# Underlying the Dimension of Knowledge Factors in Purchasing Halal Product Among Muslim Consumers

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## Abstract

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This paper aims to investigate the dimension of knowledge factors of Muslim society's purchase intention towards Halal products. Knowledge and religious belief are used as the independent variable while consumers' factor intention is the dependent one. A quantitative study in this research utilizes a purposive sampling method that will generate answers from 400 respondents. These respondents are the Muslim consumers of the Micro Small Medium Enterprise (MSME) industry. The study is designed using a quantitative method which is Exploratory Factor Analysis (EFA). It is employed for data analysis to determine the number of knowledge factors or components of Muslim consumers in purchasing Halal product in Majalengka, Indonesia. From the exploratory factor analysis, the finding identifies three dimension of knowledge factors of Muslim consumers in purchasing Halal product.

**Key words:** purchase intention, halal product, religious belief, Muslim consumer, micro small medium enterprise

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## Introduction

Indonesia is a Muslim majority country (EENI, 2020) and it is the country with the most Muslim population in the Asian region. Based on the survey (population census) conducted by Central Bureau of Statistics (BPS), there were 207,176,162 Muslim residents living in Indonesia by the year of 2010. The amount made up 87.18 per cent of the whole population in Indonesia (BPS, 2019). The Muslims in Indonesia are scattered on all the islands and provinces. Muslims are obliged to follow the guidelines stated in Quran and the Sunnah of Prophet Muhammad SAW, one of the most important things to apply is Islamic dietary law.

According to the Shariah Law, Muslims should only consume Halal product (food and non-food) and avoid any Haram substance. All the food are Halal except those that are specifically defined as Haram (unlawful or prohibited) (Nawai et al., 2007). One of the verses that discusses the importance of Halal food in the Quran is:

> "O ye people! Eat of what is on earth, Halal (lawful) and Thoyyib (good); and do not follow the footsteps of the Evil One, for He (Allah) is to you an avowed enemy." (al-Baqarah, 168)

In Quran, Allah revealed to all mankind (Muslim and non-Muslim) to consume Halal product as an essential part of the lifestyle (Kasmarini et al., 2015). Halal is a premium product that leads people to

consume wholesome and quality products. For Muslim, Halal is an Islamic faith and it is important to follow the obligation. Halal is also considered as a symbol of healthiness and product's quality (Riaz & Chaudry, 2004).

In Indonesian markets, as majority of population are Muslims, this makes them the main target for consuming and distributing of halal products. So, it is important to obtain Halal certification from the Halal authority that will ensure the origin of the product. Besides, providing halal certified products will encourage the consumers to purchase the product without doubt (Afroniyati, 2014). This is to show that the certified halal products by MUI are guaranteed safe and healthy (LPPOM MUI, 2018; Ambali et al., 2014).

Basically, religious belief is the main factor of Muslim consumers in choosing and assessing Halal product (Vristiyana, 2019; Yusoff et al., 2014). In addition, self-identity and media exposure also play significant role to the Muslim consumers in choosing Halal product (Vristiyana, 2019). Mostly, Muslim consumers will buy the product and food by checking the Halal logo in the product and food from the packages, direct asking to the vendors based on the menu list provided (Yuwono, 2017). The consumers will be confidence to consume the food by attaching Halal logo in the packaging (Mohamed et al., 2008).

Halal marketing with the Halal certification in the product is the most important thing that the consumers rely (Awan, Siddiquei & Haider, 2015). Halal branding influences the consumers in choosing products and food practically and the most importance attribute to gained the highest utility score (Muhyidin & Kamarulzaman, 2014).

Furthermore, since Indonesian Islamic Scholars monitor the Halal legality in market, the labelling of Halal food and non-food products becomes one of the factors that the consumers purchase the products, especially instant food (Harahap, 2018). Another study by Ahmad et al. (2015) stated that religiosity-belief leads the main factor in choosing Halal product compare to knowledge on Halal terms among Muslim Malaysian consumers.

Hence, knowledge pertaining to the Halal status of the products has positive relationship between religiosity and attitude (Rahman et al., 2015). This study purposes to determine the underlying knowledge factors among Muslim consumers of MSME in choosing Halal product in Majalengka, Indonesia, and to classify their knowledge dimensions which become the basis of their intention and selection of Halal product purchasing (Jolaee & Khalil, 2013). One of the main reasons why Muslim consumers utilize their Islamic knowledge in choosing halal products is due to their belief in Quran and the teachings of Prophet Muhammad SAW, to be practiced in their daily life, which one of them is consuming halal (El-Menouar, 2014 ). Consumer's purchase intention is mainly focused on the food and beverages, due to the issues of contamination. For example, the use of pig gelatine which was used before is now replaced with chicken's skin (Sarbon et al., 2015, Nazmi et al., 2017) or chicken's bone and chicken's intestine (Yasin et al., 2017).

