

## THE MEDIATING ROLE OF CONSUMER SATISFACTION IN ENHANCING LOYALTY TOWARDS MALAYSIAN HALAL-CERTIFIED FOOD AND BEVERAGES

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### ABSTRACT

The certification for halal food and beverage is issued by various organisations around the world. Nonetheless, the halal certification issued by the Malaysian government is often recognised as the most trustworthy and of the greatest quality. The purpose of this research is to look into the relationships between trust, customer expectations, religiosity, satisfaction, and loyalty, with a focus on the influence of satisfaction in increasing loyalty to halal-certified foods and beverages. A survey conducted among 399 Malaysian Muslims consumers shows that the highest correlation was between satisfaction and loyalty. Satisfaction was also the highest determinant for loyalty; while trustworthiness in the institution was the highest determinant in satisfaction. This study also found that satisfaction can increase loyalty. Findings of this study implies that the certifying institution should always increase and build their reputation among consumers, although the consumers may not necessarily understand the standards and process of certification. The findings also suggest that as long as consumers are satisfied with halal food and beverages, they will be more loyal to brands that carry Malaysian halal certification.

Keywords: brand loyalty, halal-certification, consumer satisfaction, institutional trust

### INTRODUCTION

The longevity of any business relies on how satisfied the consumers are with the products and services offered by the business. Satisfied consumers are most likely to repeat their purchases; hence, increasing their trust as well as their loyalty towards the brand (Moriuchi & Takahashi, 2016; Nam, Ekinici & Whyatt,

2011). While many studies have explored and examined consumers satisfaction towards halal-certified products (Ali, Ali & Sherwani, 2017; Badrudin et. al, 2012), there are not many studies that explore the relationship between consumer satisfaction and brand loyalty in the context of food and beverages that have halal certification logo.

As Muslims are strongly encouraged to consume halal food and beverages, the consumption of halal-certified are highly-driven by religious value system that they believed in (Veer & Shankar, 2011). Since the issuing of halal certification lies within the jurisdiction of relevant institution and authority, the trust in the institutions has been shown to be an important factor in food beverages purchasing decisions made by individuals (Hobbs & Goddard, 2015).

In this study, we argue that Muslim consumers may not necessarily understand the standards for halal certification adopted by various certifying bodies standards since there are many schools of thought in Islam. We argue that as long as the issuing body of the halal certification is trustworthy, Muslim consumers will continue buying halal goods. Therefore, this study seeks to examine the factors, namely, consumer expectation, religiosity and trust that can influence consumer satisfaction on halal-certified food and beverages, particularly products with Malaysian halal certification. This study also aims to identify the role of consumer satisfaction in increasing the link between these factors and brand loyalty. Essentially, this study confirms that seeks to determine the influence of consumer satisfaction in increasing brand loyalty of halal-certified food and beverages.

## LITERATURE REVIEW

### *Halal Certification And Consumption Of Halal Food*

The certified halal logo for food and beverages has been recognized as a measure that they have been prepared according to Islamic principles, as well as an indication for food safety, hygiene and quality assurance (Ambali & Bakar, 2013). Halal certification for food and beverage products plays a significant role in halal food consumption among Muslims; hence, providing more opportunities for businesses in the halal food industry.

As a majority-Muslim country, the demand for halal food products is high in Malaysia, thus; it is important for food producers to pay more attention on branding and marketing to Muslims in order to build consumers' trust and loyalty. To many devoted Muslims consumer, the certified halal logo for food and beverages is a must in ensuring that their food and drink are in accordance with Islamic principles. The certification and standards established by various Islamic institutions around the world give Muslim consumers' confidence in food and beverages consumption, although the standards could be varied across institutions (Rezai, Mohamed & Shamsudin, 2012).

In Malaysia, the Department of Islamic Development Malaysia, also known as JAKIM, is the sole authority in-charged of halal certification which plays a crucial role in ensuring the producers meet the certification guidelines. Currently, Malaysia is the only country that has a halal regulatory framework that is controlled and managed by the state. In other countries, halal certifications are governed by the respective Islamic associations without any state's intervention. The Malaysian halal standard is high such that it has earned MS1500: 2004 certification and is regarded a global benchmark for other countries (Rezai et al., 2012).

### ***Consumers' Satisfaction In Relation To Halal Products***

Consumer satisfaction can be defined as a consumer's feelings of pleasure or discontent subsequent from matching a product's perceived performance in relation to consumer expectation. A consumer is satisfied only when the actual experiences of the product meet or exceed their expectations, otherwise; he or she will be dissatisfied (Kotler & Keller, 2009). Therefore, consumer satisfaction is a significant indicator to brand loyalty. Companies often used consumer satisfaction index to gauge customer's acceptance and satisfactory level towards a certain product or service which will eventually improve their profitability (Fornell et al, 1996).

