Determinants of Consumer Purchase Intentions on Halal Products

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ABSTRACT

Indonesia is one of the countries with the highest Muslim population in the world. This affects the demand for halal products in various industrial sectors, including the food and beverage industry. The high demand for halal products in Indonesian food and beverage industry is a challenge for MUI, the party authorized to issue halal certification, according to an opportunity for business actors as the first link in distribution of goods to consumers. Cafetelo D-9 SMEs are very concerned about opportunities and challenges posed by demand for halal-verified products. This study aims to evaluate consumer perceptions of attitudes towards D-9 Salatiga products and consumer purchase intentions towards D-9 Salatiga products. Data was collected through simple random sampling and shared on social media. This research used Partial Least Squares within Structural Equation Model. Data processing was conducted using SmartPLS 3.0 software and the (SEM-PLS) method. The results of this study indicate that consumer knowledge about halal has a significant and favorable influence on purchase intention. Knowledge about halal has a big impact on attitudes, and attitudes have a big impact on consumer intention to buy. This research is expected to help SMEs as business actors to pay more attention to halal product certification given the enthusiasm and public response to halal food and beverage products.

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Introduction

The phenomenon of the expansion of the global halal market, the momentum of the ASEAN Economic Community (AEC), and the growth of halal tourism will mark the beginning of the revival of Indonesian halal food products. The food and beverage industry (Kemenperin) is one sector that plays an important role in economic growth. Using certification, it has been prioritized by the government as a key industry for broad economic growth. The food and beverage sector was cited as the most prepared to face the Asean Free Trade Area (AFTA) by the Ministry of Industry of the Republic of Indonesia (2015). A number of countries have expressed interest in joining the halal industry, especially the halal food industry, as a result of the expanding global halal market phenomenon (Ahmad et al., 2015).

The availability of halal consumer products in the market can affect a Muslim's intention to make a purchase, according to Kotler and Keller (2009) the definition of purchase intention as consumer behavior displayed in response to objects that indicate a person's desire to make a purchase. Purchase intention is something that arises after being triggered by the product he sees; from there comes the interest to try the product, then the desire to buy to own it (Kotler and Lee, 2008). Through LPPOM MUI, Indonesia reports that there are approximately 688,615 halal-certified products, 55,626 halal-certified companies, and 65,116 halal certificate holders from 2012 to 2018. Given that the majority of Indonesia's population is Muslim, producers are required to have halal certification for goods intended for Indonesian consumers.

The government passed Law Number 33 of 2014 concerning Halal Product Guarantee (JPH) which states in article 67 paragraph 1 that "The obligation of halal certification for products circulating and trading in the territory of Indonesia as referred to in Article 4 shall take effect 5 (five) years from the enactment of this Law. The process of halal certification and halal labeling must be followed so that sellers of food products comply with the JPH Law. The government formed the Halal Product Guarantee Agency (BPJPH) in 2017 in accordance with Article 64 of the JPH Law, this organization, which reports to the Ministry of Religion of the Republic of Indonesia (Kemenag), will work closely with the Indonesian Ulama' Council or Majelis Ulama Indonesia (MUI) to manage halal product assurance in Indonesia.

Setyaningsih & Marwansyah's study shows that halal awareness (2019) explains how a Muslim views the concept of halal, the methods used to legalize food, and his belief that eating halal food is very important for his life. Intention to buy, according to Abd Rahman et al. (2015) defined as what makes a person act in a certain way is explained in Alam and Sayuti's (2011) research published in Widyanto and Sitohang (2021) uses purchase intention techniques to predict and evaluate consumer behavior in deciding whether to buy certain products and their level of readiness to do so. The decision to act with the intention to act is called having an intention. The definition of purchase intention is as follows. Purchase intention is considered a tactic or mediator between various motivating behavioral factors. A person's purchase intention reveals their level of purchasing power and their level of willingness. The compiled description leads to the conclusion that a person's purchase intention is a condition that exists before a transaction occurs or can be understood as the customer's initial decision-making process for the product offered or needed.

Hardadi, owner of cafetelo D-9, tried to make frozen cassava without preservatives in the early to mid-2012 period. As one of the iconic mementos of Salatiga, Central Java, this innovation further adds to the fame of D-9's cassava cheese. Cassava Cheese D-9 only uses cassava that has the best quality when making its products, and has certain quality standards that must be met when selecting raw materials. The Wonosobo and Magelang regions and several locations in Salatiga provide the raw materials used. D-9 being registered with MUI halal certification shows that apart from using high quality raw materials, it also
pays attention to the production process before it reaches consumers and maintains quality. As a result, consumers no longer need to worry about the production and processing procedures used by D-9.

