



Intention to Purchase Halal Cosmetic Products Using Partial Least Squares

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Abstract

Malaysia is a multiracial country with Islam being the largest practiced religion. One of the most important concepts in Islam is the concept of halal. Halal industry plays an important role in the whole world, especially for Muslim society. As the market grows rapidly, cosmetics manufactures have eagerness to dominate the market and come out with a variety of products in order to pursue and satisfy customer simultaneously. Thus, the objective of this paper is to identify the antecedent factors that influence the intention to purchase halal cosmetics products among consumers. In this research, data was analyzed using Partial Least Squares Model Analysis (PLS). This finding indicate that intention to purchase halal cosmetic are influenced by attitude, subjective norms, perceived behavioral control and knowledge.

Keywords Halal, Cosmetic Products, Theory of Planned Behavior Model, Consumer Behavior.

1. Introduction

Halal products and services could be a new sector that might help our country's economic growth. Apparently, products that are permissible to be used by Muslims, or categorized it with Halal's product are dependent on manufacturers who must follow several requirements that restricted mostly from the ingredients until the packaging of the products. In this regard, as the number of Muslim worldwide increases, most manufacturers divert their focus to this industry as they believe that this industry will, in return, generate their company's income especially in the cosmetics line. Apparently, products that are permissible to be used by Muslims, or categorized it with Halal's product are dependent on manufacturers who must follow several requirements that restricted mostly from the ingredients until the packaging of the products. In this regard, as the number of Muslim worldwide increases, most manufacturers divert their focus to this industry as they believe that this industry will, in return, generate their company's income especially in the cosmetics line.

2. Problem statement

Despite the growing demand of halal cosmetic among Muslim and non-Muslim population, there is a concern on halal product including cosmetics. As has been reported in Halal Media.net, on 7th December 2010, the consumer awareness on Halal is still low in Malaysia. Some of the Muslims in Malaysia have assumptions that classified halal things must be something that are permissible in Islam without knowing that each process taken in must be determined Halal to confirm that the product is described as Halal in Malaysia. One of the simple ways to recognize whether the product is halal or not is by determining whether there is halal

certificate by JAKIM knowingly that JAKIM is the sole authority body that is able to provide the certificate for Halal products.

Thus, there is urgency for the researchers to study on the halal cosmetic products among consumers. Therefore, the main objective of this paper is to identify the antecedent factors that influence the intention to purchase halal cosmetic products among consumers. Based on this premise, this study will present the Theory of Planned Behaviour (attitude, subjective norm and perceived behavioural control) as the underpinning theory with the help of extended variables namely knowledge.

3. Literature review

The terms *halal* and *haram* are applied to many facets of life and one of the most common uses of these terms is in reference to meat products, food contact materials, and pharmaceuticals. In Islam there are many things that are clearly halal or haram. There are also items which are not as clear, and for which further information is needed. Items that are not clear are called *mashbooh*, which means "questionable." 'Halal' means permissible. 'Haram' means forbidden.

Theory of planned behaviour (Ajzen, 1991) was developed as an extension to Fishbein and Ajzen's (1980) Theory of Reasoned Action. The TPB model explains an individual's performance of certain behaviour is determined by his or her intent to perform that behaviour. There are three components in Theory of Planned Behaviour that explain further intention to behave and thus behaviour itself, i.e. attitude, subjective norm and perceived behaviour control.

Alam and Sayuti (2011) stated that attitude has a significant and positive effect on halal food purchasing intention. Their finding found out that attitude is an important factor in influencing

purchasing of halal food product because high positive attitudes appeared to have greater intentions to intent to purchase halal food products. Subjective norm refers to the person's perception of the social pressure for or against performing the behavior in question. According to Azmi et al. (2010), Muslim consumer may be motivated to choose Halal cosmetic products because cosmetic products are Halal in Shaariah. Their finding has pointed out that subjective norm has to be recognized as the significant indicators of Muslim customers to choose halal cosmetic products.

Perceived behavioral refers to the degree of control that an individual perceives over performing the behavior (Chen, 2007; Kang et al., 2006). Khairi M.O et al (2012) in their study indicated that perceived behavioral control was found positively related to the intention to choose halal products.

