Non-Muslim Consumers Online Purchase Intention towards Halal Food in Manila

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Abstract: The purpose of this paper is to determine and investigate the online purchase intention among Filipino non-Muslim consumers towards Halal food. The fact could be explained by the increased number of consumers who were ready to purchase Halal products. Aside from Muslims, who expends Halal products due to devout obligations, it is understood that non-Muslims have also started eating halal food. Utilizing multiple regression analysis, four models were tested and perceived risk, trust and confidence, website design quality, and online shopping enjoyment have been explored in this study to investigate the influence of Halal food towards online purchase intention among non-Muslim consumers using quantitative research method. Perceived Risk has been identified to be the most significant in predicting factors in an online purchase intention of Halal food. Furthermore, future studies are suggested to include additional variables such as consumers’ habits and knowledge of halal food.

Keywords: halal, halal food, online purchase intention, perceived risk, website design quality

1. Introduction

The word 'Halal' is derived from the word 'Halla' which means lawful, legal, legitimate, and permitted for Muslims. As explained by Alserhan (2011), Halal is one of the important traits of spiritual needs for Muslim consumers which plays a vital role in their life by guiding them to purchase and consume the Halal product. These days, in different parts of the world, shoppers and buyers of goods and products focus more on the 'Halal' idea, which can be an outcome or evidence that religion can also be an influence on consumer behavior. Moreover, according to Bonne, Vermeir, & Verbeke (2008), the reason behind it is since 'halal' concept is not just a religious issue anymore, it has also been embraced as part of business and trade and with the rise of halal awareness of a product, it is expected to increase the buying interest. (Alserhan, 2011) Halal food has been identified as an essential product. Its consumption becomes oneof the Muslim consumers’ vital concerns. It is also considered as a guarantee of the quality of the product as mentioned by (Majid, Sabir & Ashraf, 2015).

In general, every food is considered halal in Islam unless it is especially prohibited by the Qur’an or the Hadith. By official definition, halal foods are those that are free from any component that Muslims are prohibited from consuming according to Islamic law (Shariah). Processed, made, produced, manufactured, and/or stored using utensils, equipment and/or machinery that have been cleansed according to Islamic law. Specific examples are fish or seafood should not include alcohol (for example batter or wine), meat like Kosher beef, game, lamb, chicken, turkey, duck, and goose. Dairy products like milk, cheese, yogurt (from a kosher certified animal), and parve fruits, vegetables, eggs, cereal products, nuts, and grains.

Generally, there are about 1.8 billion Muslims in the world and their community is one of the biggest populations. The demand for halal food consumption is increasing rapidly in line with the expansion of almost 2.1 Muslim populations across the globe. Halal food turns out to be a profitable business not only among the countries with a Muslim majority but also in non-Muslim countries. (Bonne et al., 2008)

The largest part of the Muslim population is in Asian countries. On the other hand, the Philippines with a total population of 100.98 million is a primarily Christian country. Nevertheless, Islam is its second-largest religion with 6.06 million followers as of 2015 according to the Philippine Statistics Authority (PSA). The Philippines is a non-Muslim dominant country where the Halal industry is still rising as mentioned by (Acas, 2020). Aside from Muslims, who consumes Halal product due to devout obligations, it is believed that non-Muslims have also started consuming Halal products, especially food items.

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Moreover, purchasing goods and services through different modalities online and involves transaction selling between a company and its customers is called online selling. Vu (2020) and Mehrolia et al. (2020) claim that by 2022, electronic commerce activities are forecast to account for half of the country's economy. According to Mehrolia et al. (2020) & Nguyen & Vu (2020), the high-level purchase patterns of the consumers, high product involvement as well as on the increased usage of e-wallet and digital payments have been observed and noticed.

As people have adopted social distancing to slow the spread of the pandemic, they chose to buy items from online stores and therefore, there would tend to increase in online shopping as people turn to e-commerce to purchase the items they might have otherwise purchased in person. Online food selling became a channel for food establishments to continue their business and to generate income to sustain the business. In the United States, there are Food delivery services which are DoorDash, GrubHub, and UberEats are some establishments to deliver the ordered food to the customer. Correspondingly, in the Philippines, there are also food establishments that offer online food delivery or selling. Online food selling is becoming popular nowadays because people during this pandemic have directly or indirectly improved their skills in cooking and have tried their luck in an online food business. Online food sellers are now everywhere on social media, and people tend to buy foods that are trendy today. To show consumer value growth, the companies need to understand online consumers' buying behavior (Pui-Mun, 2002; Saeed et al., 2005) and check which factors affect the consumers’ online purchase intention (Constantinides, 2004; Hair et al., 2011). As Filipinos take protections for the spread of the virus, food businesses, and courier delivery services have also started taking steps to run while also taking more measures following health protocols to be able to deliver food to the consumers.

