

**FACTORS INFLUENCING THE MUSLIM CONSUMER'S LEVEL OF
CONFIDENCE ON HALAL LOGO ISSUED BY JAKIM: AN EMPIRICAL
STUDY**

By

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**To my understanding, patient and loving wife Siti Rathiah Nasiman and three sons,
Muhammad Faris, Muhammad Fahmi and Muhammad Fauzan**

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ABSTRAK

Menyedari akan tahap permintaan terhadap bahan makanan halal yang semakin meningkat, kerajaan sedang berusaha untuk menjadikan Malaysia sebagai sebuah negara pengeluar makanan halal yang terpenting di rantau ini. Walaubagaimanapun, disebabkan oleh sikap beberapa pengeluar yang ingkar untuk mematuhi syarat-syarat halal yang telah ditetapkan, pengguna mula mempersoalkan kesahihan sijil Halal yang dikeluarkan oleh JAKIM. Oleh itu, kajian ini telah dijalankan dengan bertujuan untuk mengenalpasti faktor-faktor yang mempengaruhi tahap keyakinan pengguna terhadap sijil halal yang dikeluarkan oleh JAKIM. Untuk tujuan ini, analisa regrasi berganda telah dijalankan terhadap 80 orang pengguna Islam dengan menggunakan keadah soal selidik mudah. Hasil dari analisa tersebut, adalah didapati faktor pembungkusan dan imej syarikat pengeluar mempengaruhi keyakinan pengguna secara positif terhadap sijil halal yang dikeluarkan oleh JAKIM. Pada masa yang sama, faktor-faktor lain dalam kajian ini seperti keimanan pengguna, label, tempat produk dikeluarkan, media dan sijil-sijil lain yang diperolehi oleh syarikat tidak menunjukkan sebarang kesan positif yang signifikan terhadap tahap keyakinan pengguna Islam kepada logo halal tersebut.

ABSTRACT

Realizing the great demand of halal food in Malaysia and in the world in general, there are efforts by the Government to make Malaysia as a regional hub for halal food products. However, there is a situation now when consumers start questioning about the actual halal content of products that have been certified as halal by JAKIM. This scenario happens due to the actions by certain manufacturers that do not fully comply to the JAKIM requirement in meeting the specified halal standard. Hence, this study is undertaken in order to determine factors that influence the Muslim consumer's level of confidence on the JAKIM's halal logo. For this purpose, a multiple regression analysis was performed on 80 Muslim consumers surveyed through convenient sampling. From the analysis it was found that packaging and company's image give positive influence on consumer's level of confidence on the halal logo issued by JAKIM. On the other hand, other factors under study such as religiosity, labeling, product produced, media and other certifications did not produce any positive significant influence on consumer's level of confidence on the halal logo.

Chapter 1

INTRODUCTION

1.0 Overview of Halal Food Industry in Malaysia

Muslim consumer's confidence on halal logo was not a major issue debated in the past. During those days, consumer was normally relying very much on the official halal logo issued by the Government before they make the decision to purchase or consume food products of their likes. However, as the business of halal food grows, stiffer competition is unavoidable. In order to survive and remain in the business, some companies had gone beyond the existing law and let the moral and ethic behind them. The news of non-halal moon-cakes that bear with JAKIM's halal logo shocks us, especially the Muslim (Berita Harian, Sept 30, 2004). It was also reported that food products worth of RM 2.86 million have been confiscated from January to October 2004 due to the offence of misusing the JAKIM's halal logo (Utusan, Oct 10, 2004). In the wake of the recent case of companies being hauled up by the authorities on suspicion of using non-halal casing, such as pig intestines for their sausage products, Foreign Ministry Datuk Seri Syed Hamid Albar said that JAKIM and the Domestic Trade and Consumer Affairs must come up with a fail-safe strategy to protect the country's halal certification. He feared that Malaysia's representative abroad might be questioned about the halal issue and this could hurt the country's position as a halal food hub (Star, March 20, 2005). It is indeed necessary for authority to improve the situation quickly so that Malaysia's reputation as a global halal food hub will not be damaged and consumer's confidence can be fully restored. Hence, it

is very timely a study on factors that influence the level of confidence on JAKIM's halal logo is being undertaken among the Muslim consumers.