Shaari and Ariffin (2010) who studied dimension of halal purchase intention stated that consumer with knowledge in halal product would not reluctant to purchase halal product. They further pointed out that knowledge is a key ingredient to influence halal products purchase intention. Their argument on the finding stated that when the consumers have knowledge on what is allowed or permissible on certain halal logo originated from other country, that would help in influencing their judgment towards purchasing halal products.

Intention is a referring to individual position on a subjective probability dimension connecting with himself and various actions (Ajzen & Fishbein,2000). Referring to others scholar, they explained intentions as a driver or motivation for individual to engage with a specific behaviour (Armitage & Conner,2000).

Thus the hypothesis is constructed as follows:

H₁: Attitude has a significant influence on the intention to purchase halal cosmetic products among customers.

H₂: Subjective norm has a significant influence on the intention to purchase halal cosmetic products among customers.

H₃: Perceived behavioral control has a significant influence on the intention to purchase halal cosmetic products among customers.

H₄: Knowledge has a significant influence on the intention to purchase halal cosmetic products among customers.

4. Methodology

The researcher has used a questionnaire to gather data for this study. The questionnaire was divided into two sections accordingly. Section A of the questionnaire was on the background of the respondent. Section B was on the variables researched. Four independent variables were used. A Likert 5 point scale (5- Strongly Agree, 4- Agree, 3-Neutral, 2- Disagree and 1- Strongly Disagree) was used to gather the data. 400 respondents from Johor were chosen to complete the questionnaire but only 398 respond to the questions.

In this research, data was analyzed with Partial Least Squares Model Analysis (PLS). Abdul Hafaz Ngah (2014) and Shahrir et.al (2011) suggested that PLS is useful to test theoretical conceptualization and the empirical validation. Thus, the reason to use PLS in this study is to predict consumer's intention to purchase halal cosmetic products. The data were analysed using the following steps; first the model measurement was examined using confirmatory factor analysis and secondly the structural

model measurement was assessed by examining the standard path coefficient and t-statistics ($t > 1.96$)

5. Findings

Sample Profiles

The total number of respondents were 398. From the analysis frequency it is found that 44% of them are male while the remaining of 56% is a female. Majority respondents ages between 20 – 39 years old (40%), Degree Holder (56%) and Malay (43%)

Measurement Model

As suggested by Fornell and Larcker (1981), convergent validity was determined by calculating item reliability, internal consistency, and average variance extracted (AVE).

Item reliability assesses the loadings for each individual item. Table 1 presents the detailed item loadings. The loadings indicate the correlation of the items with their respective constructs. The results showed that all item greater than 0.7 which consider as acceptable. (Chin, 2003)

Table 1: Item loading for reflective items

Construct	Item	Loading
Attitude	A1	0.865
	A2	0.848
	A3	0.888
	A4	0.864
	A5	0.865
Perceived Behavioral Control	B1	0.770
	B2	0.803
	B3	0.821
	B4	0.863
	B5	0.833
	B6	0.785
Subjective Norm	S1	0.875
	S2	0.878
	S3	0.888
	S4	0.874
	S5	0.831
Knowledge	K1	0.739
	K2	0.743
	K3	0.712
	K4	0.719
	K5	0.812
	K6	0.766
	K7	0.785
	K8	0.813
	K9	0.743
	K10	0.763
Intention	I1	0.760
	I2	0.841
	I3	0.892
	I4	0.882
	I5	0.873
	I6	0.843
	I7	0.865
	I8	0.854
	I9	0.780
	I10	0.740

Table 2: Average variance extracted (AVE) for reflective items

Construct	Average Variance Extracted (AVE)
Attitude	0.750
Perceived Behavioural Control	0.661
Subjective Norm	0.756
Knowledge	0.581
Intention	0.696

Table 3: Internal consistency for reflective items

Construct	Internal Consistency
Attitude	0.938
Perceived Behavioural Control	0.921
Subjective Norm	0.939
Knowledge	0.926
Intention	0.958