The firms’ the main reason for why online purchase intention is important for businesses is because it is a tough forecaster of real online purchase (Pavlou, 2003; Kim, 2012). According to Hong & Cha (2013), online selling could increase the online purchase intention by striving to improve the consumers’ trust, Crespo et al. (2009) recommend that this can be done by strengthening trust in the transactions. Hong & Cha (2013) further state that online businesses could put efforts to decrease the perceived risk that will lead to a reduction in online purchase intention (Pavlou, 2003; Crespo et al., 2009). According to Pavlou (2003), Crespo et al. (2009) and Hsu et al. (2014), considering the importance of trust and perceived risk to online purchase intentions, they need to be further studied.

Presently, due to the large demand for online food services, sellers have been referring to Halal food regarding online purchase intention. Halal is no longer just about beliefs and religion but can also be a determining factor of an international economy. Products that need to be called halal have attracted the attention of non-Muslim consumers including the Philippines. Consumers usually buy halal products in places like Manila specifically Quiapo, Makati, Caloocan, and Quezon City. They have a website partnered with Food Panda and Grab Food. The purpose of this research is to determine the online purchase intention of Halal food products among Filipino non-Muslim consumers. This study aims to investigate the online purchase intention of Filipino non-Muslim towards Halal food. To examine the relationship between trust and confidence and online purchase intention of Halal food. Also, to determine the relationship between perceived risk and online purchase intention of Halal food. Moreover, to identify the relationship between shopping satisfaction and online purchase intention of Halal food, and to explain the relationship between website design quality and online purchase intention.

1.1. Brief Review of Literature

Mentioning multiple studies, journals, scholarly articles, and research papers, this section will provide knowledge and information about the variables that will be applied in the research. The proponent decided to conduct this study to find the online purchase intention of Filipino non-Muslims about halal food. Over the last decades, the rate of internet access and online shopping or online businesses has noticeably increased across all generations and but according to (Zulkarnain et al., 2015) on their study as cited by (Liu & Lin, 2020) most of the customers of online selling belonged to the cohort of Millennials and Generation Z. Hence, with the growing e-commerce across the globe, online food services have emerged (Liu & Lin, 2020) and it has provided significant implications of benefits of e-commerce and with the recent advancement of the internet has aided the expansion of online food services by allowing individuals to search for, compare prices, and easily access these services. Online buying is becoming more and more of a necessity in the industry. (Gupta, 2019) especially for the customers in this time of the pandemic. The theory of reasoned action is an influential explanation of the process that determines peoples' intentional behavior (Boster et al.,

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It is used to predict a person’s intention to behave in a certain way, done by evaluating a person’s attitude towards a specific behavior as well as the subjective norms of influential people and groups that could affect the person’s attitude. Attitudes influence consumers’ online intention to purchase (Korzaan, 2003). Lim and Dubinsky (2005) supported the latter and stated that consumer attitudes towards online shopping affect if consumers have intentions to purchase online. Hansen et al. (2004) concluded that consumers attitude toward online shopping is a predictor of online shopping. Intentions have been explained as a self-prediction to a specific behavior (Ajzen, 1991), which employ the motivational factors affecting behaviors and indicate individuals’ effort to put these behaviors into practice. Therefore, the higher the intended behavior of personals can directly result in the higher the individuals’ plan to act (Prieto et al., 2012; Liñana & Santos 2015). Moreover, purchase intention is the plan to buy a specific product or service within a designated time (Hair et al., 2011). Moreover, online purchase intention is affected by the consumers’ determination to purchase from an online business (Salisbury et al., 2001; Choon Ling et al., 2011). When consumers are familiar with online businesses, they are more likely to visit an online site to purchase (Forsythe & Shi, 2003; Yu-Hui & Barnes, 2007). The familiarity in online selling and businesses means that the consumers have an understanding of what is happening in that context and why, and what is going to happen next (Gefen, 2000; Gefen & Straub, 2004). According to Morgan & Hunt (1994), trust is the faith that the trustee will perform advantageously, the belief that the trustee will not do the trustor any harm. Morgan & Hunt (1994) further stated that trust is essential for a company’s success. Trust is defined as the consumer’s belief that the online business will not act in an opportunistic (e.g. taking advantage of a situation) way (Hong & Cha, 2013) According to Pui-Mun (2002) one of the first things a consumer does when visiting a website is to ensure that the website is trustworthy and reliable to develop the trust that is needed for the consumer to proceed the visit on the site. The perceived risk online is explained as consumers’ beliefs about possible doubtful negative consequences from online transactions (Kim, 2012; Soto-Acosta et al., 2014). The perception of an online store has a direct effect on consumers’ shopping enjoyment that in turn is enhancing consumers’ purchase intentions (Kim, 2012). Wang et al. (2013) appears to agree with the latter and stated that perceived enjoyment could influence consumers’ online purchase intention. It is also supported by Van der Heijden & Verhagen (2004) stated that enjoyment is an important construct that will affect consumers’ online purchase intention.

