

The Effects of Country of Origin (COO) on Halal Consumption: Evidence from China

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ABSTRACT

In China, the demand for halal products is sizable. However, halal product adulteration is common, and product authenticity is doubtful due to the unknown origin of the products. To date, literature addressing China's Muslims' demand for halal products and the role of country of origin (COO) on China's Muslims' halal personal care product consumption have been limited. The purpose of this study was to explore if the COO influences China's Muslims purchase decision on halal personal care products in China. The research used the Revealed Preference Theory to determine the effects of COO on China's Muslims' purchasing decisions for halal products. Using the cross-sectional survey method, data was collected from Muslims living in northwest China and processed-analysed using a logit model application. The results of the study revealed that the COO of halal products is an important concern for China's Muslims, with other selection criteria that also influence the purchase decision. It is clear that COO is an important indication of the authenticity of halal products for China's Muslims. As well, this paper provides the notion that COO is one of the important selection criteria for (consumers' trust in the products) of halal consumption in a non-Muslim country.

Keywords: China, consumption, country of origin, halal, purchase decision

INTRODUCTION

“Halal” has become important to branding globally brand and the demand for halal products is growing rapidly, due to the rapid increase in Muslim populations and their purchasing power. “Halal” is an Arabic word that is translated as “permissible” into English. According to Shariah practices, halal is an Islamic law sourced from the Al-

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Quran and Sunnah (Al-Olayan & Karande, 2000). It could be defined as the Islamic comprehensive code of conduct, behaviour, morals, and collectively in all areas of lifestyle (Asa, 2017).

Thomson Reuters (2017) estimated that the Muslim food and lifestyle sector was worth US \$2 trillion in 2016 and is expected to reach US \$3 trillion by 2022. In service sectors, research has shown that Islamic facilities have a significant impact on the expanding tourism and finance industries (Abror et al., 2019; Talib et al., 2014). This remarkable growth has caused enthusiasm in Muslim and non-Muslim companies around the world seeking ways to capitalise on the potential gigantic market. For instance, special shampoos were introduced by the world's most renowned personal care product companies to address the itchy scalp and unpleasant odour caused by the lack of ventilation under a headscarf (Evans & Reeg, 2014).

The escalating halal market brings with it the expansion of the halal industry in non-Muslim countries such as China. China has the ninth-largest Muslim population in the world (Edbiz Consulting, 2013). Its halal industry is growing at an average rate of 10 percent annually, contributing USD 2.1 billion worth of market value (Yang, 2013). The growth and modernisation of China's economy and the abundant supply of new halal products locally and internationally have great bearing on China's Muslim consumption patterns (Gillette, 2000).

Mass urbanisation and the great leap in income levels has resulted in the emergence of middle-class urban consumers in China,

who now have greater purchasing power for more refined goods and services than before. China's Muslims have become more brand and quality conscious, and also more price-conscious, making them more aware of the COO and packaging (Liu et al., 2010; Xiao & Kim, 2009). Halal brands are numerous in China, originating from both the Muslim and non-Muslim countries. These brands were certified by different halal certification bodies from various countries, where the certification standards may not be consistent with each other. Hence, the COO of halal products is an indication of the extent of the reliability (Abdul et al., 2009), and the traceability of the authenticity of halal products for Muslim consumers (Zailani et al., 2010).

Essentially, the practice of halal consumption is associated strongly with Muslim Islamic practices. China's Muslims hold strongly to the Islamic belief and customs which influence their consumption behaviour greatly (Zhu, 2011). Incidents of violations of the halal content of halal products in China are common. For example, it is not unusual in China for pork to be sold as beef (Khaliq, 2013). These happenings have aroused anger and anxiety among China's Muslims, who are worried about the authenticity of the halal logo on halal products. They yearn for more stringent control of the certification process for halal products in Muslim and non-Muslim countries throughout the world (Wu et al., 2014).

China's Muslims are concerned with food authenticity and adulteration and are determined to get halal products from

only trusted sources (Hong et al., 2019). Concurrently, the increasing demand for halal products has prompted China's government to seek global expertise to assist in the organisation and upgrading of its halal industry or to collaborate with locals in the halal trade (China Daily, 2014; Salama, 2011). This denotes a great opportunity for global halal exporters to penetrate China's untapped and potentially huge market.

