

# Country-of-Origin Effect on Consumer Purchase Intention of *Halal* Brands

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## Abstract

*Purpose* – The purpose of this study is to explore if country of origin influences the purchase intention in selecting *Halal* brands from Muslim and non-Muslim countries. *Design/methodology/approach* – This research paper is based on a participant observation in a simulation shopping environment to identify the effect of country of origin on Muslim consumers when purchasing *Halal* brands, and using a semi-structured in-depth interview to elicit the perception of Muslim consumers. *Findings* – The results of the study indicate that country of origin has no effect on the consumers when choosing *Halal* brands. Although there are claims that Muslim countries are more reliable, in reality, country of origin does not affect the purchase intention when selecting *Halal* brands. Indeed, the decisions to select *Halal* brands for majority of respondents were based on taste, price and packaging. It was also found that when talking about *Halal*, the majority of respondents did say that they have different opinion in *Halal* certified by Muslim countries versus the non-Muslim ones. Thus, a model was achieved that reveals the factors affecting the purchase intention of consumers in the marketplace which are: *Halal* requirements, *Halal* industry procedures, business environment, *Halal* interpretation and manpower resources. Finally, another finding indicates that the United Kingdom is the most reliable non-Muslim country, while Saudi Arabia has been found to have stringent legislation in *Halal* compliance among Muslim countries. *Research limitations* – This research used a qualitative approach to analyze 35 Muslim respondents from the campus of Universiti Teknologi MARA (UiTM). Furthermore, the majority of the respondents were single and young adult students. *Practical implications* – Practical implication extends to a new window for *Halal* certification bodies, marketers and businesses in different countries involved in the *Halal* industry. *Social implications* – Some countries need to pay more attention to the *Halal* not only as a commercial activity but also as a spiritual need of Muslim consumers, and to establish their credibility in the marketplace. *Originality/value* – This is a pioneer study to seek a more accurate understanding of how consumers select *Halal* brands from Muslim and non-Muslim countries.

## Keywords

Halal, Country of Origin, Muslim and Non-Muslim Countries, Halal Brands, Muslim Consumers, Purchase Intention, Simulation Shopping Environment

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## 1. Introduction

Which are more reliable, *Halal* brands from Muslim countries or non-Muslim countries? There is continuing debate on whether *Halal* brands from Muslim countries or non-Muslim countries are the preferred consumer choices.

Today, the production of *Halal* brands is developing into a global industry. This is understandable as the *Halal* brands play a vital role in a Muslim's life because they signal reliability and trust to consumers (Abdul *et al.*, 2009). In fact, for Muslims, "*Halal* is part of a belief system, moral code of conduct and integral in daily living" (Wilson and Liu, 2010). *Halal* has also been acknowledged and used globally

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(Rajagopal *et al.* 2011), and demand for *Halal* brands in both Muslim and non-Muslim countries is growing rapidly across different segments (Muhammad *et al.*, 2009).

Muslims make up 20 to 25% of the world population (Temporal, 2011). Besides, over the next two decades, the world's Muslim population is projected to reach 2.2 billion by 2030. This sizable market is estimated to grow at a rate of seven percent annually and generate approximately US\$ 1.5 trillion a year (Alserhan, 2010; Lada *et al.*, 2009). This remarkable growth in the global *Halal* market, particularly in food, has motivated Muslim and non-Muslim countries around the world to capitalize on the huge potential and enter this market by complying with the *Halal* (Aziz and Vui, 2012; Temporal, 2011). Muslim countries are those countries that have a Muslim-majority population like Malaysia, Saudi Arabia, and Pakistan and non-Muslim countries have Muslim-minority populations such as China and France (Temporal, 2011). Hence, there is a possibility that country of origin (COO) could influence consumers to differentiate between countries (Hoffmann, 2000). The concept of COO involves the country where the brand originates or is manufactured (Ha-Brookshire and Yoon, 2012). Country of origin or the "made in" label is one of the essential evaluation criteria in the purchasing decision (Supanvanij and Amine, 2000; Abedniya and Zaeim, 2011).