One of the widely used models to measure consumers' satisfaction of a product/service is the American Customer Satisfaction Index (ACSI). The ACSI measures the quality of goods and services experienced by the customers. A firm's ACSI represents its customers' overall assessment of their pre-purchase, purchase, consumption and post consumption experience with the brand, both actual and anticipated (Anderson, Fornell & Lehmann, 1994).

In the context of halal industry, it is plausible that consumer satisfaction is also influenced by similar factors. However, studies on consumer satisfaction on halal product is rather limited to halal banking sector i.e. Islamic banking (Butt & Aftab, 2013), while studies on consumer satisfaction on certified halal food products is so far limited from the perspective of food producers who are applying for halal certification (Badrudin et al., 2012). Therefore, this study aims to provide evidence of consumer satisfaction who did purchase towards certified halal food products in Malaysia.

### ***Customers' Expectation Of Certified Halal Food And Beverages***

Customers' expectations are formed in a variety of ways, according to Fornell et al. (1996) and Parasuraman, Zeithaml and Berry (1988), such as their own experiences and information from marketing communication, word of mouth from other customers, awareness of competitor's products or services, and the product image. This would help consumers in generating an evaluation about the producer's capacity to achieve the expected quality.

Essentially, consumer expectations are the needs, wants, desires, and ideas of what a consumer wants from a product or service. A customer will be satisfied if the product's actual performance exceeds his or her expectations. Customers, on the other hand, will be disappointed if the actual performance falls short of their expectations (Parasuraman et al., 1988).

Understanding the expectations of customers for halal-certified products is no different than understanding the expectations of customers for other products. Companies who fail to meet the expectations of Muslim consumers may have their name and image ruined in today's highly competitive market. This was demonstrated in the recent case of a well-known chocolate manufacturer in Malaysia. The spread of news about its halal status has resulted in a sharp drop in sales (Jaques, 2015). Although the company was able to clarify the situation, the news did have a temporary negative impact on the company's reputation.

### ***Trust In Halal-Certified Products***

Despite the fact that trust appears to be a self-evident concept, the scholarly study of trust contains many complexities with no universal definition. Nonetheless, Petts (2008) proposes that trust is based on five dimensions: competence, objectivity, fairness, consistency, and empathy.

Trust is also classified into broad categories (Rousseau et al., 1998; McKnight & Chervany, 2002; Schoder & Haenlein, 2004) such as institutional trust (e.g. trust in regulatory systems), generalized trust (trust in others), calculative trust (e.g. people are likely to behave in a way that does not cause harm for their own interests) and relational trust (e.g. based on interactions, familiarity and experience).

In the case of halal foods and beverages, trust has been found to be a key aspect in many decision-making processes. Misleading halal certification is a serious possibility, as is fake news about the halal status of particular foods and beverages. Several incidents of fabricated news about halal food have surfaced in recent decades, having a devastating impact on the company's revenues and image (Jaques, 2015). As a result, the responsible authority has constantly updated information that the general public can easily access online. This effort, however, can only be useful and meaningful if public and private institutions are highly trusted.

### ***Informational Trust***

Frewer, Howard, Hedderly and Shepherd (1996) elaborated that trusted information should have the elements of truthfulness, accuracy, authenticity, undistorted, does not have any vested interest in any parties, and have concern for public welfare. Therefore, the source of information plays an important role in convincing the general public (Frewer et al., 1996). If they perceive the individuals or organizations who convey the information have been working closely with the industry, the trust in the source of information may be reduced due to conflict of interest. Thus, different sources of information have various degrees of credibility.

Evidence from previous research suggested that the general public obtained information from different online and offline channels, depending on the type of products, the information being communicated and the issues faced by the public (Richardson, Dick & Jain, 1994; Jungermann, Pfister & Fischer, 1996). However, consumers are sometimes exposed to information that are often contradictory. Recent research also revealed that social media websites play an important role as consumers' preferred news source for finding and validating current halal food information, especially information regarding the quality and authenticity of halal food (Kamarulzaman et al., 2016). This shows that the value of the information is dependent on the trustworthiness of the source of information itself. Highly trusted source of information should have the quality of high credibility.

Informational trust in the context of halal food and beverages refers to the trustworthiness of information sources regarding halal certification. In the Malaysian halal food industry, information on certified halal food is widely available from a variety of sources, ranging from the Halal Malaysia Official Portal, which is a website founded by JAKIM; conventional mass media such as television, radio and newspapers; consumer organizations; word-of-mouth from relatives and friends; to online social media channels such as Whatsapp, Facebook, YouTube and others.

### ***Institutional Trust***

Institutional trust can be defined as trust in bodies of federal, regional, and city authority (Mironova, 2015). Trust may be defined as social trust, which is the individual's willingness to rely and depend on professionals and institutions in the management of hazards and risks. Due to the consumers' lack of knowledge to make any decision for matters related to science and technology, they are highly reliant on institutions to make decisions for them (Siegrist, Cvetkovich & Roth, 2000).