Little is known about China's Muslims' consumption of halal products. There are a number of studies on Muslim halal consumption behaviours worldwide (Dubé et al., 2016; Muhamad et al., 2017), but most studies did not focus on Muslim halal consumption in non-Muslim countries, in particular, China. Zhu (2011) commented that there had been a lack of systematic and scientific study on China's Muslim halal consumption behaviour. While many halal producers in the world are eyeing this new business opportunity, many producers are ignorant of China's Muslims' preferences and their perceptions of imported halal products (Ma, 2014). Numerous questions await study and answers, which include: How confident are China's Muslims in the imported halal products? How far afield are China's Muslims willing to buy imported halal products? Is COO an important criterion during the purchase decision?

Hence, this paper attempts to provide answers to the above questions, in particular, it examines if China's Muslims are confident with imported halal personal care products, and the role of COO in influencing their purchase intentions. The degree of influence of COO on China's Muslims' purchase

intentions is a key issue in the field of international business and trade (Hermelo & Vassolo, 2012). It is of particular relevance to halal small and medium enterprise exporters from Malaysia and other South-east Asian countries (Ismail et al., 2013). The findings from this study might assist global halal exporters to strategise for their export of halal products to China and other non-Muslim countries.

This paper starts with a discussion on the influence of COO on halal consumption. This is followed by a discussion of the Revealed Preference Theory from the economic perspective. The third section focuses on the approaches used to identify the extent of the influence of COO on China's Muslims' halal consumption behaviour. The findings of this study are presented in the last section.

LITERATURE REVIEW

Country of Origin and Halal Consumption

Consumers' purchase intentions are continuously provoked by a wide range of product attributes. Nielsen (2016) noticed that COO of a product was a bigger driver of consumer choice than price, packaging, and style. Studies have shown that COO affects consumers' evaluation of a product, and it is an important extrinsic cue that can assist consumers when making judgements about the quality of a product (Bonroy & Constantatos, 2015; Hsu et al., 2017). COO should be emphasised in brand communication campaigns for a product/service (Herz & Diamantopoulos, 2017).

COO refers to the country of origin where the product (or brand) is being invented or manufactured, which is also commonly represented by the phrase “made in” (Ha-Brookshire & Yoon, 2012). Geographical closeness might lead to a more positive COO due to greater familiarity (Thøgersen et al., 2017). The actual purchase of meat has been found to be increasingly influenced by the COO of the product due to increased awareness and concerns over food quality and safety (Ali et al., 2017; Roth et al., 2008). The role of COO can also be extended to accounts of how the culture impacts consumers’ engagement with communities (Andéhn & Decosta, 2018).

COO has been known to have an impact on consumers’ consumption since 5 decades ago (Hooley et al., 1988). An earlier study by Bilkey and Nes (1982) asserted that consumers chose the best product that met their needs through information associated with the COO of the product. The idea behind COO is that consumers tend to form perceptions of a product’s quality based on a country’s known skills and expertise (Costa et al., 2016). For example, in Sitz et al.’s (2006) study, they noted that COO managed to influence consumers’ consumption behaviour through opting for a steak labelled “USA Guaranteed”. Similarly, consumers might have higher confidence with cars made in Germany and electrical appliances manufactured in Japan. In this case, consumers treat a nation as a brand (O’Shaughnessy & O’Shaughnessy, 2000). Studies also confirmed the fact that COO plays an important role when it comes to the

purchasing of luxury products (Coudounaris, 2018). In short, consumers’ perceptions of various products are contingent upon their inferences about the specific country (Insch & McBride, 2004).

Likewise, COO is also a signal of reliability and authenticity for Muslim consumers (Abdul et al., 2009). Commonly, Muslims associate COO with a halal credential, and seek products from countries that are Shariah-compliant and trustworthy, such as Malaysia, Pakistan, and Indonesia (Borzooei & Asgari, 2015). COO helps consumers to distinguish products from Muslim and non-Muslim producers. Frequently, Muslims have higher confidence with halal products which originated from a country with higher credibility in matters related to religiousness. They are less likely to purchase products that they lack prior information about and or lack confidence in the authenticity of the products (Tarak & Kilgour, 2015).