The understanding of our consumer’s needs, their taste and preferences help the online food businesses-providers to satisfy their customers and use their platforms again (Nardi et al., 2019)

The theory of planned behavior (TPB) is the theoretical foundation for understanding intentions. Advanced by Ajzen and Fishbein (Miles, 2012):

*The main theme in planned behavior theory is that the best way to predict and explain a person’s behaviors are through that person’s behavioral intentions. The theory assumes that (1) people tend to behave rationally and to systematically make use of information that is available to them when deciding to act or not to act, (2) people’s actions are guided by conscious motives and not by unconscious motives, and (3) people consider the implications of their actions before they decide to act or not to act.*

### 1.2. Conceptual Framework

Theory of Planned Behavior (TPB) (Ajzen, 1991) was designed to provide the foundation of the construct of this study. TPB stipulates that a consumer’s intention to purchase any product could be predicted through the four main factors namely, perceived risk, trust, website design quality, and online shopping enjoyment.
The relationships between the various variables will be tested as separate hypotheses. The last are categorized based on the research questions they attempt to answer. The variables to be tested are also defined for clarity of testing the various hypotheses. According to (Lee, 2020), from the theory perspective, attitude towards behavior could be determined by evaluating the positive and negative evaluation of certain behavior; subjective norm refers to the perceived perception of an individual on the peer or social pressure leading to performing of the behavior; perceived behavioral control means to an individual’s interpretation confidence of ability to perform the behavior. Furthermore, the researcher wanted to examine the relationship between trust and confidence, perceived risk, website design quality, and online shopping enjoyment, and online purchase intentions.

It is interesting to discover whether, in the Philippine context, certain attributes have a significant relationship with online purchase intentions. According to Pei et al. (2014), online businesses should come together with a good reputation because it strengthens trust and confidence.

**H1:** There is no significant relationship between perceived risk and online purchase intention towards Halal food.

**H2:** There is no significant relationship between trust and confidence and online purchase intention towards Halal food.

**H3:** There is no significant relationship between website design quality and online purchase intention towards Halal food.

**H4:** There is no significant relationship between online shopping enjoyment and online purchase intention towards Halal food.

2. **Materials and Methods**

This study is set in the Philippines, specifically, Metro Manila, also known as the National Capital Region of the Philippines, which is the country's seat of government and premier center for finance and commerce.

2.1. **Research Design**

The research design used by the researcher was survey method presenting and creating questions from different authors. The Likert scales used ranged from 1 (strongly disagree) to 5 (strongly agree). Likert Scale method undertakes if the strength/intensity of an approach is straightforward. Ideally, the number of points from the scale chosen would proportionally represent the characteristics of the underlying population that the researchers will utilize to gather data from. The group will indicate a certain aspect of the chosen population by the researchers. This paper utilizes quantitative research – descriptive research methodThe method mentioned above was considered the most suitable to be used as the fundamental method for this study to generate results that would be helpful to the researchers and readers. The literature reviewed in this paper, which mostly sought to assess the purchase intentions of their target respondents, also utilized the survey method. This research design is aligned with the problems and objectives of the study—determining the factors of online purchase intentions among Filipino non-Muslim consumers.

2.2. **Sampling Size and Type**

This study utilized a priori sample size calculator of Soper (2017) based on the methods of (Cohen et al., 2003) to arrive at a minimum sample for regression. The a-prior parameters are set as: an anticipated effect size of .15 (characterized as medium effect size), desired statistical power level of at least .80, 4 predictors based on the synthesized conceptual framework, and an alpha level of .05.
The result of the calculation is a minimum sample size of 150. This research exceeded the minimum number of respondents by having a total of N = 180

Moreover, this study utilized purposive sampling. This type of sampling allows the researchers in which they will rely on the criteria of judgment in choosing their respondents for the study. The respondents will be selected based on the criteria of the objectives of the study.

