

A PRELIMINARY RESULT: YOUTH ENTREPRENEURS' PARTICIPATION IN HALAL FOOD PRODUCTS' LABELLING IN SELANGOR

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Abstract: *Nowadays, the industry of halal food is in higher demand due to increased awareness among Muslim about the sanctity of Islam while the non-Muslims are becoming more sensitive toward the hygienic foods. Halal food industry has great market potential and become the primary choice of both Muslim and non-Muslim, which contributing a positive impact on the economy of Malaysia. The purpose of this research is to determine the youth entrepreneurs' participation in halal food products' labelling in Selangor. The data of this study was collected using the structured questionnaires where 50 youth entrepreneurs were randomly selected in MIHAS. The data were analysed using descriptive analysis. The finding of this study confirmed that all the respondents want to participate in halal food labelling because they think that they can improve the customer trusts, educate and increase the consumer awareness on halal food product beside attract the consumer to purchase their product.*

Keywords: *Halal Food Labelling, Youth Entrepreneurs, Participation, Attitudes*

Introduction

The demand of halal food products continues to increase as the Muslim population increases. Malaysia become one of the countries which hold a status as a world leader for Halal economy (Hearsey, 2018). Malaysia aims to position itself as a global food hub and the government of Malaysia has developed several strategies to support this initiative. There are still a lot to do in making Muslim consumers be more aware of what they consume and apply related to halal and Shariah compliance (Ambali & Bakar, 2014). Halal products are the complete vital for eating in Malaysia where Muslims are the majority people. Muslim consumers and non-Muslims consumers accepted the food products that are certified with Halal accreditation (Zul Ariff et al., 2019) and due to this the market for certified Halal food and goods is increasing firmly worldwide. The word of Halal was coming from an Arabic word which defines as lawful or allowed in Islamic law (Nursalwani & Zulariff, 2017). Halal is referring to the process starting from source of raw materials to distribution of the products until the products delivered to the consumers (Hashim & Mat Hashim, 2013). Riaz and Chaudry (2004) stated that all foods pure and clean are permitted for consumption of Muslims except the dead animals, swine, land animals such as frogs or snakes, flowing or congealed blood, and including any products derived from them or contaminated with them. The label of halal is a sign or medium information used by Muslim consumers. The halal labels used by the consumers in recognising the products (Muhamad, Ayob & Abdul Latiff, 2019). According to Latiff et al. (2018) stated that the trademark of halal is applied to prevent the food from being illegally banned as halal.

The increasing demand of halal products due to the increasing awareness of Muslims over the world on the obligation to consume products according to the religious requirements. According to Abdul Khalek (2014), the participation of Malaysia in the halal market is still poor. In addition, about 80% of halal products in Malaysia are manufactured by non-Muslims. It has become huge challenge for Muslim society to contribute more halal products in local economy and international. A study done by Krishnan, Che Omar, Zahran, Syazwan and Alyaa (2017) found that some of Gen Z had lack of awareness on the noticed of halal label by JAKIM in consuming food products and drinks in specific restaurant or product they purchased. Besides that, majority of youth in Malaysians still do not have the confidence in halal labelling food products with concern to its "halalness" (Simanjuntak and Dewantara, 2014). Yusuf, Abdul Shukor and Ahmad Bustamam (2016) stated that there are also lack of interest shown from the manufacturers and those involved in the food industry in Malaysia to apply for Halal certificate in spite of their awareness and knowledge on the Halal certification. The small entrepreneurs should take advantage of opportunities in the halal industry to earn the benefits of increasing profits for halal food areas to generate income. It is still lacking the involvement of small entrepreneurs in the halal food industry due to factors of capital constraints, technology, competition, weak business networks and lack of experience from the marketing aspect of their business expansion (Sazelin Arif, 2008). Therefore, this study was conducted in determining the youth entrepreneurs' participation in halal food products' labelling in Selangor by distributing self-administered questionnaires randomly to youth entrepreneurs in MIHAS.

Methodology

This research used the data collected from a survey which was conducted at Malaysia Halal Showcase (MIHAS). The simple random sampling technique was applied whereas the sample was chosen randomly out of the youth entrepreneur population in Malaysia Halal Showcase (MIHAS). A total of 50 respondents were answered the questionnaires distributed using structured questionnaire. A Likert scale of 1 to 5 (1 represent strongly disagree and 5 represent

strongly agree) was applied in order to measure the participation of youth entrepreneurs in halal food products' labelling in Selangor. The demographic profile was also recorded. The data was analysed using SPSS 25.0. Descriptive analysis was used to describe the general data of the study.