Institutions that identify themselves more with the community develop stronger social bonds with the community; hence, are more credible to the community (Wilkes, 2014). Previous studies also indicate that fair practices in the institution could lead to higher trust in the institution (Kray & Lind, 2002). In other words, institutional trust constitutes concerns regarding issues raised by the public; the public's confidence in the institution's work; the social bond between the public and the institution which includes the sense of identification and shared values with the institution; the perceived fairness of the institution; and the perceived quality of the institution's duty in assuring the public interest (Ross, 2005).

Therefore, Malaysian's Muslim consumers who feel a sense of identification with JAKIM will most likely to have high trust with regard to certified halal products, and in turn are willing to trust the authority more. This is supported by Wilkes (2014) who stated that individuals tend to trust institutions that listen to their concerns. If Muslim communities believe that the institution is unbiased and not having any vested interest in their process of issuing halal certification to the food producers and operators, the institution will seem to be more reliable to them.

In the context of this study, institutional trust refers to public trust toward the government-run halal certification body, widely known as JAKIM. Given the central role that institutional trust plays in public perceptions and satisfaction of halal certified food quality, it is essential to examine the characteristics of public trust towards the certification institution. Trust towards an institution is also influenced by the public's positive perception on the institution's competence. So, if Muslim consumers consider JAKIM as trustworthy and competent, they are also willing to accept its vulnerability based on the positive outlooks of JAKIM's intention in managing any possible risk related to halal food issues.

### ***Brand Trust***

Brand trust can be described as the sense of security held by the consumers based on their beliefs that the brand is dependable and accountable for their wellbeing (Delgado-Ballester & Luis Munuera-Alemán, 2001). According to them, there are five components of brand trust. Firstly, it is the consumers' willingness to face the risk when they consumed the product/services' brand name, by relying on the assurance of value that the brand signifies. Secondly, the confidence in the brand name that it will guarantee consumer's satisfaction. Thirdly, brand trust involves the belief that nothing could go wrong with the product consumption. Fourthly, brand trust is associated with good or bad consumption experience with the brand. Finally, trust requires consumers to be dependent on the brand.

Brand trust is significant in developing positive consumer behaviour, which in turn leads to brand loyalty. Since consumers' satisfaction has positive influence on brand loyalty, it is plausible that brand trust is closely related to brand loyalty (Song, Hur & Kim, 2012).

In the context of the study, if a Muslim consumer's motivation in purchasing food or beverages is due to the brand's promise on its products' hygiene and nutrition value as well as halal, then the brand is deemed competent to accomplish this promise by fulfilling the consumers' needs in their search for their ideal food consumption requirement, which could lead to consumer's satisfaction with the brand. In turn, this satisfaction would increase the consumer's trust and confidence in the brand, which then would positively influence the consumers' loyalty.

### ***Religiosity***

Religiosity refers to the influence of religion in terms of the level of religious beliefs, obligations and religious affiliation towards an individual's consumption behaviour (Jamal, 2003). Worthington et al. (2003) describes religiosity as the degree to which individuals abide by their religious values, beliefs and apply them into their daily living. Therefore, a highly religious individual will evaluate everything through a religious perspective and will fully integrate his/her religious' belief into their daily life.

Religious beliefs and obligations are the main influence on their attitude towards food consumption among Muslims in Malaysia (Jamal, 2003). Previous researchers have identified that religiosity affects product acceptance, consumer attitude and purchasing decisions (Alam et al., 2011). Essentially, the levels of religiosity have impact on consumers' purchasing behavior such that a highly religious individual will always takes halal as an important buying factor.

Religious individuals would be more stringent in integrating their religious beliefs into the halal food purchasing decision which would affect their daily food consumption. On the contrary, some researchers argue that circumstances and surrounding environment may affect their religious belief, which may influence their consumption behaviour (Coşgel & Minkler, 2004). International fast food chains such as McDonald, KFC and Burger King are among the examples of brands that have carefully taken into consideration the religious food consumption requirement of the Muslims in Malaysia into their business strategies, and have successfully increase their consumer satisfaction and strengthen their consumer base (Quoquab, Mohamed Sodom & Mohammad, 2020).

In this study, the indicators of religiosity are adapted from Worthington et al. (2012) to evaluate the religious commitment of a Muslim consumer, with the objective of gauging the relationship between religious commitment of individuals and their consumption experience with halal certified food and beverages.

### ***Brand Loyalty***

Brand loyalty refers to the degree of customer's faithfulness towards a particular brand name and this faithfulness is conveyed through purchase repetition and other positive behaviours such as offering positive information to others, regardless of the marketing forces created by the other competing brand. So, brand loyalty occurs when a customer is reluctant to change a brand name that the consumer is already familiar with (Kotler & Keller, 2009).