According to research by Pradana et al. (2020) are similar because they examine how halal awareness and attitudes relate to purchase intention, but they differ because they use endogenous consumer purchase intention variables. And in the research of Aqdas et al (2020) the majority of Pakistan's population adheres to Islam, so they pay attention to the food they buy. Although there are differences in the objects studied, there are similarities in all variables where it is stated that halal awareness and attitudes influence purchase intention towards purchasing behavior.

The gaps in this study are: there are differences in the objects studied, in this study the halal knowledge variable as exogenous and purchase intention as an endogenous variable and attitude as a mediating variable. In the background explanation above, the author is interested in conducting research entitled The Effect of Halal Awareness on Consumer Buying Intentions of Halal Products, especially D-9 Salatiga.

**Literature Review**

**Perceived Behavioral Theory**

Ajzen (1991) Perceived Behavioral Theory can be interpreted as an individual's intention to do something given behavior. Intention can mean capturing the motivational factors that influence behavior, indicating how hard people are willing to try as well as how much effort they plan to put into the behavior. It should be clear however that behavioral intentions can find expression in behavior only if the behavior is under volitional control which means if the person can choose at will to react or not react to the behavior.

**Halal Awareness**

Knowledge according to Pudjawidjana (1983) means the reaction of humans to stimuli by the surrounding nature through contact through objects with the senses and knowledge is the result that occurs after people perceive a certain object. According to Notoadmodjo (2003), knowledge has a very important role in shaping a person's actions. Knowledge is the result of a person's experience and understanding of the world around him. The process of gaining knowledge is strongly influenced by the intensity of perception of objects sensed by humans, such as through the eyes, nose, ears and other five senses. Some of the knowledge that individuals have is obtained through the five human senses such as hearing, sight and touch.

**Attitude**

According to Ajzen (2002) in Haque et al (2015) Attitudes are considered the result of beliefs. Consumers will show a positive attitude or useful things if the behavior carried out leads to positive results. On the other hand, consumers will have negative attitudes or things that are not beneficial if the behavior performed leads to negative results. However, a person is assumed to have many beliefs in behavior related to achieving certain behaviors. Attitude according to Assael (2001) is a tendency learned by consumers to evaluate something in a way that is consistently favorable (positive) or unfavorable (negative).

**Purchase Intention**

According to Abd Rahman et al (2015) purchase intention is an individual's motivation to perform a behavior. In Alam and Sayuti's research (2011) in Widyanto & Sitohang (2021) purchase intention is a method used to predict and evaluate consumer behavior in considering certain products and their readiness to buy them.
Methodology

Quantitative methods were applied in this study. Primary data for this study, which utilized quantitative methodology and relied on questionnaire-based primary data collection, was obtained. The survey concentrated on hypothesis testing and understanding through various tests, using Likert scales and purposive sampling for distribution. The purpose of quantitative research, according to Indriantoro and Supomo (2002: 70), is to test or validate theories before using them as a basis for new knowledge and problem solving. This research used Partial Least Squares within Structural Equation Model. Data processing was conducted using SmartPLS 3.0 software and the (SEM-PLS) method.

Results and Discussion

Based on the results in the table, it is found that the number of respondents with an age range of 21-30 years is the largest percentage in this study totaling 95 respondents or 82.52%, followed by 31-40 years totaling 18 respondents or 15.65%, then there are and followed by 40 years and over totaling 2 respondents or 1.74%.

The outer model is often called (outer relation or measurement model) defines how each indicator block relates to its latent variable.

