

Halal Product Design Accreditation : A Conceptual Framework.

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Abstract

Purpose – The purpose of this paper is to propose a conceptual framework of Halal Product Design Accreditation adopted by manufacturers in designing their product with the integration of halal value in their design for better understanding on the matter.

Design/methodology/approach – This paper develops a new combination of variables that is essential to consider for producing and designing a halal product. Knowledge, attitude, religious and packaging are used as pre-determined variables for the design and production of the halal products.

Findings – The hypotheses revealed that knowledge and attitude have significant influence towards creating a purchase intention among the consumers. As for the halal concept, it is strongly influenced by religious and packaging. The findings show that the purchase intention and halal concept are critical variables in the product development process, which will eventually lead to the production of halal products with accreditation.

Implications – As an overall implication, this paper will provide an important and valuable information for manufacturers who intends to produce halal products. It will be very interesting if researchers in the future can examine and divide the halal products into two categories, namely halal product for consumption and halal product for use.

Originality/value – This paper examines variables that has potential to influence the design and production of halal products. It is critical for the manufacturers to understand the interrelation between all variables discussed in this paper, to enable them to produce halal products with accreditation and becoming a key player in the halal products huge markets.

Keywords – Halal product, Purchase intentions, Halal concept, Product development process, Halal products with accreditation.

Paper type – Research paper.

1. Introduction

Halal and haram are words of Islamic origin. Halal means anything that is permissible according to the Islamic religion and code of conducts. Haram, on the contrary, means anything that is not permissible according to the Islamic

religion and code of conducts. In Muslim countries such as Malaysia, non-halal term is used to replace haram, as it sounded more Muslim friendly. Halal product are produced by following the principles of Islam that give clear guidance on what is permitted and what is not (Garg & Joshi, 2018).

Awareness about halal product that a person uses or consume among Muslim and non-Muslim alike in today's world are getting stronger. As a Muslim, one should adhere to strict dietary regulation as stipulated in the Holy Quran. Muslims are only allowed to consume or use halal product. (Norizah Mohamad & Backhouse, 2014) For non-Muslim, they are practically allowed to consume or use almost everything that is available in the market. But, even then, non-Muslim has started to understand the halal concept, and they have accepted halal products due to the perception that it is safer to use or consume a halal product compared to a non-halal product. (Abd Rahman, Asrarhaghighi, & Ab Rahman, 2015)

As the market for halal products are getting bigger and bigger, comprising of Muslims as well as non-Muslim, manufacturers, especially in Muslim majority countries must

2. Literature Review

This literature will explain on how emphasizing the halal concept in the religious context as well as in the packaging of a product that is intended to be produced as well as knowing the factors that will drive consumer purchase intention. Religious value includes trust, attitude and activities which lead to a culture that emphasize the elements of rewards and punishment in entire life. (Almossawi, 2014) While, packaging products are external aspects that are used as a language to convey a message and also to capture the attention of a product by decoding a message of interest and encouraging purchase intention. (Mohamed, Medina, & Romo, 2018)

For instance, several studies have been conducted to study the factors that influence purchase intention of a product such as knowledge factor as well as consumer attitude towards their intention to buy the product. (Abd Rahman, Asrarhaghighi, & Ab Rahman, 2015) There are other supporting studies where the study investigates the role of consumer knowledge in helping consumers to make better perceptions on evaluating a product. (Anam, Sany Sanuri, & Ismail, 2018) As previously mentioned, consumer knowledge is divided into two basic components: familiarity and expertise. (Awan, Siddiquei, & Haider, 2015) Familiarity refers to the amount of consumer experience accumulated in relation to a product while expertise refers to the consumer's ability to use a product completely. Consumer attitude towards purchase intention refers to psychological state that will give a good or bad image to an entity. (Awan et al., 2015) Some even say that a person's attitude leads to certain things whether they are