In a country which has 24 million population, out of which 60% of them are Muslim, food manufacturing companies will find it very crucial to ensure that the sensitivity and the concerned of this majority group are well taken into account on whatever business decision being undertaken. For the Muslim population, the most sought-after assurance that can be offered by the food producers is the confirmation that the products sold are really halal, hence safe to be consumed and eaten, which is through the halal certificate labeled on the package of their products. The halal certification will enable manufacturers to convince the consumers, especially Muslim that their products have been confirmed by an independent third party, namely Jabatan Kebajikan Islam Malaysia (JAKIM) as having ingredients that do not contain any components that are not halal according to the Syariah Law. Thus, these products are considered as clean, consumable and eatable for them.

As an independent party that is made responsible by the Government to award companies with the halal certificate, JAKIM has spelled out a clear guideline and requirements for any companies that wish to attain the certification. Besides JAKIM, the Islamic Religious Department of various states is also given the same responsibility by the Government. As of to date, there are 534 companies which have been awarded the halal certification, out of which 391 or 73.2 percent were small and medium scale enterprises (Utusan, June 29, 2004).

It is estimated that the volume of global halal market is worth approximately US\$150 billion (RM570 billion) to US\$200 billion (RM760) a year (Utusan, Jan 16,

2005). China, Thailand, Australia and Brazil are currently the world's leading countries in the halal food industry (Berita Harian, Dec 9, 2004). Realizing this fact, the Government has set a target to make Malaysia as a global halal food hub. As such, companies are encouraged to get their products certified so that they can meet the Government's projection of capturing five percent of global halal food market within the next five year. Currently, Malaysia captures only a mere one percent of this market share (Utusan, June 8, 2004). At the same time, by becoming the halal hub, Malaysia can expect itself to progress higher from the current standing as the world's seventeenth strongest trading nation within the next few years (Utusan, April 29, 2004).

In Malaysia alone, if one were to estimate the daily food consumption of Muslim population as RM1.00 per day per person, there will be at least RM14 million worth of daily demand of halal food in the country. This is equivalent to a demand of more than RM5 billion a year (Star, Jan 31, 2005). As the number grows due to increase in the country population and also due to the new trend of more West Asian tourists visiting the country every year, efforts have been made by the Government to boost the food production capacity and capability through various efforts. As an example, the recent event of 5th Malaysian International Food Conference 2004, held at the Putra World Trade Centre from July 15 to July 16 attracted participant from Malaysia and other nations. Besides, the Government also has organized inter-ministerial meeting, forums, dialogues and international conferences and exhibition.

The food industry has been a very serious affair for the government, not only because of the increasing population, but also due to the growing number of business activity in this industry. As a matter of fact, in 2002, Malaysian imports of processed

food were valued at RM5.7 billion, while exports were RM4.7 billion. The country spent RM13.9 billion on food import in 2003. From January to September 2003, import of meat alone is worth RM338 million (Berita Harian, Dec 9, 2004). At the same time, from 1995 to June 2003, the Malaysian Industrial Development Authority (MIDA) issued licenses to 424 food manufacturing companies with total investment of RM5.9 billion (Star, Jan 31, 2005). These figures emphasize the importance of food industry which has been identified as the third most important sector for the country economic growth behind manufacturing and services industries.

1.1 Background of the Study

In the world of globalization that comes along with stiffer competition, companies can no longer able to enjoy a continuous spell of market dominance for too long. This situation is no exception to food manufacturers and distributors. Today, consumers are more sensitive, knowledgeable and very responsive to their surrounding. They expect manufacturers to fulfill their needs, expectation and intuition much more than the earlier generation did. More specifically, for the vast majority of Muslim consumers in this country, they will only buy products that are considered halal. The halal logo labeled on their products will only ascertain consumers of the halal ingredients of the product and also the processes of preparing the foods itself.

JAKIM which has established itself since 1968 and has been issuing halal certificates since 1974 has made itself more reachable to the public by having its own homepage ([http: // www.halaljakim.gov.my](http://www.halaljakim.gov.my)) for companies to have better information

and access to the halal food procedures and guidelines. Without doubt, this has increased the awareness of the issues to the companies in general.

In this country, the government, through Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna (KPDNHEP) could act according to Akta Perihal Perdagangan 1972 to defaulters of this halal logo law. Under this act, individuals can be fined for not more than RM100,000 or jailed for not more than three years if found guilty of abiding the law for the first offence. For the companies, they can be fined for not more than RM250,000 for the similar offence (JAKIM, 2004). From another prospective, the unlawful practice of these parties could tarnish the image of the industry itself and put back the cloud of uncertainty of the halal food to consumers. More seriously, they might put the government effort to establish Malaysia as a regional halal food hub into disarray.

