



**THE DETERMINANTS THAT INFLUENCE HALAL FOOD FIRMS IN MALAYSIA
TOWARDS HALAL ORIENTATION**

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ABSTRACT

The concept of halal products or services nowadays has gaining more attention and recognition as a significant elements in various industry across the world. Halal is compulsory in products or foods that are produced for Muslims consumer and due to its safety, hygiene and quality assurance, consumers from other religions started to accept and consume the halal products and services. According to the tradition of Islam itself, the food that one's consuming must not only to be halal but also tayyib, or better known as pure which require creation of highest quality of halal food. As for Muslim consumer, halal foods and drinks means that the products met the requirement under syariah law meanwhile for non Muslim, halal represent the symbol of hygiene, quality and safety products which becoming the contributing factors toward the purchasing pattern of halal products. Therefore, consumers are particulars and concerned regarding products that they are consuming where halal certification becomes the factors that influence consumer to purchase halal products. This can becomes an opportunities towards halal food firms due to rising demand of halal products world widely. As the rising demand of halal products resulted vast opportunities towards halal food firms, there are also other factors that can influence halal food firms towards halal orientation such as expected business benefits, halal integrity and government support. The main purpose of this research is to investigate the determinants that influence halal food firms in Malaysia towards halal orientation. This research study involves discovering the relationship between halal market demand, government support, expected business benefits and halal integrity on halal orientation. This survey research is quantitative research which used the self-administered questionnaire as the instrument for the collection of data. The data was collected and viable at a percentage of 53% out of the possible 265 respondents which was derived from total population of 825 elements derived from Malaysia Halal Directory as at November 2017. Sample selection was based on probability sampling where simple random sampling method being used via www.randomizer.org in generating name of organizer randomly. The data collected then evaluated by using Statistical Package for the Social Science (SPSS) Version 20 Software. By using this software, numerous tests were conducted such as reliability analysis, descriptive analysis, Pearson's correlation analysis and multiple regressions. As a result, researcher has learnt that the four independent variables which are halal market demand, government support, expected business benefits and halal integrity has a significant impact on halal orientation among halal food firms in Malaysia. In addition, expected business benefits are the most contributing influence towards halal orientation among halal food firms. This followed by halal integrity, halal market demand and government support factors that influence halal food firms in Malaysia towards halal orientation. Based on the findings from this study, researcher believed that this can becoming the platform to halal food firms, government and policy makers to improve the halal orientation practices in Malaysia.

KEYWORDS: Halal Orientation, Expected Business Benefits, Halal Integrity, Halal Market Demand, Government Support