3. Conceptual Development

3.1. Knowledge and attitude towards purchase intention

According to (Abd Rahman et al., 2015) attitude is influenced by knowledge hence it might also influence intention. (Brihana & Noviana, 2016) defines knowledge as expertise and skills acquired by a person through theoretical or practical understanding of a subject. (Mohd Suki & Abang

adapt and adopt this halal concept in producing their product. Halal product sector has become an economic force in today's world. (Norizah Mohamad & Backhouse, 2014) Many countries aspires to be the leader in the production of halal products, with aim of becoming a global halal hub. Countries with minority Muslim such as Thailand and China are also very keen on becoming key players in delivering halal products. (Norizah Mohamad & Backhouse, 2014)

As many factors are taken into consideration in producing halal products, this paper is intended to study on the factors and variables involved and how are the variables interrelated. This will hopefully help all parties involved in producing halal products to understand and apply the concept shown in the framework, and finally help them in achieving their objective to produce halal product with accreditation.

favourable or not favourable. In other words, consumer's attitude is based on the consumer's own beliefs and knowledge that will motivate them to make decisions. (Awan et al., 2015). Past research has also shown that knowledge has a positive effect on consumer's attitude when making decisions in purchasing a product. (Abd Rahman et al., 2015). Meanwhile, (Aziz & Chok, 2013) have found a positive relationship between knowledge and purchase intention.

In some country which most of the population is Muslim, one of major forces that determine consumer's perception of a product packaging as a promotional tools is religion. (Akbari, Gholizadeh, & Zomorodi, 2018) study showed that there is positive impact of consumer purchase intention when there is element of religious symbol on the products packaging. Nowadays Muslims around the world are experiencing a high awareness towards halal products which leads to the increasing demands for halal goods in the market. Besides, halal values also becoming popular among the non-Muslim because of the issues of concerning about hygiene, health, safety, environment social justice and also animal welfare. (Muslim & Student, 2013). (Anam et al., 2018) also supported that consumer will perceived halal-labelled food products as healthy. (Anam et al., 2018) stated supported that Muslim consumer rely on the halal logo for the consumption. In addition, the halal-labelled products are perceived to have a higher quality and value. (Anam et al., 2018). Companies which does not concern about their target market's religious value and element when creating a product's design, packaging and advertising will normally impact their image and company's reputation.

Salleh, 2016) has highlighted attitude to be significantly affected halal purchase intention.

(Aziz & Chok, 2013) had investigated the effect of knowledge and attitudes towards halal food. Previous research shows that there is no significant relationship between the knowledge of halal food and purchasing intention. However, the study by (Aziz & Chok, 2013) resulted that knowledge on halal food significantly affects the purchase intention of consumer who are non-Muslim. The

knowledge on halal products as being healthy, clean and safe has also attracted non-Muslims to purchase halal food.

According to (Pollard, 2015), the theory of planned behaviour (TPB) concept touches on attitude towards behaviour. This is determined by the favourable or unfavourable reaction of a person when performing a particular behaviour. (Lian, 2017) studies show that the consumers are highly influenced by the outcomes of consuming organic food whether it is tasty, healthier and environmentally friendly which is relevant to the concept of Halal. It is proven that halal foods follow strict safety and quality standards compare to non-halal products. According to (Survey, Halal, Food, & In, 2013) halal products are healthier and safer and are more humane towards animals. Most Muslims consumers in Malaysia does not accept non-halal products. (Haque, Sarwar, Yasmin, Tarofder, & Hossain, 2015) stated that behavioural belief directs a consumer's favourable or unfavourable attitude towards halal branded product.

The consumer purchase intention will increase if the company can create a new product that meets the requirements of its consumers thus will significantly increase the sales of the product. (Rahayu, ., & Zanky, 2018) mentioned that the consumers plan to buy a particularly product and the quantity of the product needed in a certain timeframe is related to their purchase intention. (Ogbeide, 2015) mentioned that there are several indicators needed to measure consumers purchase intention such as (1) interest in product information, (2) buying consideration, (3) interest in trying, (4) knowing the product and (5) wanting the product.