As a matter of fact, consumers normally rely on the Government especially JAKIM on the issues regarding the halal products. However, due to the recent events regarding the wrong doings committed by some manufacturers, consumers are getting more anxious and they started questioning the authority whether they still can trust the halal logo alone before they buy or consume food products.

1.2 Problem Statement

For companies in this country, the significance of being certified as halal and having their products labeled with the logo is known without much doubt. Halal logo has become a common tool for the purpose of convincing the 14 million Muslims in this country and the estimated 1.5 billion throughout the world (Utusan Malaysia, Aug 27, 2004). If the consumers become convinced by the logo, this means that the industry can serve

consumers' requirement and hence the opportunity to expand their market in Malaysia and go beyond the border to grab the bigger cake in the outside world can be within their reach.

However, with the various cases being reported on manufacturers that do not follow exactly the halal certification procedures, one starts to wonder whether Muslim consumers nowadays still have the confidence on the JAKIM's halal logo. Muslim consumers are left bemused with the report that within the first six months of 2004 alone, JAKIM has detected 27 cases of various types of unlawful use of halal logo through out the country (Utusan, July 16, 2004). Hence, the issue of confidence on JAKIM's halal logo among Muslim consumer is so crucial to be identified as the whole system of halal certification will be under a very heavy pressure if Muslim consumers start questioning the effectiveness of the halal certificate issued by JAKIM.

Consequently, in order to understand fully about the Muslim consumers' point of view about the halal issues and for the authority to improve the effectiveness of the halal certification system that has been much under pressure, there is a need to conduct a study on the Muslim consumer's level of confidence on the JAKIM's halal logo in this country. The following issues could further emphasize the need for the study in this area to be conducted.

- a) There are still many food products in the market produced locally by Malaysian that labeled with halal logo not certified by JAKIM.
- b) Many imported food products are using the halal certificate issued by the government of the country where the foods are produced.

- c) Having set the target to become a hub for halal food for the region, the halal certification of this country should be seen as reputable and reliable as much as the other standard such as ISO 9000 or being the complementary.

1.3 Objective of the Study

This study will be mainly discussing the halal certification issues from the Muslim consumer's point of view. More precisely factors that are affecting the customer's level of confidence toward the JAKIM's halal logo will be examined. Thus, the study will focus mainly on the following subjects.

1. To investigate whether product packaging has any influence to the consumer's level of confidence on the halal logo.
2. To investigate whether product labeling has any influence to the consumer's level of confidence on the halal logo.
3. To investigate whether the product produced has any influence to the consumer's level of confidence on the halal logo
4. To identify whether media have any influence to the consumers' level of confidence on the halal logo
5. To identify whether religiosity has any influence to the consumer's level of confidence on the halal logo.
6. To identify whether company's image has any influence to the consumer's level of confidence on the halal logo.
7. To investigate whether other certifications obtained by companies have any influence to the consumer's level of confidence on the halal logo.

8. To identify which one of these factors described above has the greatest influence to consumer's level of confidence on the JAKIM's halal logo.

1.4 Research Questions

The main objective of this research is to answer the following issues that relate directly to the consumer's perception on the JAKIM's halal logo.

- 1) How factors such as labeling, packaging, product produced, media, religiosity, company's image and other certifications have any impact to the consumer's level of confidence on the halal logo?
- 2) Which of the factors mentioned above have the most significant influence to the consumer's level of confidence on the logo?

1.5 Significance of the Study

With the vast number of food products from various manufacturers and importers available in Malaysian market, it is timely to ensure that the Halal logo from JAKIM labeled on the products are genuine and issued according to the existing procedures by JAKIM and Islamic Religious Authorities of various states. Normally, in the perspective of consumers, the more confidence that they have on the JAKIM's halal logo, the easier for them to decide on which product that they want to purchase and consume.

From this study, the Government especially JAKIM itself can have a better knowledge whether the present system of the certification and its maintenance are sufficient to convince general consumers and the Muslim population in particular. They have to find ways and provide solutions in order to improve the perception of the general

public. This will ensure the interest of the public is well taken into account by the authority so that all the efforts and moneys spent will benefit the people and the public in general.