This means that brand loyalty involves customers' repeating certain products or services for a long period of time. This is necessary in helping the consumers' decision making process on being loyal to the



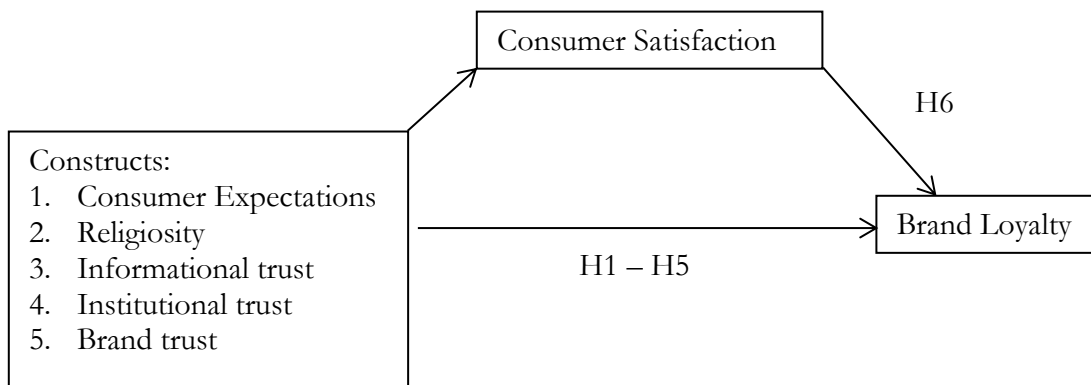
brand due to their positive brand experience (Bloemer & Lemmink, 1992). Therefore, brand loyalty serves as a competitive advantage tool in today's competitive business environment. The positive consequences of brand loyalty includes consumers' price insensitivity, marketing costs savings due to the word-of-mouth marketing from the existing satisfied customers, customer lifetime value increase, customer retention.

In the context of this study, it is plausible that a customer who is loyal to a certain certified halal food brand name would not replace it with other brand names despite variety of incentives from non-certified halal food brands. This is mainly due to their satisfaction of the products that they have experienced.

### ***Research Model And Hypotheses Development***

In this study, we propose a research framework based on Fornell et al. (1996) and MacKinnon et al. (2002) which have similar purpose with this study. We propose five factors that may have influence on brand loyalty, namely, customer expectations, information trust, institutional trust, brand trust and religiosity, which are mediated by consumer satisfaction. In other words, while the five factors may affect loyalty, the presence of satisfaction will increase loyalty, which is illustrated in Figure 1 below.

**Figure 1: Proposed Research Framework**



Source: Adapted from Fornell et al. (1996) and MacKinnon et al. (2002)

### ***Consumer Expectations And Brand Loyalty***

Customer expectation denotes the total perceived value a customer expects prior to consuming the product. As discussed earlier, consumer expectations are the anticipated pre-consumption elements that can positively affect the consumer satisfaction (Fornell et al., 1996). Therefore, if the halal-certified food and beverages exceeds customers' expectation, then the customers are usually loyal with the brand. On the contrary, if customers' actual experience with the halal-certified food and beverages fall below their expectation, they are usually disappointed and would not be loyal with the brand. So, it can be hypothesized that:

*H1:* There is a positive relationship between customer expectations and brand loyalty with regard to halal-certified food and beverages.

### ***Religiosity And Brand Loyalty***

Religious beliefs play a significant role in influencing Muslim consumers' behaviour towards food consumption (Jamal, 2003). While consumer behaviour towards a certain product may vary depending on the level of religiosity, there is a strong encouragement to consume halal food and beverages, so there is a positive relationship between religiosity and Muslim consumers' awareness of halal food consumption (Ambali & Bakar, 2013). The continuous consumption of halal food and beverages could shape Muslim consumers' satisfaction and which would lead to increase brand loyalty. So, it can be hypothesized that:

*H2:* There is a positive relationship between religiosity and brand loyalty with regard to halal-certified food and beverages.

### ***Informational Trust And Brand Loyalty***

Trust in the source of information regarding halal food and beverages has significant impact on consumers' decision-making (Frewer et al., 1996). Although consumers are nowadays exposed to variety of sources of information either online or offline, consumers are sometimes exposed to misinformation or fake news. If the consumers perceived that the information that is being communicated to them are true, the consumers may be satisfied with their consumption which will lead to higher brand loyalty (Hobbs & Goddard, 2015). Therefore, it can be hypothesized that:

*H3:* There is a positive relationship between informational trust and brand loyalty with regard to halal-certified food and beverages.

