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# Perceived value and perceived usefulness of halal labeling: The role of religion and culture

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## ABSTRACT

This research identifies the impact of the perceived value and perceived usefulness of a halal-labeled product, culture and religion on intent to purchase and intent to patronize stores using data from 10 in-depth interviews and 303 self-administered questionnaires among British Muslims. Factor analysis and hierarchical multiple regression are used for data analysis. The results show that perceived usefulness, vertical collectivism, horizontal collectivism and religiosity predict a significant amount of variance in both types of intention. Specifically, perceived usefulness, vertical collectivism and religiosity have a positive relationship with intentions. Horizontal collectivism associates negatively with intentions. Religiosity moderates the relationships between horizontal collectivism and intentions. Perceived value associates positively only with intentions to patronize stores and religiosity moderates this link. The study is the first to emphasize the need to develop halal labeling to enhance the shopping experiences of British Muslims.

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## 1. Introduction

The trend toward convergence and divergence is occurring simultaneously with increasing globalization, multiculturalism and transnational cosmopolitanism (Cleveland, Laroche, & Hallab, 2013) giving rise to social changes at local, regional and international levels. Ethnic subcultures co-exist with mainstream cultures in many countries (Jamal, 2003), but buffeted by globalization and external cultural forces, consumer members of these subcultures seek identity anchors (Cleveland & Chang, 2009) and engage in culture-swapping (Oswald, 1999).

Islam is the second-largest religion in the United Kingdom (UK), smaller only than Christianity, and British Muslims account for 2.9% of the UK population and contribute significantly to the economy (Lewis, 2007). Given the stigma currently attached to being a Muslim in the Western world (e.g., Sandikci & Ger, 2010), British Muslims experience a heightened sense of religious, cultural and ethnic identity.

Islamic law specifies foods that are halal (lawful) or haram (unlawful). In particular, Islam forbids consumption of pork and alcohol. Small businesses owned and operated by British Muslims sell fresh halal meat, and some mainstream supermarkets also sell packed halal meat in neighborhoods with substantial British Muslim populations (Ahmed, 2008). However, consumers' lifestyles, including those of British Muslims, are changing (e.g., eating out rather than cooking at home), and there is a rapid growth in the convenience food market (Shiu, Dawson, & Marshall,

2004). British Muslims are increasingly searching for halal-labeled meat and convenience food (Knot, 2009).

Consumption of halal-labeled foods is a basic qualifying condition for developing, maintaining and reinforcing an overall Islamic lifestyle and identity and is a mechanism for comforting stability (e.g., Sandikci & Ger, 2010). Islamic ideology transcends all acts of life, providing British Muslims with a set of resources and ideals for identity creation in a multicultural context. The British Muslims' identity in the context of the global consumer culture (Cleveland & Laroche, 2007) creates numerous acculturation outcomes (e.g., Penaloza, 1994) and culture-swapping. It is probable that the relative paucity of research on the consumption behaviors of religious subcultures like that of British Muslims is due in part to the complexity of acculturation outcomes.

Delivering value or perceived value is a fundamental basis for marketing activities and an effective source of competitive advantage (Woodruff, 1997). Prior research investigates consumers' search and use of nutrition (Balasubramanian & Cole, 2002), green energy labeling (Hartmann & Apaolaza-Ibanez, 2012) and organic food labeling (Bauer, Heinrich, & Schafer, 2013), providing insights into perceived value and consumer motives, but it ignores the role of culture and religion.

Culture can explain differences in adherence to religious dietary prescriptions. The term *halal*, an all-encompassing concept with wide social and cultural connotations, encourages Muslims to use products that promote goodness and social welfare in all aspects of life (Alserhan, 2010). A significant majority of British Muslims originate from collectivist cultures, with first generations showing commitment to a collective self and a need to conform to religious and cultural traditions (Jamal, 2003). The second and third generations feel the full force of the clash of cultures

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with some assimilating, others integrating and a minority either separating or marginalizing themselves (Jamal & Shukor, 2014). Consuming halal increases in importance as reinforcing self and collective/cultural identities, so it may appeal more to those with collectivist orientations (Triandis & Gelfand, 1998) than to those who care less about conformity and collective identity.

The purchase of food is an important component of the family budget, and food consumption is a fundamental aspect of family life (Mennell, Murcott, & Otterloo v., 1992), so religious beliefs and commitment can guide decision-making about food (Sood & Nasu, 1995). Peattie, Peattie, and Jamal (2006) report that those who shop for British Muslim households spend considerable time and effort seeking out halal food and reading food labels in order to ensure that none of the ingredients are haram. These shoppers also often use the “suitable for vegetarian” logo as a cue to establish that a food product is halal, in addition to ensuring that the product does not contain alcohol. In some cases, manufacturers replace the names of food additives with E-numbers,<sup>1</sup> further complicating the decision-making process.

Empirical studies that investigate the impact of culture and religion on consumer responses to food labeling are scarce. Inspired by the theories of reasoned action (Fishbein & Ajzen, 1975), customer value (Sweeney & Soutar, 2001), perceived usefulness (Davis, Bagozzi, & Warshaw, 1989), culture (Triandis & Gelfand, 1998), and religion (Lindridge, 2005), this study investigates the direct effects of perceived value (PV), perceived usefulness (PU), culture and religion on a) intention to buy food products with a halal label (IB), and b) intention to patronize stores selling halal labeled food products (IP). A further motivation is to investigate the moderating role of religion.

