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EFFECTS OF THAI MUSLIM PURCHASING BEHAVIOR TOWARDS FOREIGN BRANDS USAGE OF THE HALAL SIGN OF IMPORTED GOODS IN THAILAND

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Abstract

This research explores the effects and importance of the halal sign on foreign imported products among Thai Muslims as well as Thai non-Muslims. It covers a brief background of halal products in Thai society and organizations that control and promote the halal concept in Thailand. In addition, the study looks at the role that halal plays in Muslim culture, purchasing behavior, and corporate brand image identity, the paper investigates the concept of halal from a religious point of view based on the Hadith and the Quran. It is argued in the paper that the halal sign is one of the most important symbols that encourage Muslim purchasing intention and

it has some influence on other religions as well.

Keywords

Halal Sign, Halal in Thailand, Consumer Trust, Purchase Intention

1. Introduction

Religion is a significant part of any culture with Islam becoming a way of life for Muslims. Religion creates core values that affect the way of life for adherents, providing personal as well as social identities within the context of a cosmic or metaphysical background (Marty & Appleby, 1991). The effect of religion in its adherents' lives also influences consumer behavior in relation to purchasing habits. Although Thailand is a Buddhist country, today there are around one billion Muslims globally with a large number residing in Southeast Asia, including in the far Southern region of Thailand.

Thailand has great import and export capabilities with many multinational companies operating within its borders trading products globally. In Thailand, Muslims constitute 12% (5.7 million) of the total population (Ministry of Foreign Affairs, 2012). A majority of Thai Muslims traditionally follow halal certified products when purchasing their food and beverage. This fact creates an attractive market for foreign companies to export their halal products to Thailand, which will increase their sales volume and capability.

2. Objectives

The research aims at studying the following:

- The Muslim and Non-Muslim consumer behavior toward the halal sign on imported goods in Thailand
- Thai consumer purchase intention toward the halal sign usage imported goods
- The effect of the halal sign in company brand image and consumer trust.

2.1 Religious Roles in Culture toward Consumer Behavior

Religiosity is defined as one's belief in a God and a commitment to act according the principles believed to be set by the God (McDaniel & Burnett, 1990; Weaver & Agle, 2002). Religion has been identified in much research as a significant factor influential in consumer behavior (Hirschman 1983; McDaniel & Burnett 1990; Delener 1990a, 1990b, 1994; Sood & Nasu1995; Essoo & Dibb 2004) and international marketing decisions (Cateora & Graham,

1999).

The study of consumer behavior in conventional economics can be traced back to the work of Jeremy Bentham's utility theory. Bentham's theory is based on assumption that –what gives pleasure is good and causes pain is bad, thus good and bad or right or wrong were to be determined by the measurable criteria of pleasure and pain (Chapra, 1992: 25).

Religion has always played an important role in factors that influence consumer behavior as it significantly inspires cultures. Islam, a religion of more than one billion followers spread across the world, heavily affects a large part of the world's population purchasing behavior, habit, and lifestyle.

By considering the bigger picture where each individual spends a large amount of money in purchasing not only based on quality, health and taste but also on his or her belief over that particular brand or products it is understandable the importance of faith and religion in marketing of that particular brand where consumer choices are not limited in the market but limited when it comes to religious or cultural prohibition.

2.2 Halal Concept and Religious Belief

According to Muslim law, halal means lawful religiously acceptable. Muslims can use or consume anything that has the halal sign on as the sign guarantees it is religiously acceptable. Halal has become a standard in Islamic countries to predict the superiority of the products as well as quality in addition to food industries if it is an animal it will distinguish whether it has been slaughtered according to sharia law or in food manufacturing it is to know that it has been prepared or processed or the ingredient used to make the food stuff are not anything that's is restricted according to the sharia law, although almost all foods are halal according to Islam except the following ones animals that slaughtered indecently or dead before the slaughtering process and animals killed in the name of anyone other than Allah carnivorous animals, birds of prey, land animals without external ears which consider as haram, that is another term use for any prohibited foods and drinks that doesn't fit in sharia law, haram also covered carnivorous animals, birds of prey and land animals without external ears; blood and blood by-products and foods contaminated with any of the above mentioned products as they are raised to eat or drink halal, hygienic and safe foods or products (Riaz & Chaundry, 2004).