### ***Institutional Trust And Brand Loyalty***

Institutional trust refers to the individual's willingness to depend on professionals of relevant institutions in the management of hazards and risks. They rely on institutions to make decisions for them when they lack knowledge and interest in the matters involved (Siegrist et al., 2000). In the context of this study, if customers perceived the certification institution (JAKIM) to be credible, they will have high confidence in the certifications issued by the institution, which in turn will increase their satisfaction level in the halal product consumption. Thus, it can be hypothesized that:

*H4:* There is a positive relationship between institutional trust and brand loyalty with regard to halal-certified food and beverages.

### ***Brand Trust And Brand Loyalty***

Brand trust refers to the sense of security held by the consumers in their relationships with the brand, based on their beliefs that the brand is dependable and accountable for their well-being (Delgado-Ballester & Luis Munuera-Alemán, 2001). When consumers put a high trust in a brand, it shows that they have high



satisfaction in the consumption of the products or services (Jones & Kim, 2010), which will lead to high brand loyalty as well. Similarly, in the context of halal food and beverages, a brand that is perceived to be competent and reliable in fulfilling the needs of Muslim consumers could lead to the high satisfaction, and which will increase brand loyalty. Consequently, it can be hypothesized that:

*H5:* There is a positive relationship between brand trust and brand loyalty with regard to halal-certified food and beverages.

### ***Consumer Satisfaction And Brand Loyalty***

Consumer satisfaction is a significant indicator to brand loyalty (Fornell et al., 1996). As long as customers' expectations are met or exceeded, their satisfaction level will be positively influenced (Kotler & Keller, 2009), which will lead to better customer retention. Previous studies show that consumer satisfaction and brand loyalty, which includes purchase intentions and post-purchase attitudes, are positively related (Moriuchi & Takahashi, 2016). Therefore, consumer satisfaction is positively related to attitudinal components of brand loyalty, which includes purchase intentions and post-purchase attitudes (Fornell et al., 1996). A satisfied customer will stay loyal to a brand, and thus will engage in forward looking consequence action such as purchase repetition, and is reluctant to change to another competing brand. Hence, it can be hypothesized that:

*H6:* There is a positive relationship between consumer satisfaction and brand loyalty with regard to halal-certified food and beverages.

## **RESEARCH METHOD**

### ***Scale Of Measurements***

There are seven constructs in this study, namely, customer expectation, information trust, institutional trust, brand trust, religiosity, consumer satisfaction, and brand loyalty. A total of 36 scales are adapted from the above mentioned literature, measured on a 5-point Likert-scale as the following:

**Table 1: Constructs and Measurement Scales**

Constructs	Scales
Consumer Expectations (5 items) (Fornell et al., 1996; Lin, Tsai & Chiu, 2009)	CE1: I expect halal-certified food product quality to be good.
	CE2: I expect food and beverage product with Malaysian halal logo to be worth the price I paid for.
	CE3: It is highly unlikely that things could go wrong with halal-certified food.
	CE4: Food with halal logo fit for my requirement of fulfilling halal and <i>toyyiban</i> food consumption.
	CE5: My overall expectation for food and beverage product with Malaysian halal logo quality is high.
Informational Trust	I trust the information I received.
	I think the information is accurate.

Constructs	Scales
(5 items) (Frewer et al., 1996)	I think the information is factual.
	I feel the information is not distorted.
	I believe the information has not been proven wrong.
Institutional Trust (5 items) (Ross, 2005)	The institutions listen to concern raised by consumer like me.
	I feel confident with the halal certification issued by the Institution.
	I believe the institution has the same opinion with me about halal food and beverages.
	The institution is unbiased in issuing halal certification to food and beverage manufacturers.
	The halal certification issued by the institution is acceptable in guaranteeing the food and beverage product adherence to Islamic standard.
Brand Trust (5 items) (Munuera-Aleman, Delgado-Ballester & Yague-Guillen, 2003)	I feel confident in the brand name.
	The brand name guarantees satisfaction.
	I could rely on the brand name.
	The brand would make any effort to satisfy me.
	The brand would compensate me if I encountered problem with the product.
Religiosity (5 items) (Worthington et al., 2012)	My religious beliefs are what really lie behind my whole approach of life.
	I spend time trying to grow in understanding of my faith.
	It is important for me to spend my time in private religious thought and meditation
	I enjoy working in the activities of my religious organisation.
	I enjoy spending time with others of my religious affiliation.
Consumer Satisfaction (6 items) (Fornell et al., 1996; Song et al., 2014; Nguyen et al., 2014)	CS1: I am satisfied with my decision to purchase food and beverage product with Malaysian's halal logo.
	CS2: I think I did the right decision by buying food product with halal logo.
	CS3: If I had to purchase again, I would buy the product again.
	CS4: The food and beverage product with Malaysian's halal logo that I purchase usually meet or exceed my expectations.
	CS5: I think halal certification in Malaysia is considered close to the ideal of halal certification standard in the global halal food industry.
	CS6: Overall, I am satisfied with food and beverage products with Malaysia halal logo.
Brand Loyalty (5 items) (Lin, Tsai & Chiu, 2009)	BL1: I will continue to purchase food and beverage products with Malaysia halal logo.
	BL2: I will recommend to friends and relatives to purchase food and beverage products with Malaysia halal logo.
	BL3: I will offer others positive information about food and