Table 4 : Correlation of latent variables and square roots of AVE

Construct	A	I	K	PB	SN
Attitude (A)	0.866				
Intention (I)	0.818	0.835			
Knowledge (K)	0.743	0.759	0.762		
Perceived Behavioural Control (PB)	0.718	0.715	0.749	0.813	
Subjective Norm (SN)	0.719	0.744	0.736	0.678	0.869

Table 2 showed that all the AVE values are above 0.5. Refer to Average Variance Extracted (AVE), the largest value is 0.756 for subjective norm whilst the lowest is 0.581 for knowledge. Table 3 indicated that Internal Consistency meet the criterion for a minimum value of 0.7. Referring the results after it has been revised, it found that the lowest internal consistency was 0.921 for perceived behavioural control whilst the highest was 0.958 for Intention. The high internal consistency values for all the constructs ensure the reliability of the measurement model. Therefore, the measurement model satisfied all three necessary criterias and achieved convergent validity. Hence, these results clearly indicate that the items in each construct are highly correlated and reliable.

The first criterion of discriminant validity is assessed by calculating the square root of average variance extracted (AVE). This value is then compared with inter construct correlation. To meet the discriminant validity criteria, the square roots of the AVE were calculated and represented in the main diagonal of Table 4. The off-diagonal elements represent the correlations among the latent variables. Barclay, Higgins, and Thompson (1995) specified that discriminant validity is achieved when the square root of the AVE of a construct is larger than its correlation with other constructs. Table 4 confirms that the discriminant validity was achieved.

Next, for the cross loading matrix explained that all items are loaded higher on the construct they were measuring than on any other construct in the model. Therefore, the two criterion of discriminant validity was met. The implication is that all the reflective constructs in the measurement model are different from each other.

Result of Hypothesis Testing

Table 5: Hypothesis Testing

Hypothesis	Relationship	Standard Path Coefficient	t-value
H1	Attitude - Intention	0.401	6.876
H2	Perceived Behavioral Control – Intention	0.100	1.981
H3	Subjective Norm - Intention	0.215	4.277
H4	Knowledge -Intention	0.134	1.985

*p< 0.05 or **p<0.01

Table 5 indicated the summarized of hypothesis testing for the main model. The standardized path coefficient indicates whether the direction of the relationship is either positive or negative whilst the t-value assesses whether this relationship is significant or not.

H1, H2, H3 and H4 examined the influence of attitude, perceived behavioural control, subjective norm and knowledge on intention to purchase halal cosmetics product among consumers, respectively.

This table showed that all four variables for standard path coefficients were positive. More specifically, for H1 the standardized path coefficient is 0.401 whilst the t-value is 6.876. The result was accepted at $t > 1.96$. H2 explained the standard path coefficient is 0.100 whilst t-value is 1.981. The result was accepted at $t > 1.96$. H3 explained the standard path coefficient is 0.215 whilst t-value is 4.277. The result was accepted at $t > 1.96$. Next, H4 explained the standard path coefficient is 0.134 whilst t-value is 1.985. The result was accepted at $t > 1.96$.

In conclusion, four (H1,H2,H3 and H4) of the hypotheses were statistically significant.

6. Discussion and conclusion

This paper is aim to propose an integrated framework to understand the intention to purchase halal cosmetic products among consumers. Building the TPB with an additional variable, the analysis used SmartPLS 3. This study proposed that there is a significant influence between independent variables (attitude, subjective norm, perceived behavioral, knowledge) and dependent variable i.e, intention. The findings of this study show that Theory of Planned Behavior act as an important determinant for intention. The finding also has supported previous finding in which TPB has the capability to influence intention to purchase halal cosmetic products (Azmi *et al*, 2010) (Aziz, A., Noor, N., & Wahab, E. 2013). On the other hand, knowledge also supported by the previous research (Shaari and Ariffin, 2010). This result demonstrate that knowledge is a key ingredient to influence the consumers to purchase halal cosmetic products. Finally, it is hope that Muslim countries are lead to be a global Halal-hub like Malaysia, so that halal cosmetics will be more increase to emerge the world especially in Muslim country.

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