0.091*

Note: * p<0.05; ***p<0.001.
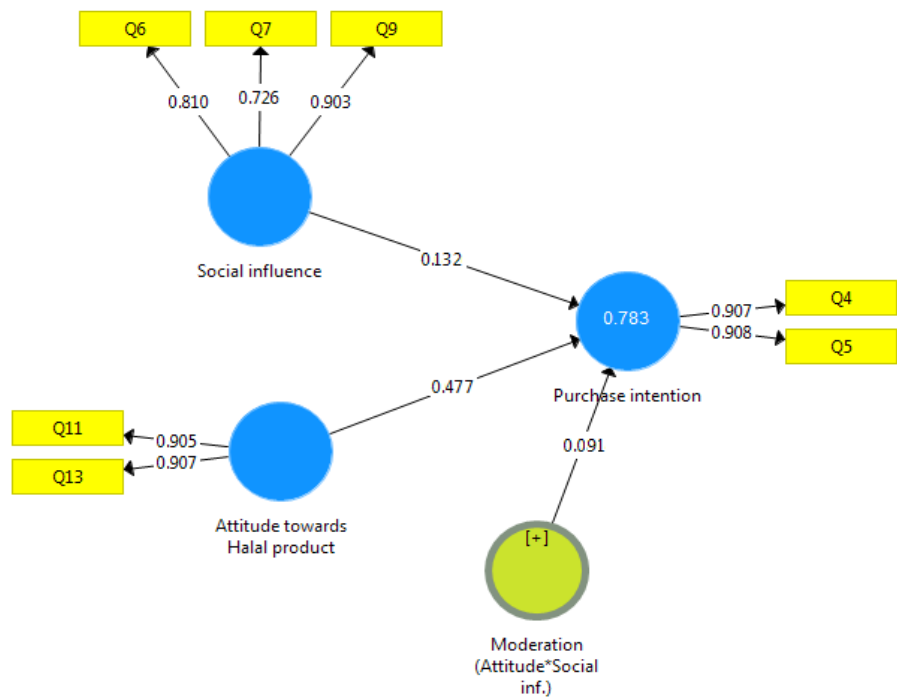
Table 2: Path model.

Figure 2: Relational or path model was used to test hypotheses and the beta value i.e. one unit change independent variable will bring how much change in dependent variable.

Hypothesis	T-Statistics	Status
	(After Moderation)	
H1: Attitude has a significant and positive impact on purchase intension for Halal products in non-Muslim consumers.	61.741***	Accepted
H2: Social influence has a significant and positive impact on purchase intension for Halal products in non-Muslim consumers.	2.539*	Accepted
H3: Social influence moderates the relationship of Attitude and purchase intension for Halal products in non-Muslim consumers.	2.478*	Accepted

Note: * $p<0.05$; ***$p<0.001$.

Table 3: Hypotheses testing.

R Square	Adjusted R²	SRMR	RMS-theta
0.783 (DV)	0.792	0.0937	0.331

Table 4: Model fit.

Factor	VIF
Social influence	3.12
Attitude toward Halal products	3.175
Moderation (Attitude toward Halal products× Social influence)	1.124

Table 5: Multicollinearity test.

The Standardized Root Mean Square Residual (SRMR) allows assessing the average magnitude of the inconsistency between observed and expected correlations as an absolute measure of model fit criterion. A value less than 0.10 [39] are considered a good fit. Henseler et al. [40] initiated the SRMR as a goodness of fit measure for PLS-SEM; here it is 0.0937 as per criteria so model is fit according to SRMR.

The RMS_theta is the root mean squared residual covariance matrix of the outer model residuals. This fit measure is only useful to assess purely reflective models [41]. This study's model is also reflective therefore RMS_theta is used to get model fit. According to Henseler et al. [40] the measure should be close to zero to indicate good model fit. Here, it is 0.331 that is near to zero confirming model fitness (Table 5).

O'brien [42] explained that in multicollinearity two or more predictors in regression model are highly correlated, meaning that one can be linearly predicted from the others. Here, it is less than 5 and more than 1 for all the factors suggested by Mansfield and Helms [43] means it is acceptable.

Discussion and Conclusion

This study was basically conducted in Pakistan in order to know the purchase intention of non-Muslims living in Pakistan as a result of their attitude that is moderated by social influence of Muslims on those non-Muslims, sample size was 300 and data were collected from various restaurants and communities of non-Muslims via face to face meeting and email of semi-structured 5-point Likert scale questionnaire (Supplementary tables 4-7). Approach for study was quantitative and purposive sampling method was used to collect data as candidates were to pick up selectively and purposely.

Data were set in software Smart-PLS 3 in order to check measurement model, path model and model fit. 5 indicators were dropped due to loading value less than 0.7 recommended. Loading value was more than 0.7 and AVE value was more than 0.5 for all remaining indicators. Chronbach's Alpha and composite reliability were also acceptable as per criteria. Beta value was significant for all

the relations and all three hypotheses were accepted as T statistics was more than 1.96 at 95% confidence interval. Model fit was test and R square, SRMS and rms-theta values were as per suggested and Smart-PLS website.

Moderation was 9% reflecting that social influence's effect of Muslim society doesn't shape so much the attitude of non-Muslims for Halal purchase intention, but it was significant. However, attitude was proved a strong relation with purchase intention for Halal products. These results are similar with findings of various studies conducted as these studies also derive almost the identical results.

Managerial Implications

As far as implications are concerned, companies nowadays should take advantage of these strong opportunities in Halal products markets by tailoring towards consumer needs with the right marketing strategies. The findings of the study draw useful implications for both marketers and Halal food manufacturers. The marketers should first acknowledge the fact that marketing campaigns must be designed as Halal products because not only Muslims, but non-Muslims are proved a strong positive attitude regarding Halal products. Moreover, social influence of Muslims on non-Muslims living in their community is also significant, although it is not proved very strong but it exists of course. So it should also be considered before developing all marketing campaigns.

Furthermore, this study can be a starting point for the marketers in Pakistan to understand the need of Halal products and they should turn all their activities toward Halal because, consumer of Pakistan is sensible and is moving with international standards. Whatever, religion they have but their first and foremost priority is to acquire and consume Halal products and now it has become an essential of their life. Moreover, not just in Pakistan, same is the case in international markets as various global studies suggested likewise.

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Page 6 of 6

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