For the companies, the findings from this study will lead them to understand whether the halal logo alone can carry the maximum weight for the consumers to feel convinced about the halal certification that they are craving. They will appreciate better about other factors that might affect the consumer's behavior to purchase. The findings will also serve as a reminder to companies, that nowadays, consumers might not be the same as the consumers of yester-years. They have different background, education level, mind set and perception. Thus, they can no longer being easily manipulated and taken for granted.

1.6 Definition of Key Variables

1.6.1 Packaging

Packaging is the way products are wrapped. The way the products are packed may influence consumer's perception on the actual content of the product. Hence manufacturers always try to give the best impression of a product to consumers through packaging.

1.6.2 Labeling

Labeling is the way products are described in-term of its content and the materials used. Although it can be written in various languages, care has to be taken on the right choice to be taken. It gives consumer the first impression of the product.

1.6.3 Product produced

Product produced is defined as the place where product are produced or prepared. In present business environment when import and export become a common practice, consumers are normally keen to know where the product comes from. In general this information can be obtained from the product label. Muslim customers are normally more concerned because their buying decision are somehow depend on how confidence they are on the way the product is prepared in that foreign country.

1.6.4 Media

Media or mass media can be explained as the means of communication that reach large number of people in a short time, such as television, newspapers, magazines and radio. The importance of media in business environment is getting more and more significant. Favourable media coverage will enable company to enjoy good reputation and image to the customers, investors and employees themselves. Adversely, unfavourable coverage will need the company to apply certain strategy to prevent negative backlash from jeopardizing the company's future.

1.6.5 Religiosity

Religiosity is defined as the intrinsic religious orientation in which religion provides the individual with the meaning-endowing framework in term of which life is understood. It is more on a spiritually of an individual. The higher the religiosity of the individual, the more likely for him/her to engage on activities that respect high ethics and morale.

1.6.6 Company's Image

Company image is defined as a way company projects itself to the public and the manner that a company wants the public to recognize the company. Some enterprises have to spend considerable amount to get their name recognized so that the products that carry the company's name can be easily noticed and recognized by customers. Companies have to maintain their good image so that consumers will have a trust to the brand that synonymous with the companies' name.

1.6.7 Certification

Certification is defined as recognition received by a company, normally awarded by an independent body after the company has proven to carry out certain good practices. The awareness that has been created due to the certification has enable consumers to make their choice easier as they can easily differentiate between products of their likes. Examples of the various certifications recognized in the industry are Halal, HACCP (Hazard Analysis and Critical Control Point), ISO9000 and ISO14000.

1.6.8 Level of Confidence

Confidence is defined as a feeling of trust in a person or thing. It is the level of how people believe on a certain item or issues that they experience. The level of confidence on halal logo can influence consumers' decision on the type of food products that they would like to purchase and consume.

1.7 Organization of the thesis

This thesis is divided into five chapters. Following to this chapter is Chapter two which review the literature related to halal food industry in Malaysia and the factors that influence consumer's confidence on JAKIM's halal logo. In chapter three the research methodology adopted for current study will be discussed. Chapter four will discuss the results of the finding and finally, chapter five will conclude the results of the study, limitations and suggestions for future research.

Chapter 2

LITERATURE REVIEW

2.0 Introduction

With the projected global demand for halal food to increase to RM2 trillion in 2005, the Government is very serious to enable Malaysia to be one of the leading producers and exporters. To realize this, the Government proposed double deduction incentive to be given to producers of halal products on expenses incurred in meeting the standards to obtain the halal certificate from JAKIM. To encourage new investments and increase the use of modern and state-of-the-art machinery and equipment, the Government proposed Investment Tax Allowance of 100 percent for five years be granted to companies which produce halal food. A special fund for development and promotion of halal product will be established with an allocation of RM10 million. This fund will finance studies in business planning, technology and market development, as well as improving productivity and quality (2005 Budget speech by Prime Minister, Sept 10, 2004).

2.1 The Halal Food

The term HALAL comes from an Arabic word which means lawful. In a wider context, halal means something that is lawful and permitted in Islam. The Collin English dictionary defines halal as a meat from animals that have been killed according to Muslim law.