Consumers currently encounter a great variety of *Halal* brands from both Muslim and non-Muslim countries. *Halal* brands carry the values that are important to the Muslim consumers such as purity and wholesomeness. This kind of brand is certified by different *Halal* certification bodies. *Halal* certification bodies give authority to producers to use the *Halal* logo on their package of products. Due to differing *Halal* certification bodies, different countries have different *Halal* logo designs that help consumers to differentiate between Muslim and non-Muslim *Halal* brands. These logos are printed on the package of products with different typeface, colors and image around (Mohd *et al.*, 2008). The logo is a prominent tool that the companies utilize to gain recognition in the marketplace (Pham *et al.*, 2012; Machado *et al.*, 2012). This graphical design is at the heart of firms to manifest the values of a product (Haigh and Knowles, 2005; Wang *et al.*, 2012). The *Halal* logo is designed on the products' packaging as the term *Halal* because it is better known amongst Muslim and non-Muslim consumers (Shafie and Othman, 2006). It is an avenue for manufacturers to signal trust for their target consumers and assist them to select the products with confidence (Mohamed *et al.*, 2008; Zakaria, 2008).

Furthermore, consumers seek brands that best meet their needs through shopping, so brands from countries with the right image have a better chance of being accepted than those

from countries without such an image (Abedniya and Zaeim, 2011). For example, consumers perceive the US, Japan and Germany as countries with high quality brands while brands from some eastern European countries or developing countries like China are viewed as inferior. This is because different brands from different countries are viewed according to a ladder of perceived values (Abedniya and Zaeim, 2011). In the case of the *Halal* brands, the situation is probably different because consumers seek the countries that are *Shariah*-compliant. In fact, consumers' perceptions of various countries are related to product specific as well as country specific inferences (Ghani *et al.*, 2007). In addition, in the marketplace, consumers are influenced by COO even when all other variables are held constant, like price. From marketing and international business studies, there is the crucial issue of the degree to which a country of origin matters to the consumers in making the purchasing decision (Hermelo and Vassolo, 2011).

Whilst most previous studies have highlighted the impact of COO consumer evaluation of different brands and products such as the effect of COO on consumer purchase intentions of clothing label (Parkvithee and Miranda, 2012), personal computer (Prendergast *et al.*, 2010), fresh meat (Hoffmann, 2000), clothing apparel (Patterson and Tai, 1999), durable goods (Ghani *et al.*, 2007), fashion industry (Abedniya and Zaeim, 2011), fast-consuming product (Phau and Suntornnond, 2006), and product technological complexity and manufacturing (Ahmed and d'Astous, 2008), there is a dearth of research on the effect of country of origin on purchasing *Halal* brands. To fill this gap, we conducted a participant observation and employed semi-structured in-depth interviews in a simulation shop condition.

Filling this gap in the literature is important for a few reasons. First, consumers' overall perceptions about countries that produce *Halal* products may affect certain aspects of consumer evaluation and choice behavior. Second, consumers with certain religious views may respond in different ways to *Halal* brands from Muslim and non-Muslim countries. For example, consumers may perceive *Halal* brands that are "Made in Malaysia" to be more *Shariah*-compliant than *Halal* brands which are "Made in Australia". Lastly, the presence of the country of origin effect is an important extrinsic cue for today's consumers, who want to know where products are made based on whether they are *Shariah*-compliant or not. *Halal* brands that do not conform to an individual's religious beliefs are less likely to be selected.

Finally, the purpose of this paper is to discover more accurate understanding of how consumers reflect their behavior and preference in the selection of *Halal* brands from Muslim and non-Muslim countries in a simulation shop and evaluated the

perception of consumers. Thus, this research offers an important opportunity for researchers and businesses to gain a deeper understanding of the consumers' evaluations in selecting *Halal* brands from Muslim and non-Muslim countries in a highly competitive market. To further understand the implications of the COO effect on *Halal* brands, the research questions driving this study are as follows:

- 1 How do consumers behave to purchase the *Halal* brands from Muslim and non-Muslim countries?
- 2 What is the perception of consumers about *Halal* brands from different countries?
- 3 Which countries producing *Halal* brands do consumers perceive as more reliable?

The rest of the paper is structured as follows: the research method describes the simulation protocol, observation and interview. Data analysis of the study follows in the next section. The discussion section interprets the results and outlines implications of observation and interview parts. The paper ends with conclusion, makes recommendations for future research and indications of the limitations of the research.