Rios et al. (2014) mentioned that consumers were more confident with halal products originating from the Middle Eastern countries compared to Indonesia and Malaysia. Supramaniam et al. (2017) revealed that Muslim consumers considered the COO as an important cue that influenced their judgement of the products. Muhamad et al. (2017) conjectured that consumers used the information on COO to assess the halal logo’s credibility in delivering the halal food standard. According to Hussin et al. (2013), a halal logo or label is seen as a convincing factor for halal cosmetics or toiletries products purchased in Malaysia.

In contrast, Muslim consumers have low positive perceptions of products from England although they are labelled halal because England is not a Muslim country (Maison et al., 2018).

Furthermore, it was found that elderly people, rural folks, and highly educated people all seemed to have less confidence with the food produced in non-Muslim countries, or in products with unfamiliar brands as well as in products that contained ambiguous ingredients (Rezai et al., 2012). From this perspective, it can be seen that consumers actually consider seriously the COO of a product when making their purchase decision.

From the marketing perspective, studies have also proven that COO is significant in influencing the halal purchase intentions, whether through COO itself or through the brand or halal logo that carries information of the COO (Rios et al., 2014). Both brand and COO information are often used by consumers to reduce the complexity of tasks involved in information processing when consuming halal products (Supanvanij & Amine, 2000). In other words, consumers might not be aware of where the product was made, nevertheless, the association of the brand and the halal logo with COO is commonly observed in the halal market (Muhamad et al., 2017).

Brands from countries with a positive halal image have a better chance of being assumed to be a good halal product than others. A general assumption in the branding literature recommends that a favourable brand image will have a positive impact on

consumers' behaviour towards the brand, in particular, the trust in the quality of the products, which in this case, refers to the authenticity of halal products. Thus, as demonstrated by Aziz and Chok (2012), a brand is an important determinant for halal purchase intention.

Individual Choice: An Economic Perspective

Most halal consumption studies focused on understanding the intention to consume or purchase halal products, and many of them were conducted in Muslim countries (Alam & Sayuti, 2011; Ansari & Mohammed, 2015; Muhamad et al., 2017; Phuah & Jusoh, 2013;). There is a dearth of research in examining the roles of COO on China's Muslims' halal consumption, and there is also there is a lack of application of economic theory in the studies (Hong et al., 2019).

Many researchers tried to examine Muslim consumption behaviour with the stated preference method but found no direct effect of COO on halal consumption behaviour (Borzooei & Asgari, 2015; Verbeke et al., 2013). A possible reason may be due to the limitation in the number of products and brands that are available to respondents during the test, as data was collected based on observation in a simulated shopping environment. Borzooei and Asgari's (2015) study revealed that most respondents made their choices based on taste, price, and packaging, rather than the COO. However, they observed that the respondents actually had prior knowledge of

the differences in the halal brands produced by Muslim and non-Muslim countries, and also the differences in the authenticity of halal products among Muslim countries.

Commonly, the concept of utility is employed to study or model the consumption behaviour in economics, particularly in the study of consumer choices. In these models, studies use information such as budget and consumer preference to predict the choices that the consumers will make. In reality, the utility is subjective, individual, and hard to quantify. Hence, the Revealed Preference Theory was developed in the 1930s by Samuelson in an attempt to explain consumers' consumption behaviour without taking utility into consideration (Wong, 2006). This approach is a better way to infer the preferences of individuals given the observed choices or consumption experience.

Product attributes form a product's identity, which influences consumers' perception of it. Leigh and Gabel (1992) noted that consumers might be influenced by their interaction with society or significant symbolic product attributes, such as brand, product origin, and logo. Hence, it is interesting to note how China's Muslims respond towards products originating from different countries, as well as how income, the origin of the product and other product attributes affect the buying decisions of this group of consumers.

In this study, we have applied the Revealed Preference Theory to transform observed choices into information about consumers' preferences. We observed that

China's Muslims' choices of halal personal care products were based on their purchasing experience and used this information to learn if COO could be one of the main factors that determine the preference of China's Muslims' halal consumption.

The MS 2200:2008 Islamic Consumer Goods Standards (Malaysian Department of Standards, 2008) defines halal cosmetic and personal care products as:

“Any substance or preparation intended to be placed in contact with various external parts of the human body (epidermis, hair system, nails, lips, and external genital organs) or with teeth and mucous membranes of the oral cavity. The functions of these items are exclusively or mainly to cleaning them, perfuming them, changing their appearance and/or correcting body odours and/or protecting them or keeping them in good condition. The products are not being presented as treating or preventing disease in human beings”.