## Bloom's Taxonomy Cognitive Domain

Bloom's Taxonomy model was developed by Benjamin Bloom in 1956. Taxonomy was created in order to "promote higher forms of thinking in education, such as analysing and evaluating concepts, process, procedures, and principles, rather than just remembering facts (rote learning)" (Clark, 2015). There are three domains of learning based on Bloom's taxonomy; Cognitive (knowledge); Affective (attitude or self), and Psychomotor (physical skills).

Cognitive domain is including the development of intellectual skills (Bloom, 1956 as cited in Clark, 2015). Taxonomy is a special kind of framework. In taxonomy the categories lie along a continuum. The continuum becomes one of the major organizing principles of the framework. The original cognitive domain major that presented by Bloom were: knowledge, comprehension, application, analysis, synthesis and evaluation. However, Anderson has revised the cognitive domain in bloom's

taxonomy into some major categories; Remembering, Understanding, Applying, Analysing, Evaluating, and creating. These categories are intended for the level of knowledge achievement (Anderson et al., 2001).

Bloom's revised taxonomy also introduced the categories of the knowledge dimension into four categories: (1) "*Factual Knowledge encompasses the basic elements that experts use in communication about their academic discipline, understanding it, and organizing it systematically"*. It contains the basic elements students must know if they are to be acquainted with the discipline or to solve any of the problems in it. Additionally, a particular subject that must be acquainted from the basic describes are Factual knowledge (FoonHew & Cheung 2020); (2) "*Conceptual Knowledge includes knowledge of categories and classifications and the relationships between and among them-more complex, organized knowledge forms"*. It includes schemas, mental models, or implicit or explicit theories in different cognitive psychological models. In the halal industry, the conceptual knowledge is related to insight of halal concepts, halal processes and procedures (May O. Lwin. 2015), including knowledge on halal awareness study in halal education and curriculum (Idha, S.A. R & Noraizan, M. 2019). According to Aslan & Aslan (2016) that Muslim consumers living in Turkey are still inadequate awareness towards Halal food. It means, the conceptual knowledge must be increased by Muslim consumers to assist them in choosing halal products; (3) "*Procedural Knowledge: how to perform a specific skill or task, and is considered knowledge related to methods, procedures, or operation of equipment"*. It shows an order on how to gain something that includes algorithms, knowledge of skills, methods and techniques. (4) "*Metacognitive Knowledge is about cognitions the general thing on awareness and knowledge"*.

In this study, knowledge domain from taxonomy Bloom is implemented to classify the underlying knowledge factors of Muslim consumers of MSME in purchasing Halal product in Majalengka. However, religiosity as a part of knowledge have the importance to the consumer's purchase intention toward Halal certification.

## Method

### *Developing Instrument*

This study applied quantitative method (Creswell, 2014) by distributing questionnaire to the Muslim consumers in Majalengka as the sample of the study. The instrument is developed based on the cognitive domain in taxonomy Bloom's model. In this case, the instrument will focus on the factual, conceptual and procedural knowledge based on Bloom's taxonomy. First part of the questionnaire is about demographic information about the participants. While, the second part of questionnaire is Likert scale questions about the participants' knowledge in terms of purchasing Halal products. The second part of questionnaire items with descriptive result as described in Table 1.

Table 1. Distribution data of questionnaire items

| Code | Items | Mean | SD |
|------|-------|------|-----|
| K1 | Halal is permissible in Islamic law, Tayyib is qualified and does not endanger human health. | 4.444 | .558 |
| K2 | For all Muslims, consuming Halal food is an obligation. | 4.492 | .532 |
| K3 | All types of food are Halal and consumable except those whose status are clearly Haram such as dog and pig. | 4.14 | .776 |
| K4 | Halal is not just a matter of slaughtering animals. | 4.228 | .601 |
| K5 | Halal certified Food products are permissible and safe for human consumption. | 3.752 | .897 |
| K6 | I know the criteria of halal food from my own research. | 3.488 | .936 |
| K7 | I know that Halal food does not contain any pig and pig-by product in the ingredients. | 3.964 | .783 |

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|---|---|---|---|
| K8 | I know that Sources from Halal land animals and slaughtered according to Shariah law are Halal. | 4.108 | .634 |
| K9 | I know that blood and blood-by ingredients are not Halal. | 4.312 | .536 |
| K10 | I know that the raw materials from natural ingredients which do not contain alcohol and substance are Halal. | 4.14 | .739 |

## Sample

A quantitative study in this research utilizes a purposive sampling method that will generates answers from 400 respondents. These respondents are the consumers of the MSME products. Female respondents made up 56.4 % of the sample (n = 141), while male respondents are 43.6% (n = 109).This range are normal thing such as found by Khalek (2015) that the existence of gender are shows a significant role on consumers' perception and their intention to consume halal certified products. The samples are from different backgrounds of education level. More than half of samples have a secondary level (44%), and a primary level respectively (37%). The rest of the sample has a diploma until master degree. Furthermore, based on their occupation, 36% are housewives, 28.4 % are employees, 24% are entrepreneurs and very less are from the government field (0.8%).However, this conditions are stated in the previous literature that there are difference perception about Halal accordance with occupational group.(Erdem et al., 2015). In addition, based on the age category, more than a half from the sample are from 18 until 44 years old. Only about 25% are above 45 years old.