Constructs	Scales
	beverage products with Malaysia halal logo.
	BL4: If halal-certified brand of food product is expensive, I will switch to cheaper brand without halal certification.
	BL5: I also tend to buy other halal-certified non-food products from the same brand (such as cosmetics, toothpaste and so on).

### *Data Collection*

Since this study is focusing on consumer satisfaction and brand loyalty for halal certified food among Muslims in Malaysia, the appropriate target respondents would be adult Malaysian Muslims only aged 18 and above, which represents segment of consumers who have the purchasing power. A pilot test on 30 respondents using bi-language, self-administered web-based questionnaires revealed that the questionnaires were easily understood. Subsequently, the online surveys were randomly distributed through research assistants in various states in Malaysia. Some respondents were also randomly approached via shopping mall intercepts, while some respondents were contacted through online social media, where questionnaires were sent via email. Data collection was conducted within two weeks and we managed to collect data from 405 respondents.

## FINDINGS

### *Descriptive Statistics*

After data screening of 405 responses, six were considered unreliable due to response inconsistency. Using SPSS, analyses of demographic data were performed based on 399 respondents for various variables such as gender, age, marital and employment status as well as their level of income and education, as depicted in Table 2 below.

**Table 2: Demographic Profiles Of Respondents (n=399)**

Variable	Category	Frequency	Percentage (%)
Gender	Male	170	43
	Female	229	57
Age	18 – 25	98	25
	26 – 35	137	34
	36 – 45	77	19
	46 and above	87	22
Marital Status	Married with children	202	50
	Single	159	41
	Married without children	27	7
	Separated/Divorced	11	3
Education Level	SPM	62	16
	Diploma	66	16
	Bachelor Degree	225	57

Variable	Category	Frequency	Percentage (%)
	Postgraduate Degree	46	11
Employment Status	Employed	275	68
	Student	89	23
	Retiree	24	6
	Unemployed	11	3
Monthly Income	Less than RM5,000	127	31
	Between RM5,000 and RM8,000	90	23
	More than RM8,000	58	15
	Not applicable	124	31

Based on the portal of national statistics (Department of Statistics Malaysia, 2021), the analysis shows that the distribution of demographic profiles of 399 respondents was well-representing the Muslims population. For example, in terms of age group, there are more than 50% that fall within the young adults of between 26 to 45 years old. Furthermore, there are more than 60% of respondents who have attained tertiary education at undergraduate level, while about 15% of respondents earned more than the median in terms of income. Due to the presence of 23% students among the respondents, the rate of non-response for the survey question of income was relatively high at 31%, which was consistent with the data.

### ***Reliability Of Constructs***

The survey shows that respondents' ratings were favorable for all 36 measurement items with the lowest 3.155 to the highest 4.385 based on 5-point Likert-scale. Both brand loyalty (BL) and satisfaction (CS) received the highest mean score of 4.02, with all remaining five constructs getting favorable responds. The lowest mean score rating was informational trust (InfoTrust=3.33). A lower score was expected since there were many sources of information either online or offline which were questionable in terms of credibility.

Reliability analysis based on Cronbach's alpha coefficient was performed using SPSS to ensure that the constructs were consistent such that the questionnaire measure the same underlying construct (Pallant, 2007). Results on Table 3 below indicate that the coefficients for all seven constructs were above 0.7, which were considered reliable. Subsequently, the reliability of scales was analyzed using Corrected Item-Total Correlation whose value provided an indication on how accurately a scale was supposed to measure. As shown in Table 3, all of the values were above 0.3 which confirmed the validity of each item in the scale (DeVellies, 2003).

**Table 3: Reliability Analysis**  
(n=399)

Constructs	Scales	Mean of scale	Corrected Item Total Correlation	Mean of construct	Cronbach's Alpha
Consumer Expectations (5 items)	CE1	3.913	.709	3.89	0.885
	CE2	3.982	.720		
	CE3	3.832	.728		