The MS 2200:2008 Islamic Consumer Goods' standards are derived from Quran, Sunnah (the reported sayings, actions, silent approval and attributes of Prophet Muhammad PBUH), Ijma' (consensus of Muslim scholars or ulama'), Qiyas (analogy derived from Quran), and Ijtihad (the personal opinion or judgement from ulama' based on Quran, Sunnah and Ijma') (Rahim et al., 2013). It has differentiated sources of halal personal care products into

5 categories, namely, animals on land and water, plants and microorganism, land and water, alcohol and synthetic ingredients.

Halal personal care products for this study refer to body care goods and toiletries permitted to be used under the Islamic teachings, e.g. soap, toothpaste, perfume, shampoo, body lotion, and hair gel. If COO is an important selection criterion, then, further study is needed to determine which COO is preferred by China's Muslims. If the market resists imported products, then huge efforts will be needed in order to penetrate this market.

The Revealed Preference Theory asserts that purchasing decisions are based on consumers' perception that they can get a bundle of benefits within a given budget. The theory entails noting that if a consumer purchases a specific bundle of goods, then that bundle is "revealed preferred," given constant income and prices, over any other bundle that the consumer could afford. By varying incomes or prices, or both, an observer can infer a representative model of the consumer's preferences for a product.

In other words, at a given price and income, if an item is purchased rather than another, a consumer will always make the same choice each time the consumer makes a purchase. If a consumer purchases a particular type of goods, then the consumer will be less likely to purchase a different one unless it provides more benefit at a lower price, having a better quality, or providing added convenience. In summary, the theory is able to predict consistently what consumers will purchase and what their preferences are.

Hence, the Revealed Preference Theory permits us to examine if COO plays a vital role in China's Muslims' choice of halal personal care products. By observing respondents' choices of products at different levels of income, the COO and some other indicators through the use of a questionnaire survey, it is theoretically possible to construct a China's Muslims' consumption model for halal personal care products.

METHODS

Data

Muslims in China are estimated to be more than 30 million (Ma, 2014). Krejcie (1970) suggested that sample size increased at a diminishing rate as the population size increases, and the sample size remained relatively constant at slightly more than 384 samples when the number of the population reached one million. Hence, our targeted sample size should be at least 384, or slightly higher. Thus, we collected 450 surveys from three provinces in northwest China.

Data was collected through a structured survey questionnaire to ensure that each interview was presented with exactly the same questions in the same order. The survey was conducted in Muslim-majority provinces in China; namely, Shaanxi province and Gansu province, and Ningxia Hui Autonomous Region (Ningxia province). As the statistics on China's Muslim households are not available, hence, the non-probability sampling method was applied for this study. We tried to incorporate some elements of randomness through

diversity sampling by adopting purposive and convenience sampling methods.

A total of 450 responses were collected over a six-week period. The majority of respondents were above 25 years old (54.2 percent of the total sample), and about 45.8 percent were age 25 or below. A total of 62.1 percent of the respondents were from urban areas, and slightly more than half of the sample (52 percent) were female. In terms of income, 22.4 percent of the sample fell into the income category below RMB18,001 per annum, and about 77.6 percent of the sample has an income level equal to or more than RMB18,001. Overall, the sample was weighted towards younger respondents and there was an over-representation of respondents with higher education (44.5 percent).

Variables

A description of the variables employed in the study is provided in Table 1. Formulating the nine variables was straightforward. Purchase is the unit of analysis which takes a value of 1 if the respondents purchased halal personal care products (“halal purchases” will be used to represent “purchase of halal personal care products” from this section onwards), and 0 if otherwise. As this is an exploratory study, we only distinguished between purchase and non-purchase, with making no attempt to measure the quantity and the number of times of purchases by an individual. *PreferL*, *Cri_Cert*, and *Cri_COO* are explanatory that were employed to determine if COO plays a role in China’s Muslims’ halal purchases.

PreferL is an independent variable that takes the value of 1 if respondents preferred locally produced halal products when making halal purchase decisions. *PreferL* is employed to test if COO has an effect on halal purchase decisions. It can be explained by the action of a consumer when making the purchase. The function of COO automatically takes place when a respondent has a preference for using the source of a product as a selection criterion. If a respondent prefers to buy a local product, it indicates that the respondent was more confidence in local products.