## 2. Methodology

In this study, a qualitative research method was used. Qualitative research method helps the researcher to understand a process from the point of view of participants and explore their in-depth insight (Vinten, 1994). In order to collect data, semi-structured in-depth interviews and participant observation method were conducted to explore the research questions in a simulation shop. Convenience sampling was carried out to meet local and international Muslim students in Universiti Teknologi MARA (UiTM). Convenience sampling is a non-probability method by which a researcher gathers information quickly and efficiently from members of the population who are conveniently available and willing to participate (Sekaran, 2006). In order to have an appropriate sample size in qualitative research, the number of participants must be enough to hear most or all of the respondents' comments because they might have diverse opinions. Based on the study by Griffin and Hauser (1993), 20 to 30 interviews are necessary to uncover 90 to 95% of all consumers' comments. In this study, 35 people participated in the observation and interviews.

### 2.1. Simulation Protocol

Simulation uses a model-building technique that represents an accurate environment like the real world to determine the effects of changes and explore the behavior of participants

(Sekaran, 2006). The experiences of participants are similar to what one would experience in the real world. There are two types of simulation including experimental simulation and free simulation. The former describes all simulated events that are totally determined by researchers while the latter depicts the partly governed reaction of the participants to the different stimuli. In the present work focus has been made on those products certified with the *Halal* logo. Accordingly, a range of processed products such as processed meat, processed fruits, processed dairy foods, convenience foods and drinks could be selected. Thus, the researchers provided four categories of processed *Halal* products from both Muslim and non-Muslim countries by creating real-world conditions in an artificial setting and using experimental simulation. Category number one included coffee (*Klassno*), while energy drink (*Red Bull*) and soft drink (*Fanta*) were for categories numbers two and three respectively. The last one comprised tuna in sun flower oil (*Ayam Brand* and *Rex*). In each category, there was at least one non-Muslim *Halal* brand. The first category, *Klassno* brand had three products. The first product was creamy and rich, originating from Malaysia; the second one with an original and bitter taste originated from Malaysia as well and the last one, similar to the first one had the same packaging, same taste, but labeled with a Singapore *Halal* brand (Appendix 1). All products in category number one had the same price RM8 (1USD= RM3). The second category, *Red Bull* brand comprised three products. The first product originated from Austria priced at RM5.70, while the second one at RM2.40 was labeled from Thailand. The last product in this category was a glass package with RM1.70 price tag originating from Malaysia. The third category comprised the *Fanta* brand, with two products. The first product was a can priced at RM1.30 which originated from Malaysia whereas the bottled one was from Singapore and priced at RM1.90. The last category consisted of two cans of tuna in sunflower oil with different brands. The first one was *Ayam Brand* labeled with a Thailand *Halal* brand while the second one was from Malaysia. *Ayam Brand* at RM4.60 and *Rex* at RM4.70 made up the last category of products. Moreover, the researchers selected these brands within this classification because they are popular brands in Malaysia and purchased by both locals and foreigners. Further, availability of various brands from Muslim and non-Muslim countries has also motivated the choice of these brands in the present research. In reality, in the marketplace, consumers find countless brands of different categories of products and are being attracted by product's attributes like price, packaging, and ingredients. Therefore, the researchers attempted to include various attributes associated to the selected products that consumers might face in the real shopping outlets. Finally, the real-world environment has also been created by the

researcher by establishing a quiet and appropriate location in the UiTM where every category of *Halal* product was arranged separately on the shelves carrying a price label.

## 2.2. Observation Procedure

According to Slack and Rowley (2001), observation is a research methodology and data collection tool that provides the basis for a wider theoretical approach. Further, there are a number of different types of observation. Observation can be participant or non-participant, covert or overt, and structured or unstructured; it can be used to collect quantitative or qualitative data. The best choice among different types of observation depends on the objectives of the study and the questions that should be answered. This study conducted a participant observation. Participant observation emphasis is on discovering the meanings that people attach to their actions (Saunders *et al.*, 2009). Furthermore, there are four typology of participant observation researcher roles namely, complete participant, complete observer, observer as participant, and participant as observer (Gold, 1958). Hence, in the present study, the complete observer was deployed that the observers would not reveal the purpose of their activity to those people were observing and did not take part in the activities of the participants.

In order to conduct the observation, the researchers run the simulation shop in the UiTM campus. Observations were accomplished for three days, and consumers participated at different times of the day. After running the simulation shop, the researchers invited the participants individually in order to explain the purpose of the study, provide them with some personal background, and to advise them to behave as if they are in a real-world shop. The detailed observation procedure was as follows: first, the researchers asked participants to assume they were in a real shopping outlet such as Giant. Second, they explained to them the layout of the shop. Third, participants were told they had the freedom to pick the products and read all available information on the packaging. Forth, they asked them to make their own brand selection from each category. Fifth, emphasis was made to all participants regarding the *Halal* brands were originated from Muslim and non-Muslim countries across the world. Finally, consumers were allowed to enter in the simulated retail environment when confirmation was made that they understood all the details of the activity. All participants were treated equally while the observation process was recorded on camera with the consent of each participant.