## Results and Discussion

Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO-MSA), the value should be greater than 0.5, the closer to 1.00 the value is, the better. Based on the table described that KMO-MSA is 0.763. it means that the data fulfilled the requirement of the KMO. Furthermore, Bartlett's Test of Sphericity – the test must be significant i.e. sig (p-value) < 0.05. From the analysis, the p-value (sig.) = 0.000 < 0.05. In addition, Bartlett's test of sphericity was significant ($\chi2 = 715.007$, p = .000), which indicated that the correlation matrix was not an identity matrix. The data fulfilled the requirement on this test.

### Principal Component Analysis

Based on the total variance explained, total eigenvalue that greater than 1.0 indicates five factors, which cumulative explained about 59% of the variance with there is no cross loading issue for all the items. Furthermore, the correlations among items were significant with the ranging based on communalities are between .499 and .729. There is no item that had communality less than 0.4.

Hence, based on the Rotated Component Matrix table, the dimensions are constructed based on the loadings. Those 10 items were classified to the factors that had the highest loading. The first factor reflects the *Factual Knowledge* factor and three items are assigned to this factor, with the highest loading is .823. The second factor that consists of four items as are represented into *Conceptual Knowledge* factor, with the highest loading is .686. In addition, There are three items also assigned to the third factor that represent *Procedural Knowledge* factor, and it has the highest loading is .754. The following Table 2 explains the representative items, factor loadings, eigenvalues, individual variance explained and communalities.

Table 2. Principal component analysis results of each questionnaire item based on factors.

| Factors and Items | Factor Loading | Eigenvalue | Variance Explained (%) | Communalities |
|---|---|---|---|---|
| **F1** | **Factual Knowledge** | **2.438** | **24.378** | |
| K6 | .823 | | | .695 |

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|---|---|---|---|---|---|
| K5 | .809 | | | | .661 |
| K7 | .733 | | | | .609 |
| **F2** | **Conceptual Knowledge** | **1.832** | **18.315** | | |
| K4 | .686 | | | | .513 |
| K9 | .665 | | | | .458 |
| K10 | .646 | | | | .496 |
| K1 | .534 | | | | .422 |
| **F3** | **Procedural Knowledge** | **1.135** | **11.353** | | |
| K3 | .754 | | | | .570 |
| K2 | .743 | | | | .611 |
| K8 | .454 | | | | .370 |

### *Reliability and Validity*

Cronbach's alpha coefficients and initial eigenvalues each factor were calculated for the extracted structure in generating data reliability and construct validity estimates. The results are shown in Table as follows.

Table 3. Reliability and Validity of each factor

| Factors | Cronbach's Alpha | Initial Eigenvalues (%) |
|---|---|---|
| Factual Knowledge | .741 | 65.985 |
| Conceptual Knowledge | .552 | 42.959 |
| Procedural Knowledge | .436 | 47.61 |

Table 3 indicates that only one factor has a good internal consistency with coefficients greater than .70. However, items in factor two and three indicate low internal consistency which is only 0.552 and 0.436 and also it shows low coefficients. Therefore, the items in factor one only that may be relied on to produce reliable estimates of knowledge of Muslim consumers of MSME in Majalengka in purchasing Halal products and may be replicated in future studies measuring the same constructs in other parts of Indonesia.

## Conclusion

Based on the Principal Component Analysis result above, there are three dimensions of Muslim consumers' of MSME knowledge in Majalengka in purchasing Halal product. First, factual knowledge consists of the items whether the Halal food product is safe to be consumed by humans, understanding the criteria of Halal products that do not contain prohibited sources in the ingredients. Second, conceptual knowledge consists of items regarding the concept of Halal products such as animal slaughtering systems, the products which do not contain blood and blood-by ingredient, raw material from natural ingredients and those which do not contain alcohol and must be qualified and do not

endanger the health. Third, procedural knowledge that considers the obligation of consuming Halal products based on Shariah law.

However, it shows that, factual knowledge factor leads the main factor of Muslim consumers in purchasing Halal product. The other factors show low reliability numbers. It means that, the main factor of Muslim consumers of MSME in Majalengka in purchasing Halal product is based on their factual knowledge regarding Halal product. Therefore, it is still needed further study regarding this issue in order to find the factors of Muslim consumers in purchasing Halal products.

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