Cri_Cert is an independent variable that takes the value of 1 if halal certification is one of the three most important criteria of halal purchase decisions. Halal certification is a relatively new concept for China’s Muslims, who have been plagued with food safety and quality issues. The introduction of the halal certification might be a good practice that provides some guarantee of food quality for China’s Muslim population; this has to be proven by further research. Zhu (2011) noticed that China’s Muslims associated the halal certification with imported products, or a marketing strategy employed by foreign halal producers to promote sales.

In addition to *PreferL* and *Cri_Cert*, *Cri_COO* is another variable introduced to examine the roles of COO in China’s Muslims’ halal purchase decisions. It takes the value of 1 if COO is one of the three important criteria of halal purchase by China’s Muslims.

Table 1
List of variables used in the study

Variable	Description	Categories/range
<i>Purchase</i>	Purchased halal personal care products (Dependent variable of the study)	1 if the respondent purchased halal personal care products, 0 otherwise.
<i>PreferL</i>	Prefer products from local producers	1 if the respondent preferred local produced halal products, 0 otherwise.
<i>Cri_Cert</i>	If COO is the most important purchasing criteria	1 if halal certification was one of the three most-important halal purchasing criteria; 0 otherwise; 0 otherwise
<i>Cri_COO</i>	If COO is the most important purchasing criteria	1 if the country of origin was one of the three most-important halal purchasing criteria; 0 otherwise
<i>Gender</i>	If the respondent is a female	1 if the respondent is a female, 0 otherwise.
<i>Education</i>	Years of education	The number of years of education of the respondent.
<i>Income</i>	The annual income of the respondent. The average annual income of people in northwest China is estimated at RMB18000 per annum.	1 if annual income is more than RMB 18,000, 0 otherwise.
<i>Home</i>	If the respondent from the urban area	1 if the residence is in the urban area; 0 rural area

Income is an important variable in the Revealed Preference Theory. As specified by the Marshallian demand function, consumers' choice sets are assumed to be defined by income and prices (Zaratiegui, 2002). Income might determine how a consumer perceives the price level of a product. We divided income into two categories: below or equal to, and above RMB 18,000 (USD2600) per annum, based on the statistics for an average annual urban family's income in northwest China (Wong, 2013).

Sociodemographic factors, such as age, gender, education, and income are most commonly found to affect consumers'

purchase decisions in consumption studies (Ajzen, 1991; Phan et al., 2019). China is a vast land country with much disparity in culture, ethnicities, infrastructure, and income. Imported halal products may only be available in urban areas. Hence, we include income (*Income*), gender (*Gender*), educational background (*Education*) and place of residence (*Home*) as independent variables in the study.

Model Specification

As the dependent or response variable of this study is dichotomous in nature, taking a 1 or 0 value, we apply the logit model to test the hypotheses, as below:

$$\text{logit}(p) = \log\left(\frac{p_i}{1-p_i}\right) = Z_i = \beta_0 + \beta_i X_i + \varepsilon_i$$

where Z_i is a set of independent variables that might influence the halal purchases.

Data collected via the survey were run with a logit regression model in the form as below:

$$\text{Log} \left[\frac{P}{1-P} \right] = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \dots + \beta_k X_k + \varepsilon$$

where P is the probability of a respondent purchasing halal personal care products; the Xs are explanatory variables hypothesised to influence the probability of halal purchases; β s are the coefficients of the explanatory variables; and ε represents the stochastic disturbance term. The dependent variable in the equation is dichotomous and measures whether the respondent purchases halal personal care products (value = 1) or otherwise (value = 0). Thus $P/(1 - P)$ might be interpreted as the ratio of the probability that the respondent will purchase to the probability that he/she will not.

Overall, the model tested the relationship between factors determining China’s Muslims’ halal purchases; in particular, the influence of COO, income and other sociodemographic characteristics of China’s Muslims’ halal purchases. Multicollinearity among variables was tested. All correlations are less than 0.5, and standard errors of coefficients are in normal ranges. On the other hand, with a p-value of 0.2916, the Hosmer and Lemeshow’s Goodness-of-fit test indicates that our model fits the data well.