3.2. *Knowledge relationship with product development*

New product development is a knowledge-based activity. According to (Tabassum & Ozuem, 2019), there is an important use of external sources of knowledge in developing innovations process in the company which is highlighted in innovation management. Subsequently, it needs to be supported by risky investments. According to (Hong, Zhao, & Snell, 2019), due to the risk involved, the companies needs to collaborate with external parties to distribute effectively their cost and ideas.

According to (Tabassum & Ozuem, 2019), a company success is determined by a positive new product development (NPD). Successful new viable product introductions to the market can leverage companies to overcome the problems associated with low performance and profit of existing products and services that are nearing their maturity life cycles. NPD is a catalyst to bring new product to the marketplace and it consist of several important components such as designing, growing, developing and launching the new service or product.

The findings of (Tabassum & Ozuem, 2019) also stated that the main focus of any company is to develop new products

for future expansion. This knowledge has been developed continuously by concentrating on the expectation of the customers. New product affects the development of economic growth of the organization. Recycling identical components of existing products can have a positive effect on lowering the unit cost for the organization. It can also benefit the organization if it is interrelated with their supply chain network.

3.3. *Conceptual Halal Concept*

According to JAKIM from Halal Malaysia Official Portal, "halal originates from an Arabic phrase that means allowed or permitted by Islamic law". The definition of halal according to the Trade Description Order (usage of the term "Halal") 1975 is actually related with food in any types, the process trade itself or commerce as an aspect of trading of part of an aspect of trading for the referred food, the terms "Halal", "Guaranteed Halal" or "Muslim Food" or any terms that may be used to indicate or may be understood as meaning to indicate as permissible to be consumed by Muslims and allowed in their religion for the referred food to be consumed, must therefore mean the following:

- a) Does not stem from or consists of any part of or item from animals that are forbidden to Muslims by Islamic law, or animals that have not been slaughtered according to Islamic law.
- b) Does not contain any substance that is considered impure in Islamic law.
- c) Is not prepared, processed or manufactured using equipment or utensils that are not free from impurities as defined by Islamic law.
- d) That, in preparation, processing or storage stage, does not come in contact with or is stored near any kind of food that does not meet the requirements of para(s) (a), (b) or (c) or any substances that are considered impure by Islamic law.

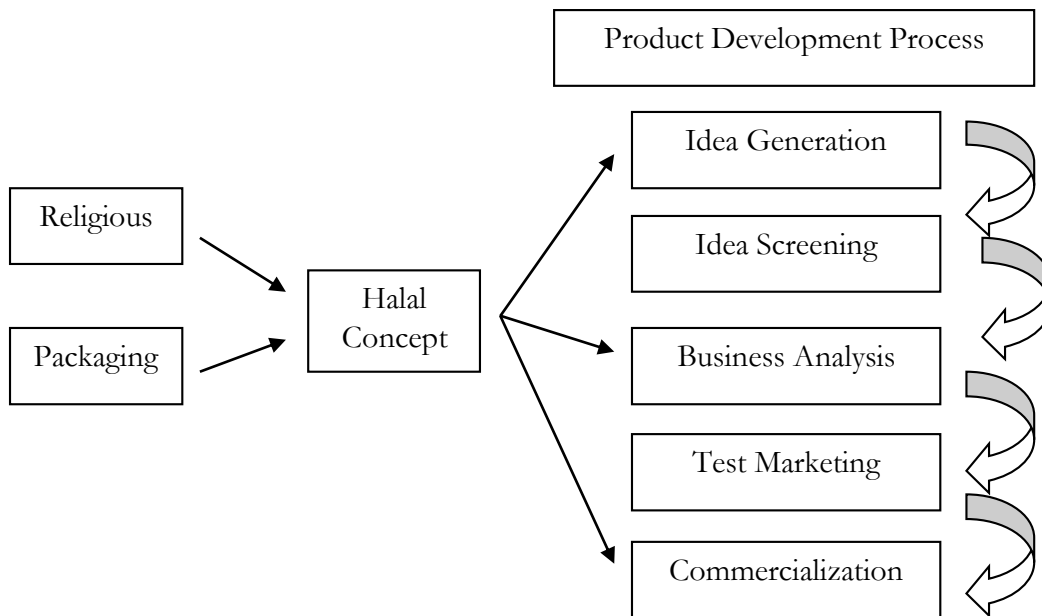
The halalness of products is also determine not only from the definition as explained above, but it is important to consider the process of obtaining and handling the products itself (Mohamed et al., 2018). So, in this paper we will relate how the Halal products with accreditation were produce by considering the religious and packaging of Halal concept with the process of product development.