Halal food means food permitted under the Islamic Law (a law based on the al-Quran, al-Hadith, Ijma' (consensus) and Qiyas (deduction of analogy) according to the Syafei or any one of the Hanafi, Maliki or Hanbali School of Thought or fatwa approved by the relevant Islamic Authority) and which fulfil the following conditions:-

- I. The food or its ingredients do not contain any components or products of animals that are not Halal to Muslims according to the Syariah Law or animals which are not slaughtered according to the Syariah Law.
- II. The food does not contain any ingredients that are considered najis (filthy) according to the Syariah Law.
- III. It is not prepared, processed or manufactured using equipment that is contaminated with things that are considered najis according to the Syariah Law. During its preparation, processing, packaging, storage or transportation, it should be physically separated from other food that does not meet the requirements stated in items (i), (ii) or (iii) above or things that have been decreed as najis by the Syariah Law (Jakim, 2004).

In defining the term, the sources of the food are also determined. Food that originated from animals such as pig and dog or their descendents are not halal. The same goes to animal with long-pointed teeth such as tiger, cats, elephants and few others. Predatory birds, mice, scorpion, bees, ants, lice and flies are not halal too. Animals such as crocodile and turtle whose habitats are both on land and in water are not permitted. On the other hand, animals like cow, rabbit, goat, camel, chicken and deer are considered halal. Except those that are poisonous and hazardous to health, all aquatic animals and

plants including micro-organism and mushrooms are also halal. However, these animals can only be slaughtered by a Muslim and should follow specific requirements that subject to the Syariah Law.



Source: JAKIM (2004)

The official halal logo issued by JAKIM as shown above can only be issued once the certification process has been successfully completed. The use of halal logo which indicates that the product as halal is according to an act called Akta Perihal Dagangan 1972 which comprises of “Perintah Perihal Dagangan (Penggunaan Perbahasan “HALAL”) 1975” and “Perintah Dagangan (Penandaan Makanan) 1975” (JAKIM, 2004).

2.1 Halal Certification

In order to meet the halal certification, JAKIM would conduct a very strict examination in order to ensure all the criteria of the requirement could be met. This includes the whole process of the food preparation which comprises the handling, packaging, transportation and storage aspects. One critical issue is the food or its ingredients should not contain any components that are not halal. Besides, the equipment and tools used should not be

contaminated from any filthy elements. They cannot be used to prepare both halal and non halal food at the same time either. Total segregation from the non-halal products is required during the whole process and this does not stop there, but continue until the serving stage, so that any contamination or mixing can be avoided.

Hygiene and sanitation are another aspect that is very much emphasized. It does not only comply with the food itself but also the personnel, clothing, equipment, packaging materials and premises used to process and manufacture the product. This is being carried out so that foods are prepared without containing any hazardous risk to human health. The mentioned principles are embodied in the document “Recommended International Code of Practice - General Principles of Food Hygiene (Ref. No. CAC/RCP 1-1969, Rev. 2 (1985))” and strict adherence to it is recommended. This document is in Section 1, Volume 1B, Codex Alimentarius - General Requirements (Food Hygiene) (JAKIM, 2004).

To maintain the confidence level of the consumers to the authority, JAKIM has underlined some very strict examination guidelines. Only if the examiner appointed is fully confident and satisfied beyond any reasonable doubt that all aspects of the examination which also include management practices have been complied, he/she will confer the halal status to the product.

For any foreign establishment to get their product certified, JAKIM requires site inspection by local competent authority together with the company-appointed Islamic Organization. This Islamic organization that needs to be officially accredited by JAKIM has the responsibility to supervise and monitor the halal status of the plant. Once the

examination has been successfully completed, the halal certificate will then be issued. JAKIM will award the halal status for one year as the initial conferment.

Upon getting the halal status, company is subjected for a periodic inspection once in every two years. Nevertheless, the accredited Islamic organization appointed by the certified company has the obligation to continue monitoring the activities of the establishment and to submit an annual report to JAKIM. Failure to comply with these requirements or any prove of breach in the halal requirements will lead JAKIM to withdraw the halal status awarded to the company and also to restrict the recognition accorded to the Islamic organization. In the case of company found to be no longer functional or has been deregistered by the authority, obviously, JAKIM has the right to withdraw the certificate too. JAKIM also emphasis that it has the authority to suspend for a period of not less than five years for any irresponsible practice conducted by any certified companies.