## 2.3. Interview Procedure

In the present study, a semi-structured in-depth interview was conducted. This method is the most widely used interviewing format for qualitative research because it assists to elicit

detailed narratives and provides rich and in-depth information about the individuals' opinions (DiCicco-Bloom and Crabtree, 2006). In this method, when rich and adequate information is obtained the researcher would stop the interview. Then, the information would be tabulated, analyzed, coded and the data compared. Coding or a modifiable system assists the researcher to identify categories or themes by sorting information into meaningful patterns (Suter, 2012). This technique permits the data to speak. After developing categories and formulating the core message of the interview, the researcher would be able to interpret the emerging themes and answer the research questions (Suter, 2012). For this study, because of sufficient number of respondents the researchers could determine core categories. Additionally, in this research, before conducting the interview, the researchers developed an interview guide by designing some questions about the phenomenon being studied. All of the respondents were interviewed one-on-one in order to avoid group speak. Also, respondents were informed that an interview and observation might take about 35 minutes. Further, as everyone asked for a recording, all the interviews were recorded on a digital recorder and participants were assured of the confidentiality of all information provided. The interviews were conducted in English, which was not a problem for the respondents.

## 3. Results

Table I. Profile of Respondents

Variable	Frequency	%
<b>Gender</b>		
Male	21	60%
Female	14	40%
<b>Marital status</b>		
Not married	32	91%
Married	3	9%
<b>Age (years)</b>		
18–24	29	83%
25–34	5	14%
35–44	1	3%
<b>Nationality</b>		
Malay	19	54%
Other (Iran, Pakistan, Gambian, Yemen, Palestine, Somalia, Syria, Djibouti)	16	46%
<b>Education</b>		
Bachelor	30	86%
Master	3	8%
PhD	2	6%

Table I provides the profile of respondents in the study. The total of 35 participants in this study, the sample was slightly dominated by male respondents (60%), with 83% of them forming a majority group aged 18-24 years. The majority of them were found to be single (91%). It is to be noted that almost all the respondents held a bachelor degree (86%), and 54% of the respondents were Malay while 46% belonged to

other countries. The participants were selected from 13 faculties of UiTM namely, Mechanical Engineering, Electrical Engineering, Computer and Mathematic Science, Civil Engineering, Chemical Engineering, Business Management, Accountancy, Information Management, Law, Applied Science, Dentistry, Communication, and Media Policy Studies.

### 3.1. Study 1

In the first step, which involved the observation method, the researchers tried to observe the behavior of the consumers in selecting Muslim and non-Muslim *Halal* brands. In this study, all participants were observed from the safe distance. Furthermore, in order to record accurately the reaction of participants to the selection of *Halal* brands, an observation checklist was used. The researchers designed the separated checklist for each individual. The checklist assisted the observers to collect specific data which included, specifying the people who pick up and notice to the details of the packages completely, and indicating the selected brand in each category by consumers. In this research, the investigator's triangulation involved using two observers. The findings from each observer were compared for deeper understanding of the situations because cross-checking and verifying the interpretation of data, by more than one researcher can increase the value of the findings (Thurmond,

2001). According to the observers' checklists, about 43% of the consumers picked up the products and looked on details printed on the packages before selecting their desired *Halal* brands. However, there is a vague point in this step due to the difficulty in estimating the exact reasons behind the selection of *Halal* brands. For elucidation of the reasons motivating the selection by the participants, an interview has been conducted with each participant individually. Combination observation and interview could help interpreting the participant's actions and solve the unanswered questions (Krueckeberg, 1989).

### 3.2. Study 2

In stage two, one-on-one a semi-structured in-depth interview method with Muslim local and international students was conducted. The interview procedure yielded 50 pages after transcription. The interview transcripts of the participants were analyzed to better analyze for accurate interpretation. The interviews were analyzed using coding procedures by focusing on examining, comparing, and categorizing data. The structure of the interview consisted of three parts: the first part focused on the reason behind the selection of *Halal* brands from each category in order to answer to the first research question and clarify the details that the researchers have observed. The Table II shows the results.