There are five product developments as follows:

- a) Idea generation
- b) Idea screening
- c) Business analysis
- d) Test marketing
- e) Commercialization

To be clear, idea that we will bring in this paper for Halal concept as below:

(Norizah Mohamad & Backhouse, 2014)



According to (Awan et al., 2015), religion actually will set the standards of behavior that directly effects of choosing their food products. Most of the consumer will choose Halal food product to prevent them against their religion guidelines (Awan et al., 2015).

Therefore, the belief in religion by customers has become most important part in the product development process which is in idea generation of Halal product, business analysis and also for commercialization issues. According to (Awan et al., 2015), religiosity has very strong impacts to customers' actions and behavior to choose or buy their Halal food products.

To produce the halal product with accreditation, the first thing we must consider is, what the product that will be markets to consumer. The idea will be generated by many ways actually and one of it from the religious perspective. According to the (Baharuddin, Kassim, Nordin, & Buyong, 2015), their respondent behavior towards the halal products, the consumers only purchase usually by referring to the product which have the halal logo and certification. In the same research paper also, in Malaysia country the consumers only buy the halal food with halal certification. So, this is strong enough to prove that to generate the idea towards Halal product we must consider what consumers want to purchase in the markets. This is how religious and packaging influence in the idea generation on the producing of Halal product with accreditation.

The second factors that related with religious and packaging to produce halal product with accreditation is the business analysis. Business analysis in the product development process which involves a review of the sales, cost and profit projections to find out whether meets the company's objective or not. According to (Awan et al., 2015), they find out people who is consume the halal products actually have high levels of loyalty to the halal products which can give

impacts to the economic issue. The impact of halal logo packaging is also considered in the perception of product quality not only by Muslims but also among the non-Muslims. This is being studied in many markets, such as the food packaging choices with halal logo by the non-Muslims consumer (Anam et al., 2018). Other research conducted by the French non-Muslim consumers, many of the responders highly agreed food packaging product consist of halal logo is much tastier and hygienic. Regarding to (Mohamed et al., 2018) studies on Russian non-Muslim consumers, they believed food product with halal logo is more hygienic and the preparation of that food is completely follow the quality assurance and also according to (Mohamed et al., 2018) the foods are free from pathogen. So, this is proving that the concept of halal logo in the food packaging can give the positive impacts to the business analysis for the entrepreneurs. This is can be support by (Muslim & Student, 2013) and (Awan et al., 2015), that the halal logo has build their own popularity all around the world, so there is no doubt for the business player to produce their halal product with the accreditation.