RESULTS AND DISCUSSIONS

The estimated coefficients, with their standard errors, are reported in Table 2. The

Wald χ^2 statistics was 74.14 with a p-value of 0.000, suggesting that the estimation was overall significant. The *link-test* was implemented immediately after the logit regression for model specification, and the test indicated that there was no problem with the specification.

This study represented an exploratory attempt to identify the roles of COO in China’s Muslims’ halal purchase decisions. Overall, *PreferL*, *Education*, and *Home* were significant at the 1 percent level, and *Gender* was significant at 5 percent level. However, *Cri_Cert* and *Cri_COO* played no role in influencing halal purchases.

We had an odds ratio of 2.5 for *PreferL* on halal purchases, which implied that halal purchases were 2.5 times more likely to occur in-among consumers who preferred locally produced halal products. The result reveals that China’s Muslims were concerned with the COO of halal products, and they preferred local manufactured halal products over imported ones. Indirectly, the result indicated that COO plays a significant role in influencing China’s Muslims’ halal consumption in terms of helping them to distinguish the sources and the authenticity of halal products. Overall, China’s Muslims were reluctant to accept foreign halal products. However, COO (*Cri_COO*) and halal certification (*Cri_Cert*) were not

Table 2
The coefficient estimates and odds ratio

Variable	Coefficient	Std. Error	Odds ratio	Std. Error
Constant	-2.239 ***	0.376	0.107 ***	0.040
PreferL	0.785 ***	0.215	2.469 ***	0.530
Cri_Cert	-0.110	0.223	0.896	0.200
Cri_COO	0.982	0.895	2.670	2.388
Gender	0.486 **	0.213	1.626 **	0.346
Education	0.106 ***	0.023	1.112 ***	0.026
Income	0.308	0.256	1.361	0.348
Home	0.759 ***	0.222	2.137 ***	0.474
Number of observation		444		444
Wald chi2 (7)		74.140		74.140
Prob > chi2		0.000		0.000
Pseudo R2		0.121		0.121
Log pseudolikelihood		-269.062		-269.062

Note: *** significant at 1% level, ** significant at 5% level, * significant at 10% level

among the three most important criteria in determining China's Muslims' purchase intentions.

Major findings and corresponding proportions of the 245 respondents who provided the reasons for preferences on local products are given in Table 3. Among 245 respondents, 44 percent of the respondents revealed that they had higher confidence with the authenticity and the quality of local halal products. Table 3 provides the top five main criteria which influence China's Muslims' purchase intentions. Three out of five of the criteria were skewed to a similar reason, that is, the trust in the authenticity of the products. Price and familiarity with the local halal products as well as accessibility and availability of local halal products (4 percent) were other concerns of the respondents. About two percent of the respondents stated that they were not

familiar with and confident in imported halal products.

Nonetheless, out of 450 respondents that answered the question if they would purchase imported ready-made or processed halal food, about 54 percent of the respondents reacted positively. Among respondents that preferred imported products (162 responses), around 90 percent of the respondents indicated a preference for products from Muslim countries. Only 10 percent of the respondents preferred halal products from countries with a good reputation for product safety, such as Australia and Europe. These results indicate that halal products from Muslim countries, such as products from Malaysia, are well-trusted by China's Muslims and hence, products from Muslim countries have better chances to penetrate this market than companies based in non-Muslim countries.

Table 3
Reasons for preferences for local products

No.	Reasons	Percentage
1	Confident with the authenticity and quality of local products	44
2	Familiar with local products	13
3	Local halal products are reliable	10
4	Understand the production process and the source of products	7
5	Local products are cheaper in price	7
6	I live in a Muslim populated area	4
7	Local products are more suitable for local preferences/taste	4
8	Convenient and easy access	4
9	Support local business	2
10	Certified halal	1
11	Fresh	1
12	Do not familiar and confident with imported products	2
13	Others	2
Grand Total		100

Education was significant at the 1 percent level. The odds of halal purchases increased by 11 percent with every additional year of education. This finding was consistent with the study by Phuah and Jusoh (2013), which asserted that Muslims with more years of education had a higher intention to use halal cosmetics and personal care products. The results also suggested that people with higher education tended to be more knowledgeable and well-informed about product availability and choices.