The goal of halal slaughtering is to limit the amount of pain for animals as the Quran teaching advocates treating animals with care and respect. There is another perception—
–MakruhIn— the terminology of sharia law, which refers to something the Lawgiver asks us not

to do, but not in a definitive manner. It may be said that it means that for which the person who does not do it out of obedience will be rewarded, but the one who does it will not be punished (Muhammad Saalih al-Munajjid, 2013).

2.2.1 Halal in the Quran

Islam ideology of halal concept is based on Quran and its teaching, in various parts of Quran we see the specific argument about what foods are prohibited and inspire Muslim to only eat halal foods and avoid the haram ones. An in-depth understanding of human beings about what Allah has prohibited demand our appreciations because the prohibitions of those things are for our own safety. Looking for excuses are among the biggest lies told against Allah or a form of distortion of what He permits and forbids. Thus, Allah's order on prohibited and non-prohibited things must be followed by all Muslims. The fact is that which He commanded the Messengers, where He says:

-O ye Messengers! Eat of the good things, and do right. Lo! I am aware of what ye do! (Quran 23:51).

The term halal is for cleanness and safety of the food as well as Allah consent only the consumption of halal foods and products this fact is highlighted in parts of Quran

-He hath forbidden you only carrion, and blood, and swine flesh, and that which hath been immolated to (the name of) any other than Allah. But he who is driven by necessity, neither craving nor transgressing, it is no sin for him.

Lo! Allah is Forgiving, Merciful (Qur'an 2:173).

O you People! Eat of what is on earth, halal and pure, and do not follow the footsteps of the Satan; indeed for he is to you an open enemy (2:168).

O you who believe! Eat of the good things that we have provided for you and be grateful to Allah, if it is Him that you worship (2:172) (Maulana Hafiz M. Mangera, 2010).

Halal and Hadith is the second main base of evidence regarding to the halal concept in Islam. There are numbers of reliable sources for Muslim scholars to look into. Hadith generally come from Prophet Mohammad or Imam proverb that are written and kept by scholars throughout history, there are Hadith directly mentioning about halal food, some that I noted below halal (the Lawful & Permissible) is clear and haram (the Unlawful & Impermissible) is clear. Between halal and haram lays some doubtful things. Many people do not know whether it is permissible or not. Whoever leaves out these doubtful things in order to protect his religion and honor, then he is safe. Whoever indulges in these doubtful things/matters it is very possible

that he will fall into haram, similar to a person who grazes his animals near the royal pasture it is very possible that one day he will graze in the royal pasture. Behold! Every king has a royal pasture and the royal pasture of Allah is those things which have been made impermissible. (Tirmidhi 1205), Sayyiduna Abu Hurayrah (radhiallahuanhu) narrates that the Prophet (salallahualaihiwasallam) said: -Allah the Almighty is pure and accepts only that which is pure. Allah (swt) has commanded the faithful to do that which he commanded the Messengers, and the Almighty has said: -O Messengers! Eat of the pure things and do right. And Allah the Almighty has said: -O you who believe! Eat of the pure things We have provided you., then Rasulullah (salallahualaihiwasallam) mentioned (the case of) a man traveling on a long arduous journey, greatly troubled and distressed, with disheveled hair crying to Allah swt, O my Lord! O my Lord! But, his food is haram, his drink is haram, his dress is haram and he is nourished with haram. How then his du'a be accepted (Muslim 1015) (Maulana Hafiz M. Mangera, 2010).

2.3 Halal Reputation and Background in Thai Society

Islam is the largest minority religion in Thailand Muslim actively involved in Thai society in many sectors where more than half of them are represented in southern provinces, there are over 3000 mosques and 200 Muslim schools offer religious education.

Thailand with strong agriculture production is one of the world _stop food suppliers as the halal industry is one of the main industry in the kingdom, Thai government key element is to target Muslim countries with the population of 1.9 billion people which is a highly potential market for Thai agriculture to support this objective Thai government has supported Islamic practices as well as science and technology to sustenance Thai halal quality standard as the same time being sanative about the imported food products with halal sign to keep up the halal quality control in the country for more than 2 decades now, Thai government has established Islamic Bank of Thailand that work closely with halal Standard Institute of Thailand to support and maintain halal projects and quality control according to international Islamic law and standard.