Constructs	Scales	Mean of scale	Corrected Item Total Correlation	Mean of construct	Cronbach's Alpha
	CE4	3.960	.754		
	CE5	3.758	.712		
Informational Trust (5 items)	InfoTrust1	3.382	.712	3.33	0.864
	InfoTrust2	3.259	.647		
	InfoTrust3	3.444	.799		
	InfoTrust4	3.390	.635		
	InfoTrust5	3.155	.636		
Institutional Trust (5 items)	InstTrust1	3.644	.672	3.87	0.881
	InstTrust2	4.029	.748		
	InstTrust3	3.879	.738		
	InstTrust4	3.738	.711		
	InstTrust5	4.056	.723		
Brand Trust (5 items)	BT1	4.088	.600	3.79	0.795
	BT2	4.029	.717		
	BT3	3.770	.636		
	BT4	3.842	.665		
	BT5	3.195	.563		
Religiosity (5 items)	R1	4.385	.597	3.99	0.823
	R2	4.032	.686		
	R3	4.217	.555		
	R4	3.659	.630		
	R5	3.671	.634		
Consumer satisfaction (6 items)	CS1	3.987	.704	4.02	0.904
	CS2	4.066	.785		
	CS3	4.123	.708		
	CS4	3.906	.720		
	CS5	4.000	.719		
	CS6	4.014	.781		
Brand Loyalty (5 items)	BL1	4.135	.751	4.02	0.879
	BL2	4.081	.784		
	BL3	4.019	.726		
	BL4	4.002	.701		
	BL5	3.864	.616		

***Analysis Of Correlation Between Constructs***

The correlation analysis was conducted based on mean score of each construct. The results in Table 4 below show that all seven constructs were positively and significantly correlated at 5% significant level. The highest correlation coefficient was observed between consumer satisfaction (CS) and brand loyalty (BL) at 0.774, while the lowest was between consumer expectations (CE) and information trust (InfoT) at 0.219.

The highest coefficient between CS and BL indicates the strong positive relationship between the two variables such that the higher the consumers' satisfaction on the halal certified food and beverages is, the higher is their loyalty towards the brand. On the other hand, the lowest coefficient between CE and InfoT signifies the weakest relationship between the two variables such that consumer expectation does not have high influence on information reliability.

**Table 4: Correlation Matrix Of Constructs**

	CE	InfoT	InsT	BT	Rlgn	CS	BL
CE	1						
InfoT	.219	1					
InsT	.681	.257	1				
BT	.369	.281	.412	1			
Rlgn	.227	.299	.316	.296	1		
CS	.735	.247	.748	.413	.343	1	
BL	.604	.352	.617	.424	.502	.774	1

Note: n=399

All coefficients are statistically significant at 5% level

CE – Customer Expectations; InfoT – Information Trust; InsT– Institutional Trust; BT – Brand Trust; Rlgn – Religiosity; CS – Consumer Satisfaction; BL – Brand Loyalty

### **Multivariate Analysis**

The inter-relationship between all seven factors mean were analyzed using linear multiple regression and mediation analysis. The linear multiple regression analysis will provide an indication of the contribution of independent variables towards dependent variable. In addition to multiple regression analysis, mediating analysis was conducted to analyze the influence of a variable on the relationship between two other variables. Previous studies suggested that factors such as consumer expectation (CE), information trust (InfoT), institutional trust (InsT), brand trust (BT) and religiosity (Rlgn) can influence on either brand loyalty (BL) or customer satisfaction (CS). Moreover, past studies also suggested the role of satisfaction as a partial mediation that can increase the contribution of the five factors towards loyalty (see Moriuchi & Takahashi, 2016; Thakur, 2019).

Therefore, as depicted in the conceptual framework (Figure 1), four regression models analysis were conducted in order to determine the contribution of the five factors towards satisfaction, followed by the role of satisfaction (CS) as illustrated in the linear regression models below:

- a. Regression model to examine factors of satisfaction:  
 $CS = f(CE, Rlgn, InfoT, InsT, BT)$
- b. Regression models to examine the mediating role of satisfaction:  
 Model 1:  $BL = f(CS, CE, Rlgn, InfoT, InsT, BT)$   
 Model 2:  $BL = f(CE, Rlgn, InfoT, InsT, BT)$   
 Model 3:  $BL = f(CS)$



**Factors Affecting Satisfaction**

The regression model for consumer satisfaction was adopted from Fornell et al (1996) and Moriuchi & Takahashi (2016) and the results of analysis are shown in Table 5 below. The results show that the model of customer satisfaction was statistically significant at 5% level which was capable to explain 66.9% of variation in satisfaction. The results showed that all five factors were statistically significant except the trust in information (InfoT). It means that four out of five factors were significantly contributing to satisfaction. The highest contributing factor to satisfaction was the trust in the certifying organization (InsT), followed by consumer expectation (CE), religiosity (Rlgn) and the trust in brand (BT).