The place of residence has also influenced halal purchases. As mentioned previously, halal products might only be available in the Muslim populated areas in China. In addition, halal personal care products are not common in China (Hong et al., 2019). Hence, halal personal care products might only be available in urban areas. The significance of *Home* supported

this argument. China's Muslims who live in the urban areas were two times more likely to buy halal personal care products compared to those in rural areas.

Further, gender also plays an important role in halal purchase decisions. Results showed that the probability of making halal purchases might be increased by 11 percent if the buyer was a female. This is consistent with Eze and Tan's (2012) study which noted that women were more concerned with product quality, brand image and product knowledge than price, and they were more willing (than men) to pay for high-quality cosmetics and personal care products. Yusof and Duasa (2010) recognised that younger generations and urban residents tended to spend more on outside food, clothing and personal care products. Interestingly, women's total expenditure on these products is much higher than men.

In terms of income, unsurprisingly, it does play some roles. This is consistent with most halal consumption studies (Alam et al., 2011) which suggested that regardless of income status and price, Muslims have the obligation to consume halal products even if the halal products might sometimes be more expensive than ordinary products in some places (Dali et al., 2009).

IMPLICATIONS

COO, which indicates the source of the halal products and the authenticity of halal products implicitly, is found to influence customers' evaluation of halal products. The findings of this study signify that China's Muslims are highly concerned about the source for halal products they consume. The overwhelming issues in food and product safety in China might have affected China's Muslims' consumption patterns and choice, as it was noted that they are particularly careful with the sources of products that represent the authenticity of a halal product. The fact is that China's Muslims prefer to buy halal products from reliable local sellers; this ethnocentric consumer behaviour implies that the foreign exporters of halal products need to put in more effort in order to penetrate China's halal market. Hence, new marketers are advised to try to make their products appear more trustworthy, e.g. explicitly highlights the local origin of the halal ingredients used in their products (Fischer & Zeugner-Roth, 2017).

Since China's Muslims have higher trust in local halal marketers and distributors, and the acceptance rate of China's Muslims on

products sold by these agencies is higher compared to products sold in supermarkets or common markets that are not familiar to them, collaboration and partnership with local halal marketers and distributors to promote imported halal products is a viable option. This effort would be likely to accelerate the penetration of imported halal goods into China's markets.

Other than that, collaborating with credible local Islamic organisations or government agencies could also help to increase market penetration rate and at the same time would add value to the halal quality standards. At present, China's Muslims have limited knowledge and trust in the halal certification system in the country, which is unfledged and less established (Gooch, 2010). Product adulteration and the misuse of the halal logo are common in the country. Thus, consumers resort to buy halal products recommended by religious leaders or Muslim friends, or from familiar and reliable sellers regardless of whether there is a halal logo or halal certification (Ariffin et al., 2016). Hence, collaboration with credible local Islamic organisations or government agencies to promote certified halal products will cultivate trust among China's Muslims.

Finally, marketers operating in Muslim markets have to re-examine their marketing communication strategies, such as the use of religious symbolism on product packaging, or recruiting of Muslim employees or managers, which might be attracting or alienating Muslim consumers (Richardson & Ariffin, 2019). Building and gaining the

trust and confidence of China's Muslims are likely to be timely and costly. However, given the potential, such an investment might be justified.

CONCLUSIONS

Based on our surveys in several Muslim-populated regions in northwest China, this paper examined the roles of COO in halal purchases of China's Muslims. Our findings confirmed that COO is an important selection criterion for China's Muslims because COO is an indication of halal product authenticity. In addition, it is proven that among the seven potential influential factors, four factors were found to have significant positive impacts on halal purchase decisions, namely, preference for locally produced halal products, consumers' education level, urban or rural setting, and gender.

In addition, this study disclosed that China's Muslims prefer halal products which originate from Muslim countries, which indicates their serious concern about halal credential. The study also revealed that urban female Muslims with higher educational levels are more likely to consume halal personal care products.

Finally, as this is the first attempt to explore the roles of COO in China's Muslim halal purchase decisions, this study is not free from limitations. More studies would be needed to provide further verification or to evaluate whether the effects of COO on halal purchases could be explained by other variables. A more comprehensive

framework is needed to examine if the COO effects could be reflected through proxy variables, such as halal logo, brand, and halal certification. Further, some issues concerning China's Muslims' consumption of halal products require further research, in particular, China's Muslims' knowledge and awareness of halal certification.

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