Thai government goal is to represent Thailand as kitchen of the world to follow up this plan as Thailand is one of the most important food suppliers in the world, there are numbers of important action Thai government has taken to reach this goal for instance Thai government is trying to establish halal product industrial estate in the province of Pattani with majority Muslim population to procedure Thai Muslim potential to increase its food export to Muslim countries particularly Arabian and middle eastern countries.

Although Thailand is a majority Muslim country with Islam being the largest minority it is important to local and international companies specifically to those in food industry due to ASEAN community which among 10 countries, there are 3 Muslim countries with Indonesia presence the largest Muslim population in the world as the integration between countries getting tighter with cultural and economic links with the new FDA in 2015, halal sign attract more interest among the companies as they overview the future and important role halal sign play in food business in the region for the upcoming market after 2015.

Thai Muslim like majorities of Muslims are concerned about halal sign of products they purchase, it has a direct impact in their purchasing habit and lifestyle aside from this Thailand as one of the well-established tourism destination face a large number of Muslim tourist and businessman every year this is a main motivators for many Thai and foreigner food manufacturer to use the halal sign on their products.

3. Central Islamic Committee of Thailand (CICOT)

CICOT is responsible to ensure the halal food standard meet the terms of Islamic laws and regulations and to continue research and studies to certify Thai halal standard are in the line with international halal standard regarding to this the halal Standard Institute of Thailand established on August, 11, 2003 by CICOT to control the halal certification also to investigate problems and find solution regarding to halal certification as well as to monitor and inspect of food suppliers and manufacturer's raw material and production process to certify the production standard meet the principles of halal food standard. CICOT also coordinate with international halal food organization to provision Thai halal standard credibility as well as promote usage of halal certification in public and private sectors to increase intensification and the reliability of the firms among Muslim believers (Sumalyasak, 2009).

4. Concept and Theory

As explained earlier, Sharma and Shimp (1987) is that the first to explore the conception of ethnocentrism within the shopper decision making context by observing negative emotions felt by shoppers toward buying foreign products. They coined the term –Consumer Ethnocentrism to describe these negative emotions and developed an instrument to measure such construct, the CETSCALE (Consumer ethnocentrism Tendency SCALE). Numerous studies

have validated the construct of consumer ethnocentrism and found consistent result that showed however consumer ethnocentrism tendencies decreases shopper evaluation toward foreign brand as opposed to native brands (Watson & Wright, 2000; Klein, 2002; Neese & Hult, 2002). This result depends on the status of foreign versus native local brand as perceived by the consumer that is said to the conception of Country of Origin impact (COE).

COE is that the impact of perceived origin of a product toward a person's analysis toward an explicit product or brand (Nebenzahl, Jaffe, & Lampert, 1998). during this case, Samiee (1994) states that Country of Origin refers to –The country with that the product's firm is associated, that conjointly elaborates that for international brands, albeit made produced locally, would still be related to the country that the brand originated. Whereas a recent study by Noorderhaven & Harzing (2005) describes the complicated nature of Country of Origin for multinational firms spread in numerous countries around the world. Such studies have shown that there is a significant relationship between consumer ethnocentrism and intention of purchase.

4.1 Corporate and Brand Image

Aside from the direct effect of consumer ethnocentrism toward Purchase Intention planned higher than, there could be alternative indirect effect of ethnocentrism toward Purchase Intention. Haque, Rahman, and Haque (2011) studied the influence of ethnocentrism toward consumer perception, like company image and brand image. He found that consumer ethnocentrism will reduce consumer evaluation on brands of foreign brands and consumer with high ethnocentrism tends to place less trust on foreign primarily based corporations.

This negative effect toward company and brand image may mediate the relationship between consumer ethnocentrism and purchase intentions. Numerous researches have connected conjointly company and brand image to consumer purchase intention (Becker - Olsen, et al., 2006). It is generally agreed that lower company and brand image would cut back consumer purchase intention. Therefore, it is projected that top consumer ethnocentrism would conjointly predispose consumer to provide less favorable evaluation to brands and corporations perceived as foreign, that eventually discourage consumer intention to buy such products. Evidently, several studies have illustrated that there is a significant relationship between company and brand Image and intention of purchase.