2.3. Respondents of the study

In this study, the participants are non-Muslim consumers specifically who are currently staying, living, or even studying in 16 cities in the National Capital Region, aged 18-60 years old. These are consumers who are often using online food services since these consumers chose to stay at home during this quarantine season or pandemic and as much as possible, they tend to avoid going to public places such as malls, gathering events, etc. with a high density of people.

2.4. Data Collection Method

This study gathered primary data by using both paper and electronic survey forms (via Google Forms). Questions are being given to gather information about the respondent’s familiarity and relatability of using online food services and to gather information about their experiences and satisfaction.

2.5. Research Instrument

The questionnaire is placed as an appendix to this paper. Overall, 25 questions were asked from respondents which cover the topics on perceived risk, trust and confidence, website quality design, and online shopping enjoyment which are determinants of online purchase intentions. The compiled questionnaire was pre-tested on 30 individuals resembling the characteristics of the target sample.

3. Results and Discussion

A total of 180 respondents answered the survey, which was distributed via Google Forms. The profile of the respondents (Table 1) emerging from the survey is as follows. The majority of the respondents are aged 22-25 years old with 46.11%. Concurring to the source, grown-ups are classified as people over the age of 18 years. (Sanchez, 2020). Among the survey respondents, just over half (58.33%) were female and the remaining 41.67% were male. According to the survey, 73.89% were Roman Catholic and Christians with 73.89% and 18.33%. The Philippines is a predominantly Christian country and is perceived as one of the religions in the country therefore, Christians are suitable for a study exploring what drives non-Muslim’s consumers to purchase online halal food.

Moreover, most of the respondents were very familiar with halal food with 51.67% although most of them have not visited yet any halal online store with 91.37%. However, many of them agreed that they have the intention to purchase Halal food/products online with 81.56%.

Table 1. Socio-demographic Profile of the Respondents

<table>
<thead>
<tr>
<th>Items</th>
<th>Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>n</td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>105</td>
</tr>
<tr>
<td>Male</td>
<td>75</td>
</tr>
<tr>
<td><strong>Religion</strong></td>
<td></td>
</tr>
<tr>
<td>Roman Catholic</td>
<td>133</td>
</tr>
<tr>
<td>Christians</td>
<td>33</td>
</tr>
<tr>
<td>Others</td>
<td>14</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td></td>
</tr>
<tr>
<td>21 years old</td>
<td>71</td>
</tr>
<tr>
<td>25 years old</td>
<td>83</td>
</tr>
<tr>
<td>30 years old</td>
<td>15</td>
</tr>
<tr>
<td>46 years old and above</td>
<td>11</td>
</tr>
<tr>
<td><strong>Familiarity with Halal products/food</strong></td>
<td></td>
</tr>
<tr>
<td>Very familiar</td>
<td>93</td>
</tr>
<tr>
<td>Somewhat familiar</td>
<td>59</td>
</tr>
<tr>
<td>Not familiar</td>
<td>18</td>
</tr>
<tr>
<td>Not at all familiar</td>
<td>10</td>
</tr>
<tr>
<td><strong>Visit Any Halal Online Store</strong></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>10</td>
</tr>
<tr>
<td>No</td>
<td>165</td>
</tr>
</tbody>
</table>
Spearman’s Rho was used to test the significant relationships among the variables studied as shown in Table 2. Trust and confidence and perceived risk as expected, are significantly correlated with Online Purchase Intentions towards Halal food. However, the two remaining variables like online shopping enjoyment and website quality design were not significantly influenced non-Muslim consumers to purchase online Halal food.

Table 2. Correlation between Online Purchase Intentions and the Predictor Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Spearman’s Rho Correlation Co-efficient</th>
<th>Significance (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Risk</td>
<td>0.23683**</td>
<td>0.00213</td>
</tr>
<tr>
<td>Trust and Confidence</td>
<td>0.29465**</td>
<td>0.00012</td>
</tr>
<tr>
<td>Website Quality Design</td>
<td>-0.10457</td>
<td>0.53687</td>
</tr>
<tr>
<td>Online Shopping Enjoyment</td>
<td>0.17456</td>
<td>0.35644</td>
</tr>
</tbody>
</table>

Table 3. Regression Results Summary Online Purchase Intentions as the Dependent Variable

