



**A STUDY ON THE IMPORTANCE OF HALAL CERTIFICATION
ON CUSTOMER'S BUYING DECISION**

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SEPTEMBER 2014

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ABSTRACT

For Muslims, food that they consume must be *Halal*. *Halal* as refer to Quran can be defined as permitted, lawful, allowed or legal that is the opposite of illegal, unlawful or forbidden which in Quran is stated as *Haram* (Doi, 2007 and Tieman, 2011). However, *Halal* does not only apply for food but it also cover all activities related to ibadat, muamalat or mua'sharah (Hussaini, 1993; Mohamad, 2005 & Tieman, 2011). This paper attempt to know the importance of *halal* certification on customer's buying decision since customer become more conscious towards their purchases especially when it comes to food or product that they will consume. Therefore, they will look for any trusted proof that put them in assurance before making their purchases. Therefore, marketers need to know whether having *halal* certificate or logo will affect consumer's buying decision. Not only that, researcher also want to determine the extent of which consumer will purchase product that has *halal* certificate and logo as well as to know whether the sales and the product future growth will be affected when it has *halal* certificate and logo. For this paper, researcher will use SPSS in order to analyze data after the researcher distributor 370 questionnaire to 370 respondents in *Sulaman, Manggatal* and *Sepanggar* area at Kota Kinabalu, Sabah. The finding shows that there is a positive relationship between the importance of *halal* certificate with customers buying decision (H1) as well as there is a positive relationship between customer buying decision with the sales of product (H2).

CHAPTER 1

INTRODUCTION

1.0 INTRODUCTION

There are many religions in the world such as Hindu, Buddha and Christian which people hold as their belief in their lives. Islam is also one of the religions in the world and it is hold by Muslims people. In Malaysia, majority of citizens are Muslims followed by Christian, Buddha and Hindu. For Muslim citizen, food that they consume must be *Halal*. *Halal* as refer to Quran can be defined as permitted, lawful, allowed or legal that is the opposite of illegal, unlawful or forbidden which in Quran is stated as *Haram* (Doi, 2007 & Tieman, 2011). However, *Halal* does not only apply for food but it also covers all activities related to ibadat, muamalat or mua'sharah (Hussaini, 1993; Mohamad, 2005 & Tieman, 2011). In order for consumer to know whether the product is *halal*, they will refer it to *halal* logo or certificate. According to Cheng (2008), Tieman (2011), Kambiz and Mohammad Reza (2011), *Halal* logo is a trust mark that is placed on the product or its packaging while *Halal* certificate is refer to a legal paper and document from Islamic organization such as JAKIM which certified that certain product is *halal* and safe to be used as well as following the Islamic dietary guidelines. *Halal* logo or certificate that are able to induce trust and confidence is important for Muslim since it become the fundamental of selecting *halal* product especially food product (Shahidan and Md Nor Othman, 2004; Zakaria, 2008; Talib et al., 2008; Zailani et al., 2010; Tieman, Maznah & Van der Vorst., 2013).

According to Jumaaton (2005); Suddin, Geoffrey and Hanudin (2009), now *halal* is no more about religious issue since in business *halal* already become a symbol for quality assurance and become people choice globally. According to Yousef (2010), Ireland and Soha Abdollah (2011), in terms of food consumption, Europe shows the highest *halal* food consumption follow by India, China and North America. Not only that, Europeans non-Muslim also purchase *halal* product since for them *halal* product is safe and wholesome (Homby &