4.2 Use of Halal Logo

Whereas Arshia and Muhammad (2011) in their study in Pakistan found that though users adhere to the teachings of Islam and religious beliefs practiced by them, not essentially that they're aware that the food sold is lawful or otherwise. Apart from the notice of Muslim on halal products, shoppers conjointly expect availableness of the utilization of the halal logo on food packaging therefore as to not cast doubt (Mohani et al., 2009). Therefore, the authorities should tighten the laws to confirm that the halal logos are often standardized so as to avoid confusion to Muslims. According to previous studies, there is a significant relationship between the utilization of use of halal logo and intention of purchase Ingredients. Therefore, awareness of Muslim on halal products is incredibly necessary in guaranteeing that they get halal and clean products. Study done by Faryal and Kamran (2011) found that Muslims are looking out for halal products through the elements found in food things. The reassurance of halal of a food product is from the beginning process of determining raw materials, the method of making ready food till it is ready to serve. This method involves the observation of hygiene, use of halal ingredients, instrumentation, and food and beverage operations. Unfortunately, there are restaurants which do not take such aspects into consideration (Dayang Aniza, 2012). Besides, there are also restaurants that have used food ingredients like soy sauce without the halal emblem, or alcohol as a food ingredient and food handling processes that do not meet the halal regulation. This causes problem for CICOT to approve their halal application. As a result, the studies have shown there is significant relationship between ingredients and intention of purchase.

4.3 Trust

According to Pullman and Wu (2012), trust are often outlined because the expectation that consumers and sellers will behave in accordance with specific or implicit commitments. Previous studies have showed that trust play a huge role in influencing shopper buying behavior within the halal food trade in North American nation (Aitelmaalem, et al., 2005), Kingdom of Belgium (Bonne & Verbeke, 2008) and United Arab Emirates (2005). Ancient, trust within the halal food provides chains are often as straightforward as pure trust (Tieman, 2011). Halal shoppers willing to buy halal food from a halal provider or look supported the trust that Muslims have the non-secular obligation to sell solely halal merchandise in their daily business activities. There have been lack of desire for displaying the halal emblem or certificate because the business evolved, trust within the provide chain is currently supported the halal emblem or halal certification (Tieman, 2011). However, shopper area units are still skeptical whether or not the

halal emblem or certificates displayed in area units real. For example, there are many cases in Thailand whereby food traders are caught displaying fake halal certificates, which have besmirched the name of halal trade. These unethical practices have agitated the trust of the halal shoppers. Therefore, putting in trust among all parties concerned within the management of halal food merchandise movement is crucial part towards enhancing the integrity standing of the halal food provider chain. Individual firms should have a comprehensive and strict halal quality assurance system experienced in their production department or will have dedicated vehicles to deliver the halal food merchandise. However, all of those efforts can become insignificant if alternative parties dealing directly with them within the provider chain does not have the trust and confidence that the firm will make sure that the food merchandise area unit very halal. There is significant relationship between Trust and intention of purchase.

4.4 Commitment

Trust and commitment are interconnected. The upper the trust, the upper the temperament of the parties involved to commit for any specific matter, vice versa (Ik-Whan & Taewon, 2005). So as to established and strengthen the trust between parties within the provide chain, bound level of commitment should also be shown by the various parties. According to (Lu, et al., 2006), the level of trust and commitment of the supply chain partners can be visibility seen once both corporations are willing to extend their investment on the plus specificity to serve the special desires of their partners (Mohd Hafi Zulfakar et al., 2014). Within the context of halal food provide chain, commitments like temperament to supply dedicated assets to cater the halal shoppers requests, willingness to use halal certification for raw materials/ingredients needed by the consumers, and temperament to send the employees to halal food handling connected coaching are among the measures which will facilitate enhance the integrity of the halal food provider chain. By displaying high level of commitment, all parties within the halal food provider chain will play shared roles along in protecting and guaranteeing the halal integrity are at the highest level. Studies have proven there is a significant relationship between commitment and intention of purchase.

5. Conclusion

This study presents consumers' perceptions towards the halal logo as an assurance label for food quality similarly as their perception towards halal ingredients. The study confirms that there is a significant relationship between respondents' faith and their perceptions towards halal logo and ingredients. This study additionally reports on how Muslim shoppers make purchase selections in relation to halal food. It also shows that the key features in choosing halal food are trust and confidence. With the halal logo, Muslims can be sure of the food quality they purchase. Furthermore, the study has shown that customers hope to see law enforcement against false labeling of non-halal foods as *halal*. This study also suggests that it is necessary for managers in food and beverages to truly possess food according to the halal standard.

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