<table>
<thead>
<tr>
<th>Indicators</th>
<th>Estimate</th>
<th>Standard Error</th>
<th>95% CI</th>
<th>P-value</th>
<th>t stat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>LL</td>
<td>UL</td>
<td></td>
</tr>
<tr>
<td>Intercept</td>
<td>2.9566</td>
<td>0.7066</td>
<td>1.5619</td>
<td>4.3514</td>
<td>0.000</td>
</tr>
<tr>
<td>Perceived Risk</td>
<td>0.281421</td>
<td>0.160795</td>
<td>0.10567</td>
<td>0.7403</td>
<td>0.0003**</td>
</tr>
<tr>
<td>Trust and Confidence</td>
<td>0.872748</td>
<td>0.512545</td>
<td>1.86130</td>
<td>3.8849</td>
<td>0.0000**</td>
</tr>
<tr>
<td>Website Quality Design</td>
<td>0.109538</td>
<td>0.140731</td>
<td>-0.1682</td>
<td>0.3872</td>
<td>0.6275</td>
</tr>
<tr>
<td>Online Shopping Enjoyment</td>
<td>-0.39986</td>
<td>0.176638</td>
<td>-0.7484</td>
<td>-</td>
<td>0.0725</td>
</tr>
<tr>
<td>R-squared</td>
<td>0.3596</td>
<td>0.7216</td>
<td>0.1325</td>
<td>0.1266</td>
<td></td>
</tr>
<tr>
<td>Adjusted R-squared</td>
<td>0.3054</td>
<td>0.6612</td>
<td>0.0429</td>
<td>0.0612</td>
<td></td>
</tr>
<tr>
<td>F-statistics</td>
<td>F (1,178)=6.64</td>
<td>F (1,178)=13.85</td>
<td>F (1,178)=2.23</td>
<td>F (1,178)=3.38</td>
<td></td>
</tr>
<tr>
<td>Model p-value</td>
<td>0.000</td>
<td>0.628</td>
<td>0.073</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

No. of observations: 180
Significance codes: 0.05**

To determine the relationship between perceived risk and online purchase intention of Halal food. In this model, the results of the regression indicated that perceived risk in an online purchase intention towards Halal food explained 72.16% of the variance ($R^2 = .7216$, F (1, 178) =13.85 p = .000). It was found that perceived risk (p=.000) significantly influenced intentions to purchase online Halal food. For every one-unit increase in trust and confidence increases by 0.28 units. This supports the study of (Pavlou, 2003), who mentioned that the perception of risk among consumers creates a tremendous barrier to transact online.

Therefore, reject the null hypothesis: H1: There is no significant relationship between perceived risk and online purchase intention towards Halal food. To examine the significance and extent of the effect of trust and confidence of the consumers on an online purchase intention towards Halal food.

In this model 1, the results of the regression indicated that trust and confidence on an online purchase intention towards Halal food explained 35.96% of the variance ($R^2 = .3596$, F (1, 178) =6.64, p = .000). It was found that trust and confidence (p=.000) significantly influenced intentions to purchase online Halal food. For every one-unit increase in trust and confidence increases by 0.87 units. The result supports the study of (Pavlou, 2003; Kim J., 2015) that trust appears to be an influential factor in consumers’ online purchase intentions.

Therefore, reject the null hypothesis: H2: There is no significant relationship between trust and confidence in online purchase intention towards Halal food.
To identify the relationship between shopping satisfaction and online purchase intention of Halal food, and to explain the relationship between website design quality and online purchase intention. Model 3 and 4, as we can see results of the regression states that website design quality towards and online shopping enjoyment Halal food explained 12.66% and 13.25% respectively of the variances ($R^2 = .1266, F (1, 178) = 3.38, p = .073$) and ($R^2 = .1325, F (1, 178) = 2.23, p = .628$).

It was found that there is no evidence that website design quality and online shopping enjoyment in the model contributes to significantly influenced intention to purchase online Halal food thus more evidence is needed to validate this contention.

According to the study of Cai & Xu (2006), which states that shopping enjoyment is not directly related to consumers’ online buying behavior and this study is also supported by (Kincl & Strach, 2012) that content is a very influential component than creating a website with high quality. Therefore, accept null hypotheses: H3 and H4: There is no significant relationship between website design quality and online shopping enjoyment in an online purchase intention towards Halal food.

4. Conclusion

This research aims to establish and examine the online purchase intention among Filipino non-Muslim consumers towards Halal food. The first research question and its relevant hypotheses, which aimed to validate the model espoused by Pavlou discovered that trust and confidence, and perceived risk are the significant predictors of online purchase intentions. The succeeding research questions and hypotheses tested the significance of online shopping enjoyment and website design quality, and it found out could be significant predictors but with minimal explanatory power towards online purchase intentions. Regarding the objective of Manila establishing itself as one of the major companies in the Halal market today, the sample size of the present study is still insufficient in terms of national perspective to represent the whole population. Based on the previous studies, the authors suggest that the consumers’ shopping enjoyment needs further investigation as well as the website design quality due to the reason that it can be an important predictor of online purchase intentions but should have further investigation.

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References


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