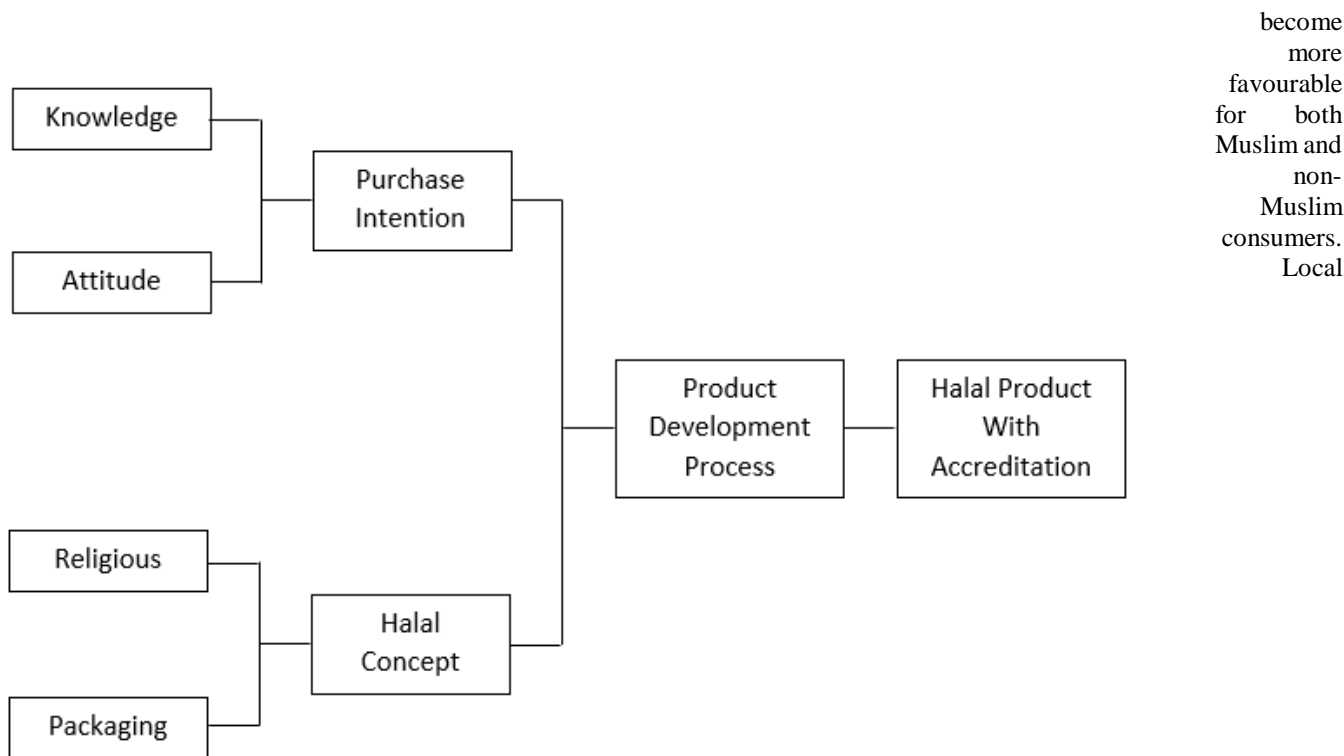
By understanding the behavior of consumers is very important to market the Halal food products. The final product we produce must be commercialize to the markets and introduced to the consumers. This is how the marketers assess their consumers' responds accordingly to the marketing strategies. According to the (Awan et al., 2015) to satisfy the consumers and also to achieve the company objectives, the marketing mix should be used and consider to promote the product. So, by considering the marketing-related factors it is actually can predict that intention of consumers to buy the Halal products (Abd Rahman et al., 2015).

According to (Awan et al., 2015), consumers are not fully exposed to Halal accreditation and Halal brands via the marketing communication, and he suggested having use

marketing and branding to promote and sell the Halal products. It can be concluded that the Halal marketing can give the highest contribution to the consumers to buy the Halal products. The marketing of Halal food products has a

positive relationship with the Halal Awareness (Awan et al., 2015). They also claimed that the advertising and marketing for Halal products could lead to Halal Awareness.

4. Conceptual Framework.



5. Conclusion

This article investigates and give solutions on how manufacturer want to develop new products or services by looking at the factors which leads to the consumer purchase intention and also halal concept in the product development process. This is due to growing market of the Halal products in domestic and international where the halal products

manufacturers must be aware and grab this opportunity so that they will be able to compete in this halal production industry. All entrepreneurs in production industry (Micro, Small or Big Scale business) must be applying the halal accreditation in order for them to be able to compete with their halal concept advantages in their production.

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