Table II. Observation Analysis

Category	product	Frequency	%	Number of participants / Reasons
Category 1	Product A	13	37%	9 creamy and rich taste, 2 nutrition, 1 I always buy this brand, 1 Malaysia <i>Halal</i> brand*
	Product B	15	43%	2 package, 1 price, 6 I usually use this brand, 2 less sugar and fat, 3 original taste and less flavor, 1 number of sticks
	Product C	7	20%	4 colorful package, 2 creamy taste, 1 I have chosen randomly
Category 2	Product A	12	33%	3 very nice and colorful package, 8 original taste and more caffeine, 1 because of ml
	Product B	13	36%	4 reasonable price, 7 usually I use this brand, 1 easy to carry and 1 recyclable can
	Product C	11	31%	4 reasonable price, 6 glass is more hygienic and easier to drink from than can, 1 due to my emotions
Category 3	Product A	12	34%	4 can is better than bottle, 3 price, 3 good taste and flavor, 1 recycling and 1 because of ml
	Product B	23	66%	2 taste, 11 easy to grab, carry and open it and easy to drink, 3 reasonable price, 1 available everywhere, 4 bottle is better than can because we can refill it after use, 2 my favorite brand
Category 4	Product A	29	83%	19 very famous and popular brand in Malaysia, 2 good taste, 2 more healthy due to less additive, 3 reasonable price, 1 expiry date, 2 I used based on my Malay friend's suggestion
	Product B	6	17%	4 good package, 1 more energy, healthy and good ingredients, 1 expiry date

Note. \* The case that paid attention to COO

In order to answer the first research question, which is, whether the country of origin influences consumers when they are deciding on the purchase of *Halal* brands, the result of observation showed that 97% of participants were not concerned about the product's country of origin of the *Halal* brands. Most respondents were affected by different aspects of product such as packaging, price, and ingredients rather than attention to the country of origin of the *Halal* brand. For

instance, in category number 1, 37% of participants paid attention to product A while 43% and 20% considered the products B and C respectively. Regarding the choice of product A, nine persons selected this product due to its creamy and rich taste; two because of nutrition, one person on account of always purchasing this product, and just one respondent was affected by COO and preferred the *Halal* brand that was originated from Malaysia compared to the Singapore *Halal* brand.



The second part of interview was designed with some questions. First, participants were asked about their preference in choosing *Halal* brands from Muslim countries versus non-Muslim countries. Eighty-three percent of the respondents mentioned that Muslim countries are more reliable while just three percent indicated that non-Muslim countries are more reliable and the rest emphasized both of them. In addition, in order to answer the question regarding their concern about the ingredients of the *Halal* products, most of them (52%) mentioned that they do not read the ingredients label of the products when the product is *Halal*. Thirty-seven percent of respondents paid attention to the ingredients when they had doubts about some *Halal* products. The rest (11%) admitted that because they were buying a product for the first time, they read the ingredients label. Moreover, based on the question about their attention to the *Halal* and brand name, most respondents (60%) mentioned that their attention was first drawn to the brand name and then the *Halal*. Finally, in this part, most of the respondents (80%) mentioned that they monitored *Halal* logo

when they were in multicultural countries and non-Muslim countries.

The third part of the interview concentrated on the research question numbers two and three of this study. Regarding to answer question number two, which was about consumers' perception of the differences among the countries producing the *Halal* brands, it was found that (29%) of respondents believed there was no difference between them because *Halal* is *Halal* and we do not have 50-50 *Halal*, or *Halal* is based on religion and a religious guideline is sufficient and clear about *Halal*. Moreover, one believed that all countries try to win the trust of consumers, so there is no difference between countries. However, twenty-five of the participants (71%) mentioned that there are differences between countries. In order to mirror these differences, several repeated coding sessions were conducted. The results reflect the model of five main categories which were formulated based on the dialectic of data with different sub-categories. Furthermore, the coding was conducted independently by researchers. Table III shows the details of this part.