## 2. Literature review

### 2.1. Perceived value and usefulness

Zeithaml (1988) defines PV as “an overall assessment of the utility of a product (or service) based on perceptions of what is received and what is given” (p. 14). However, perceived value is subjective and experiential in nature (Holbrook, 2005) and consumers may use products to seek various types of value, including functional, emotional and social value (Sheth, Newman, & Gross, 1991).

Product labels provide a range of benefits to consumers, contributing to perceptions of value and usefulness. For example, consumers attach high hedonic value to a product labeled “organic” (Tagbat & Sirieix, 2008), as they assume that it tastes better than its non-organic counterpart (McEachern & McClean, 2002), that it is better for the human body, that it is better for the Earth, and even that it is a more moral choice. The halal label may similarly provide value-expressive benefits (e.g., consumers feel that they are responsible buyers simultaneously fulfilling religious and market related roles) by providing opportunities for self-expression and connecting with others.

Halal labeling remains a recent phenomenon, and finding halal food remains a challenging task, outside the limited number of ethnic Muslim shops (e.g., Alserhan, 2010). British Muslims face a market situation characterized by *asymmetric information*: the marketers know the relevant information, but the buyers do not (e.g., Golan, Kuchler, & Mitchell, 2001). Halal labeling is necessary to help British Muslims make informed choices.

Cue utilization theory and the literature on signaling provide a conceptual framework to understand PV and PU of halal labeling. Following Davis et al. (1989), this study defines PU as the extent to which a British

<sup>1</sup> E numbers refer to a numbering scheme based on an International Numbering Scheme (INS), as determined by the Codex Alimentarius Committee, which uses a single unified list for additives, colors, preservatives, antioxidants, emulsifiers, stabilizers, thickeners and gelling agents. E-numbers (E stands for Europe) are commonly found on food labels throughout the European Union. The UK Food Standards Agency provides a list of current EU-approved additives and their E Numbers on their website. The Halal Food Guide (also available online) contains a list of E numbers that contain haram ingredients.

Muslim consumer believes that purchasing a halal-labeled product improves his or her experience of shopping for food products. According to cue utilization theory, consumers use cues for information to assist decision making (Dodds & College, 1995) and British Muslims consider the halal label as a relevant information cue enhancing the label's PV and PU. Signaling is a process of implicitly communicating information about oneself by engaging in behaviors that reveal personal traits and preference to observers (Glazer & Konard, 1996). British Muslims should experience psychological and emotional benefits from signaling their consumption of halal-labeled products. Self-expression, as a psychological motive, may induce British Muslims' IB and IP.

PV and PU reflect cognitive beliefs about purchasing and using halal-labeled products and, according to the theory of reasoned action (Fishbein & Ajzen, 1975), affect behavioral intentions. Product labeling literature (e.g., Hartmann & Apaolaza-Ibanez, 2012) reports a positive link between perceptions of a label's utilitarian and self-expressive benefits and intentions. Other scholarly work (e.g., Chang & Dibb, 2012) provides further support by arguing that consumers' evaluations of product value trigger emotional response (e.g., feelings of satisfaction), which influences behavioral intentions. Therefore, the first set of hypotheses appears as:

- H1.** A significant positive relationship exists between a) PV and IB, and b) PV and IP.
- H2.** A significant positive relationship exists between a) PU and IB, and b) PU and IP.

#### 2.1.1. Role of culture

Culture plays a key role in food consumption and associated activities (Mennell et al., 1992). Muslim communities are collectivist in nature, which means that they value word of mouth and in-group recommendations (e.g., Jamal, 2003). A growing body of scholarly work (Shavitt, Lalwani, Zhang, & Torelli, 2006; Triandis & Gelfand, 1998) argues that individualism and collectivism are both horizontal (emphasizing equality) and vertical (emphasizing hierarchy) in nature. The vertical dimension is associated with a hierarchical social perspective that emphasizes social competition with those perceived as outside the in-group (Shavitt et al., 2006). The horizontal dimension places importance on benevolence, social equality and cooperation among close others (Triandis & Gelfand, 1998).

Shavitt et al. (2006) argue that conformity in product choice may be unique to vertical collectivism (VC), which stresses deference to authority figures and to in-group wishes. For a vertical collectivist British Muslim, a halal label may be a cultural symbol and a reflection of cultural tradition. Such consumers may operate as networks of informal relationships and communications that facilitate the development and transmission of distinctive norms concerning food consumption. Building on this discussion, the study suggests the following hypothesis:

- H3.** A significant positive relationship exists between a) VC and IB, and b) VC and IP.

According to Ellemers, Spears, and Doosje (2002), members of a stigmatized minority group often feel that their identities are at threat, particularly due to negative stereotyping and criticism of their values, ideas and even existence. Ahmed (2009) reports that British Muslims feel a very strong sense of patriotism but feel let down by negative media portrayal. They feel pressured from a society that increasingly stereotypes them as simply fundamentalists. The resultant stigma (Sandikci & Ger, 2010) may force them to engage in competitive thoughts and actions toward an out-group (e.g., Hildebrand, DeMotta, Sen, & Kongsompong, 2013) such as multinational firms originating from non-Muslim countries (e.g., Alserhan, 2010).

Horizontal collectivism (HC) emphasizes sociability but not deference or hierarchy, so those in such contexts may observe much lower levels of conformity. A British Muslim with a horizontal collectivist

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