Until recently, besides JAKIM, the state's religious department can also conduct inspection and issue the halal certification. However this is limited to product that are marketed in the individual state only and not crossing to other states. For example, product with halal certificate issued by Majlis Agama Islam Kedah can only be marketed in Kedah alone and not to Penang or other states. In contrast, product certified as halal by JAKIM can be sold national wide and exported to other countries. However, this practice shows that there is a non-uniformity of halal certificates and label. With about 10 halal certificates issued by different authority, confusion may arise when enforcement and prosecution of offence are concerned (Buang & Zakaria, 2004).

However, very recently, as announced by the consumer and internal trade minister, Datuk Mohd. Shafie Apdal, in response to public confusion and in the effort to streamline the halal certification procedure, the Government has appointed JAKIM as the only issuer of the halal certification. This means that the state religious department has no more authority to do so (Utusan, Dec 14, 2004).

Although the function of JAKIM has been very significant, based on our current existing law, the guidelines issued by JAKIM have no legal authority. JAKIM's role in providing services and issuing halal certificates and guidelines is actually without any clear basis of law. It is seen as merely coordinatory and advisory to the state government and other government agencies in relation of halal and products. Therefore, the establishment of a central body at federal level for the supervision, control, promotion and education of halal in Malaysia is deemed necessary (Buang & Zakaria, 2004).

Nevertheless, in order to strengthen the certification system, the Domestic Trade and Consumer Affairs Ministry has made a very significant decision by taking over the task of monitoring the production and distribution of food items bearing JAKIM's halal logo. This task was formerly the responsibility of JAKIM which now will merely issue halal certificates and accompany the ministry's enforcement team on inspection rounds. In the past, the ministry had given JAKIM the power to carry out enforcement exercises (Star, March 18, 2005).

As confirmed by Datuk Dr. Abdullah Md Zin, the Minister in the Prime Minister's Department in Kuala Lumpur recently, JAKIM has no power to act against traders who use other halal logos. He added that, even if the traders use a halal logo

bearing a camel for instance, JAKIM still cannot act as the logo is not belong to JAKIM. JAKIM can only act if JAKIM's halal logo is forged (Utusan, Oct 26, 2004).

2.3 Importance of Certification

The importance of product certification in any industries is well understood. It has been recognized by most successful industries for many years. It gives advantage to both producers and customers alike in term of benefits that can be offered from the certification. In the producers' point of view, certification will enable them to eliminate wastes and losses. It helps them to improve the process, design and workmanship.

On the opposite side, the certification process ensures customers that certain quality control has been taken when the product is being produced and thus the physical properties and the characteristics are made according to the required standards. Certification obligates a quality control process to oversea effective implementation of required production conditions and assures quality standards (Dimara & Skuras, 2001).

Products that come to market without any certifications can surely be questioned by customers about its quality and reliability. As the our standard of living and education level improve, we are clearly entering a new era in which customers want to be informed more about the content of food they purchased and eat. At the same time, customers are expecting more information on where the products come from and how they are produced in order for them to be sure about the safety and health aspects of the products. For export products, certification could reduce barriers to international trade.

2.4 Factors that Influence Level of Confidence

The confidence that consumers have on JAKIM's halal logo is crucial for the Muslim population, the Jakim itself and the whole food industry in Malaysia. As the entrusted body of the Malaysian government, the success of Jakim relays heavily on its ability to perform the task of ensuring the public that the issues of halal and non-halal of products that being offered in market place are being well taken care off by the body. Public confidence on the halal logo will continue to be argued as long as people have the feeling that the halal logo alone that being labeled on the package of product cannot convince them to buy and consume the products. Several factors that influence the consumer's level of confidence will be examined and discussed in the following paragraphs.

2.4.1 Product Packaging

The importance of having a packaging that can communicate to the potential buyers is never been doubted. Consumer is a skeptical listener and more elusive than ever, hence marketers are facing an increasing pressure to be able to communicate well with the consumers. In an attempt to reach and persuade, one marketing communication tool that continues to grow in importance is product packaging (Underwood & Ozanne, 1998).

The importance of product package at the point of purchase can be considered as life-blood of a firm. It is referred as a silent salesman as it makes the final sales possible, and gets the product in the consumer's shopping trolley. In other words, package can

also be considered as a window to customers as through package, they get the initial impression about the product which includes its quality and value. In the case packaging of food product, where the product is not in its final form, package helps consumer to get the impression of the product in its prepared stage.

It is crucial as part of a design strategy that a brand must be able to gain attention and consideration on the basis of point-of-purchase appearance. This is more critical in the case of new brand introduction, brand repositioning, brand extensions and the signaling of product changes.