**Table III.** Differences Analysis

Categories	Sub-categories
<i>Halal</i> requirements	Different <i>Halal</i> certification bodies
	Country with easy or restrictive laws to issue the <i>Halal</i> certification
	Country with easy or restrictive laws to implement the <i>Halal</i> needs
	Dissimilarity in <i>Halal</i> standards and the content of standard across countries
	Different auditing and inspection system
<i>Halal</i> industry procedures	Different type and number of tests
	Different manufacturers that have their own ways to produce <i>Halal</i> products
	Ambiguity in the process of <i>Halal</i> food
	Ambiguity in use of <i>Halal</i> additives and maximum permitted levels of the additive
	Type of test for raw materials
	Number of tests for reassurance of the <i>Halal</i> products
Business environment	Quality of processing the <i>Halal</i> products (e.g. beef with blood)
	Different suppliers to prepare the raw materials
	Businesses just want to sell their products and <i>Halal</i> for them is like a figurative thing
	Different marketing and branding strategies; particularly in <i>Halal</i> advertising perspective
<i>Halal</i> interpretation	Different logos
	Type of religion that every country has
	No consensus in the understanding of the Islamic belief and <i>Shariah</i> -law about the <i>Halal</i>
Manpower resources	Insufficient knowledge about the concept of <i>Halal</i>
	No perfect understanding of the <i>Halal</i> that is not just a <i>Shariah</i> -indication, but is spiritual need of Muslims.
	Level of expert knowledge
	Different recruitment systems of <i>Halal</i> manufactures in employing the workers (maybe they do not subscribe to the employer's religion)
	The level of religious commitment of people involved in the <i>Halal</i> production (Muslim person who drinks non- <i>Halal</i> beverage)

*Halal* requirements, *Halal* industry procedures, business environment, *Halal* interpretation, and manpower resources indicate the differences among countries that are involved in the *Halal* production. The focus components for *Halal* requirements are dissimilarity in the content of *Halal* standards across countries as well as different auditing and inspection systems. Likewise, this dissimilarity is also seen in the level of codified form of laws to implement the *Halal*

needs. Moreover, owing to some factors like ambiguity in the processing of *Halal* food and maximum permitted levels of additive are sources of difference which affect *Halal* procedures. In the business environment, forms of marketing and branding strategies that various countries employ to attract their target consumers are source of differences. Furthermore, it should be noted that another significant factor that leads to discrimination among countries is different *Halal* logo designs. From *Halal* interpretation perspective,

there is no consensus in the understanding of the Islamic belief and *Shariah*-law about the *Halal* concept. This difference is due to the different spectrums of Islam. In the same manner, lack of sufficient knowledge about the concept of *Halal* is another significant point that may negatively affect the appreciation of *Halal*. Lastly, Muslim consumers are very concerned about the products that they consume and use, so firms require a transparent system in order to recruit knowledgeable experts as well as religious people that are involved in the *Halal* production. Regarding this issue, Wilson and Liu (2011) indicate two significant factors which contribute to make *Halal* brands namely, the faith of the corporate owner and employee practices.

The last research question attempts to determine consumers' perception about the most reliable countries producing *Halal* brands. The results revealed that the Muslim majority countries are more reliable than multicultural countries. Middle East people emphasized that Saudi Arabia is the most reliable than others because it has the strictest *Shariah*-laws about the *Halal*. Although Malaysians highlighted Malaysia as a reliable country about *Halal*, Arabs have different ideas about non-Muslim producers in Malaysia (Chinese producers). Turkey also is one of the best countries in *Halal* like Iran because participants believed that all products are *Halal* in both countries. Egypt, Pakistan, and Brunei are the last three countries by choice of respondents. Amongst non-Muslim countries, more participants believed that the UK is the most reliable country. This idea about the UK is common amongst all nationalities. In ASEAN, Singapore is more reliable than Thailand among Malaysian respondents. Australia and the USA are seen as more reliable than NZ, Japan or France from the perception of participants. Further, China is the most challenging country since each participant had a different view. For instance, Malaysians believe that China has a large Muslim population, so it should be *Shariah*-compliant, whereas Middle Easterners and Africans view China with suspicion.