Results and Discussion

Demographic Profile

The respondents in MIHAS of food manufacturers as shown in Table 1 were women (32 persons) which are 64.0% and men (18 people) were 36.0%. Majority of respondents aged below 35-39 were (32.0%), followed by age between 30-34 years (30.0%), 20-24 years (14%) and 40 years (12.0%). Most of the respondents were married (74%), 22% were single and 4% were widowed. The highest level of education was the degree (52.0%), followed by diploma (36.0%), other education level (14.0%), and SPM (8.0%) and skill/technical certificate at (4.0%).

Table 1: Demographic Profile of Respondents

Characteristics	Frequency	Percentage (%)
<u>Gender</u>		
Male	18	36
Female	32	64
<u>Age</u>		
15-19	1	2
20-24	7	14
25-29	5	10
30-34	15	30
35-39	16	32
<40	6	12
<u>Marital Status</u>		
Married	37	74
Widowed	2	4
Single	11	22
<u>Education Level</u>		
SPM	4	8
Kem Skill/Technical Certificate	2	4
Diploma	18	36
Degree/Master/PhD	26	52

(Source: Survey, 2019)

Youth Entrepreneurs' Participation in Halal Food Products' Labelling

The result of the participation of youth entrepreneurs in halal food products' labelling shows in Table 2. Most of the respondents (78.0%) strongly agree with the statement "I think that my participation on halal label can increase my sales" with the highest mean (4.78). About 72% of the respondents strongly agree with the statement "I know my participation on halal label can help promoting my business in international level". Majority of the respondents strongly agree (74.0%) with the statement "My participation on halal labelling can educate and increase

consumer awareness on halal food product”. About 68% of the respondents strongly agree with these two statements which are “I would prefer using halal label from JAKIM only” and “I need to participate in halal food product labelling in order to widen my market” for each statement. The respondents also strongly agreed (80.0%) that they think participating in halal food labelling can improve the customer trusts. Besides, the respondents strongly agreed (78.0%) that by participating in halal food labelling can attract the customer to buy their product. Majority of respondents also strongly agreed (64.0%) that participation in halal food labelling can develop their ability to negotiate and reach an agreement with the consumer. Lastly, about 74.0% of the respondents strongly agreed that they will put all effort to get halal food labelling for their product. Based on the finding, the respondents want to participate in halal food products’ labelling because they believe that they can educate and increase the consumer awareness on their product. Hajipour et al. (2015) pointed out that the halal label plays a major role to the consumer when selecting and buying a product. Muslims consumers believe that the products with halal label are produced according to the Islamic guidelines and principles (Mohd Hashim & Musa, 2014) and non-Muslim consumers are more assured to the quality and safety of products that with halal certification.

Table 2: Youth entrepreneurs’ participation in halal food products’ labelling

Statements	Percentage (%)					Mean
	1	2	3	4	5	
I think that my participation on halal label can increase my sales	0.0	0.0	0.0	22.0	78.0	4.78
I know my participation on halal label can help promoting my business in international level	0.0	0.0	2.0	26.0	72.0	4.70
My participation on halal labelling can educate and increase consumer awareness on halal food product	0.0	0.0	2.0	24.0	74.0	4.72
I would prefer using halal label from JAKIM only	0.0	2.0	6.0	24.0	68.0	4.58
I need to participate in halal food product labelling in order to widen my market	0.0	0.0	2.0	30.0	68.0	4.66
I think participating in halal food labelling can improve customer trusts	0.0	0.0	4.0	16.0	80.0	4.76
I think by participating in halal food labelling can attract the consumer to buy my product	0.0	0.0	0.0	22.0	78.0	4.78
I think participation in halal food labelling can develop my ability to negotiate and reach an agreement with the consumer	0.0	0.0	4.0	32.0	64.0	4.60
I will put all my effort to get halal food labelling for my product	0.0	0.0	0.0	26.0	74.0	4.74

(Source: Survey, 2019)

Conclusion

The main purpose of this study was to determine the youth entrepreneurs' participation in halal food labelling in Selangor. A primary survey was done in MIHAS in Selangor for 50 respondents by distributing self-administered questionnaire. The data were analysed using descriptive analysis to observe the results of the study. Based on the finding of this study, all the respondents want to participate in halal food labelling. Hence, it can be concluded that the halal food labelling is important for the manufacturer to increase the awareness of consumers on their products so that the consumers attract to buy the products.

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