Factors that influence consumer's decision to purchase have always been a favorite topic of discussion. Past research suggest that package form, function and/or appearance can influence customers' quality perception and overall product evaluations (Underwood & Ozanne, 1998).

2.4.2 Product Labeling

Product label that stick on the package forms as a means for communication between manufacturer and consumer. The more information that can be understood presented on the label, the better informed will be the consumer. Underwood and Ozanne (1988) argued that the communication from manufacturer (package) to the consumer was found to be typified by a lack of trust. They added that consumer often feel betrayed, tricked or duped.

In delivering information to consumers, Elaboration Likelihood Model (ELM) remains an influential approach for understanding the effective communication between the manufacturer and customer. This model is concerned with how information is

processed. If consumer motivation and the ability to evaluate the information presented is high, the processing of information communicated is likely to be thorough. If the issue-relevant messages are strong rather than specious, data will be processed favorably.

Davis and Wright (1992) noted that an analysis of consumer purchasing behavior suggests that many consumers do not appear to pay particular attention to labeling information. They continue that the important contributor to this behavior is due to lack of knowledge about food additives and processing. The complexity, with which information is presented, makes ingredients cues and other food claims difficult to be encoded in a meaningful way. White and Parsons (2001) added, studies showed that warning labels that comes with difficult words were seen as less safe by people regardless of their educational background. Hence the ultimate purpose of warning that is to inform and protect consumers the possible danger of using a product, are often not fulfilled.

2.4.3 Product produced

The effect of product produced on consumers' evaluation of products and services has been the subject of extensive studies. Quester, Marr and Yeoh (1996) in their experiment on shelf labeling of country of origin in Australia noted that there was no significance of Australian-made labeling on sales. On the other hand, Wall, Liefeld and Heslop (1991) noted that the country of origin information tend to be more important in affecting product quality assessment than price and brand information.

In the study conducted on fresh meat in Sweden, Hoffmann (2000) concluded that, women use country of origin as a quality cue to a larger extent than men in terms of evaluating both food quality and food safety. He also observed that income was found to

decrease the probability of perceiving country of origin as a useful quality indicator for pork and beef but not for chicken.

Dimara and Skuras (2001) argued that the importance of certification, geographical association and traceability as extrinsic quality cues varies among customers and thus the use of such quality cues targets specific market segments. They added that product with geographical association are targeted to consumers that are seeking the authentic and traditional product which they found the information from the product's label.

2.4.4 Media

The effect of mass media coverage on marketing climate of any products is enormous. The significant of media coverage in the world where information has become a key factor for the success or failure in the present business community has taken nobody by surprise. In the media saturated environment where we live today, consumers are bombarded with information in various type of nature. TV, internet, radio, telephones, short message system and various print publications have taken their task differently but effectively that they almost cannot be ignored by consumers. Thanks to the latest technology advancement, news or any type of information propagated either from the official source or just purely rumour will spread out quickly and can reach almost every part of the community in a way that never been experienced before.

It has been noticed that company has to make a public statement in order to stop the news that may tarnish its image and may cause consumers loose their confidence on

the halal status of its product. This happened despite the fact that product has never been deregistered from the halal status by local authority.

As a result of many media exposures of the wrong doings by companies on the halal logo, some consumers have doubts on seeing the logo displayed on the products. There are suggestions that JAKIM should announce to public about their findings on audits conducted to the certified companies. Some suggested that to confirm the certification, the short message service (SMS) should be used. Consumers might just need to type the certification number and sent it to JAKIM. The reply from JAKIM is expected to include the company's name that own the certification number, date it is certified and its expiry date, product name, and confirmation if the product has been certified by JAKIM or not (Utusan, Nov 19, 2004).

2.4.5 Religiosity

Religiosity influences someone's perception and believes in life. It plays considerable role in determining consumer attitude and beliefs towards various consumer practices. Depending on the level of religiosity, consumer will act in a manner that suit to values and ethics that they hold. Due to the factor of fear of Allah's punishment in this life and in the hereafter, more religious consumer will perform their life duty as closest possible to the religious belief and prevent themselves from engaging in activity that are against the religious guidelines.

Khraim (2000) concluded that Islamic religiosity is "the degree level of individual commitment, involvement and practice internally and externally to the fundamental principles of Islam."