## 4. Discussion

This study explored the consumers' preference in the simulation shop and to identify how consumers behave in selecting *Halal* brands originating from Muslim and non-Muslim countries. Moreover, this research evaluated the perception of consumers about differences between countries which are involved in the *Halal* market. This study is one of the first to illustrate the effect of COO in the *Halal* brands context. The result indicates that there is an inconsistency between observation and interview parts. Although in the interview part most respondents claimed that *Halal* brands originating from Muslim countries are more reliable than

those from non-Muslim countries, in the simulation shop they behaved differently. This finding reveals difference in comparison with the study by Mukhtar and Butt (2012) that indicated brands originating from Muslim countries will be of less concern for Muslim consumers than Western brands. The result of this study also highlights differences between countries that are involved in *Halal* production. One of the main reasons for this differentiation is the existence of many *Halal* certification bodies in the world, all of which claim authenticity. At this time, there are 122 active *Halal* certification bodies around the world (International Halal Integrity Alliance, 2011). These organizations comprise government, part-government bodies, and non-governmental organizations. All certification bodies need to identify and analyze challenges and opportunities related to promotion of *Halal* trade and adhere to a common standard. This common standard harmonizes the *Halal* certification globally. Furthermore, in the marketplace, consumers are faced with many kinds of *Halal* logos from various Muslim and non-Muslim countries, so this unity provides a single *Halal* logo for all products. It also assists consumers to differentiate between the genuine and fake *Halal* logos. Besides, a single standard can comply with the specific requirements of the consumers.

In addition, most respondents believed that Muslim countries are the most reliable because they have sufficient knowledge about *Halal*, but non-Muslim countries do not pay attention to the *Halal* as a spiritual need of Muslims, as their involvement to *Halal* is just for commercial gains. Further, the religion of the country plays an important role for the consumers. For instance, consumers prefer to choose *Halal* brands from a country with the Christian religion because it is closer to Islam than Buddhism. From the business perspective, the well-known brands that have already positioned themselves in the market by co-branding with *Halal* certification could enhance their market share more than unknown *Halal* brands. For example, in the case of *Red Bull* (category No.2), the participants selected their favorite product quickly compared to other cases. Additionally, in category number four also, all Malaysians selected the *Ayam Brand* without hesitation even though this brand originated from Thailand. Moreover, in these cases it should be concluded that brand name was more important than COO. Western countries pay more attention to the marketing aspects like packaging and advertising, but Muslim countries need to make the extra effort particularly in packaging. In addition, some Africans mentioned that in France and Germany it is difficult to find *Halal* brands, so the absence of competition in the European countries provides the best opportunities for them to gain a share of this immense market. In general, there is a great opportunity for non-

Muslim countries to provide *Halal* brands for Muslims. Finally, Middle Easterners and Africans view China with suspicion, so China needs to focus more on the Middle East and African segments in order to build its image.

## 5. Conclusion

In this research an attempt was made to clarify the effect of country of origin on consumers in their desire to purchase *Halal* brands from both Muslim and non-Muslim countries. Three research questions were formulated in this research which are: “what effect does country of origin have on the consumers in the purchase of *Halal* brands?”, “What are the perception of consumers about *Halal* brands from different countries?”, and “Which country’s *Halal* brand is more reliable?” Regarding the answer to first research question, this research designed a simulated condition similar to the real world to understand the behavior of Muslim consumers. The key finding reveals that country-of-origin does not have any significant influence on consumers’ intention to purchase *Halal* brands. As for the second question, the key finding that emerged from this part is that, after conducting the interviews, most respondents believed that there are differences between countries that produce *Halal* brands. Furthermore, these differences are not only between Muslim and non-Muslim countries but also between Muslim countries themselves. *Halal* requirements, *Halal* industry procedures, business environment, *Halal* interpretation, and manpower resources are the main categories which mirror the differentiation. Furthermore, from the consumers’ perception, the answer to research question three is the United Kingdom as a non-Muslim producer, is viewed as the most reliable *Halal* brands producing nation and Saudi Arabia is considered the most reliable among Muslim countries.

Finally, the results provide a new window for scholars to continue to look into the issue of country of origin for *Halal* logo separately as respondents clearly have differences in their perception on *Halal* logo that was certified by Muslim countries as opposed to the non-Muslim countries. Moreover, implementing this study by paying more attention to the type of main religion practiced in those non-Muslim countries and even among Muslim ones helps *Halal* literature to examine participants’ behaviors. In addition, it is a good start for others to monitor the behavior of married and more mature respondents in the marketplace. To be brief, the researchers provided just four categories of *Halal* products. Further, each category consists of a small number of brands. Additionally, frozen *Halal* processed foods were not used in this study due to lack of facilities. Although the sample size was deemed acceptable, a larger number would have allowed for more accurate analysis. Non-probability method was used in this

study. In conclusion, this research focused on students only.

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## Appendix

Table AI. Category of Products

Category	Products
Category 1	
Category 2	
Category 3	
Category 4	

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