**Table 5: Results Of Regression Analysis**

	Unstandardized Coefficients		Standardized Coefficients		
	Beta	Std. Error	Beta	t	Sig.
(Constant)	.556	.149		3.727	.000
InfoT	.003	.024	.004	.115	.909
BT	.060	.032	.063	1.892	.059*
CE	.356	.035	.409	10.217	.000***
InsT	.375	.038	.411	9.881	.000***
Rlgn	.098	.031	.101	3.184	.002***

Dependent variable=CS

F-value=159, p<0.000, R-square=0.669, n=399

note:

\*\*\* 1% significant level, \*10% significant level

**Mediating Analysis**

Based on recent studies such as Moriuchi & Takahashi (2016) and Maidinia & Hidayat (2021), we argue that there are no well-established theoretical frameworks that describe the inter-relationship amongst trust, satisfaction and loyalty. Therefore, mediating analysis was conducted to examine the mediating function of satisfaction following Moriuchi & Takahashi (2016). Meanwhile, the function of trust was examined following Maidinia & Hidayat (2021).

According to Baron & Kenny (1986), series of regression models can be used to test the effect of mediating variable by examining the coefficients or paths. Alternatively, path analysis based structural equation models can be deployed as suggested by Hayes (2009). Following Baron & Kenny (1986) in analyzing mediation effect, the results of all regressions model are illustrated in Table 6 below:

**Table 6: Regression Analysis**

	Model 1	Model 2	Model 3
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Constant	-.118 (.155)	.223 (.178)	.796 (.134) ***
CS	.614 (.052) ***		.804 (.033) ***
CE	.065 (.040)	.283 (.041) ***	
Rlgn	.237 (.032) ***	.297 (.037) ***	
InfoT	.081 (.024) ***	.083 (.028) ***	
InsT	.003 (.043)	.234 (.045) ***	
BT	.052 (.033)	.089 (.038) ***	
F-value	139 ***	102 ***	595 ***
R <sup>2</sup>	.680	.565	.600

Dependent variable: BL (brand loyalty)

Independent variables: CE – Customer Expectations; InfoT – Information Trust; InsT– Institutional Trust; BT – Brand Trust; Rlgn – Religiosity; CS – Consumer Satisfaction

note:

\*\*\* 1% significant level

n=399

The regression results above show that all models were statistically significant in explaining variations in loyalty. Results from regression model 2 show that all five factors were significant; however, only two factors were significant when satisfaction was included as depicted in the model 1. Moreover, satisfaction was significant in explaining loyalty as seen in model 3. Since satisfaction was statistically significant in model 1 and 3, this confirmed that satisfaction was a mediating factor. Further examination using Sobel test, which is available at <http://quantpsy.org/sobel/sobel.htm>, mediating test was performed. The results of Sobel test confirmed the partial mediating role of satisfaction by increasing the contribution of the five factors toward loyalty.

## DISCUSSION AND CONCLUSION

Findings of this study show that all six hypotheses were well-supported which were consistent with other studies (e.g. Nam et al., 2011; Moriuchi & Takahashi, 2016). Firstly, all the five factors, namely, religiosity, consumer expectation, institutional trust, brand trust and informational trust were statistically significant in contributing towards brand loyalty of halal-certified food and beverages. Secondly, while four out the five factors were significant in contributing towards satisfaction, the trust in certifying institution was the most important factor. Thirdly, consumer satisfaction was statistically significant in increasing brand loyalty; hence, playing the role of partial mediating towards loyalty.

Besides the consistency of these findings with other studies, this study underscores the inter-relationship between the three important factors, namely, consumers’ religious faith, consumers’ trust in the institution and consumers’ expectation with the Malaysian halal certification. This study also shows that as long as the consumers are satisfied with halal-certified products, consumers will continue with their consumption and remain loyal with the brand although many did not actually the standards used in halal certification. This is evident when nearly half of the respondents claimed that they did not verify and check halal website of JAKIM.

It is also evident in this study that the high standards that have been adopted by JAKIM in the procedure of obtaining halal certification have been contributing to the high trust in the institution as well as meeting the expectation of consumers on halal-certified food and beverages (Quoquab et al., 2020). This

study signifies that consumers who are placing their trust in the certifying institution will be indirectly satisfied with the halal-certified products, which in turn lead to the increased loyalty towards halal-certified product.

Findings of the study imply the importance of maintaining the integrity and the competence of the halal certification authority so that consumer trusts in the authority will gradually build-up. This will plausibly lead to the increase in loyalty towards brands that are certified halal by the authority; otherwise, Muslims consumers would not keen in the halal products. For example, halal cosmetic market in the UK did not do well as there were concerns with the standards adopted the certifying institution (Annabi & Ibadapo-Obe, 2017).

This study also implies that in addition to the importance for food and beverages producers to apply for Malaysian halal certification, it is also beneficial for the marketers to review and improve their marketing strategies by adopting the element of religiosity to influence conscious consumers on halal in order to be competitive in the Malaysian food and beverage industry. In essence, the Malaysian halal certification is one of the main branding strategies that is necessary to be competitive in Muslims markets worldwide.

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