**Uji Convergent Validity**

The outer loading, loading factor, and AVE values are used in the convergent validity test. If the outer loadings are greater than 0.70 and the loading factor value of 0.50 to 0.60 is considered sufficient, the indicator is said to fulfill convergent validity with a good category. According to these standards, any loading factor below a value of 0.50 will be eliminated or removed from the model (Hair et al., 2017). In addition, by comparing it with the correlation between variables, the root AVE method can assess discriminant validity. When the AVE value is less than 0.50, a variable is said to have a high level of validity (Hair et al., 2017). The following is the outer model and outer loading value of each indicator on the research variables:

<table>
<thead>
<tr>
<th>Respondent Characteristics</th>
<th>Features</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (year)</td>
<td>20-30</td>
<td>95</td>
<td>82.52 %</td>
</tr>
<tr>
<td></td>
<td>31-40</td>
<td>18</td>
<td>15.65 %</td>
</tr>
<tr>
<td></td>
<td>&gt;40</td>
<td>2</td>
<td>1.74 %</td>
</tr>
<tr>
<td>Last education</td>
<td>Senior High School</td>
<td>22</td>
<td>19.13 %</td>
</tr>
<tr>
<td></td>
<td>Diploma (DI/ DII/ DIII/ DIV)</td>
<td>7</td>
<td>6.09 %</td>
</tr>
<tr>
<td></td>
<td>Bachelor, Master and Doctoral</td>
<td>82</td>
<td>70.43 %</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed (2023)

Based on the results in the table, it is found that the number of respondents based on their latest education, the latest undergraduate education is the largest percentage in this study totaling 82 respondents or 70.43%, followed by high school education totaling 22 respondents or 19.13%, then there is the last diploma education totaling 7 respondents or 6.09%.
Table 2. Outer Loadings

<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicators</th>
<th>Outer Loadings</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Intention (Y)</td>
<td>NB1</td>
<td>0.825</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>NB2</td>
<td>0.841</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>NB3</td>
<td>0.878</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>NB4</td>
<td>0.892</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>NB5</td>
<td>0.882</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>NB6</td>
<td>0.884</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PH1</td>
<td>0.882</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PH2</td>
<td>0.886</td>
<td>Valid</td>
</tr>
<tr>
<td>Knowledge of Halal (X)</td>
<td>PH3</td>
<td>0.768</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PH4</td>
<td>0.773</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PH5</td>
<td>0.785</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>PH6</td>
<td>0.803</td>
<td>Valid</td>
</tr>
<tr>
<td>Attitude (Z)</td>
<td>SP1</td>
<td>0.819</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>SP2</td>
<td>0.868</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>SP3</td>
<td>0.878</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>SP4</td>
<td>0.891</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>SP5</td>
<td>0.869</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>SP6</td>
<td>0.839</td>
<td>Valid</td>
</tr>
<tr>
<td></td>
<td>SP7</td>
<td>0.817</td>
<td>Valid</td>
</tr>
</tbody>
</table>

Source: Primary Data Processed (2023)
Table 4.8 above shows the processing results. There is one indicator whose value is 0.5, which indicates that outer loading with a value of more than 0.5 is considered valid, regardless of the outer model value or the correlation between constructs and variables. Furthermore, by comparing it with the correlation between variables, the root AVE method can assess discriminant validity. According to Hair et al. (2017), an AVE value of 0.50 or less indicates that a variable has a high level of validity.

**Inner Model**

The structural model (Inner Model) is tested after the estimated model meets the outer model criteria. To analyze the relationship between exogenous and endogenous variables that have been described in the conceptual framework, a model based on concepts and theories is developed as part of testing the inner model. R-Square Adjust, Q-Square Predictive Relevance, Goodness of Fit Test, and Hypothesis Test are used to evaluate this model. The structure of the proposed PLS program model is as follows:

![Figure 2. Research Model: Inner Loading](Source: Primary Data Processed, 2023)

**R-Square Value**

The R-square value is a value that will show how much influence the simultaneous independent variables used in and outside of this study have on the dependent variable.

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-Square</th>
<th>Adjust R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Intention</td>
<td>0.824</td>
<td>0.821</td>
</tr>
<tr>
<td>Attitude</td>
<td>0.703</td>
<td>0.701</td>
</tr>
</tbody>
</table>

Source: PLS Processing Results (2023)

Based on this table, it can be concluded that the R-Square value of the purchase intention variable is 0.824, which means that the variability of purchase intention can be explained by knowledge about halal and attitudes by 82.4%, while the remaining 17.6% is explained by variables outside this research model. Then, the R-Square value of the attitude variable is 0.703, which means that the variability of attitudes can
be explained by knowledge about halal by 70.3% while the remaining 29.7% is explained by variables outside this research model.

**Q-square Predictive Relevance**

Q-square can be seen in the blindfolding calculation results in the construct cross validated redundancy section. The categorization of Q2 values is 0.02 (weak), 0.15 (medium/moderate), and 0.35 (strong) (Sarwono & Umi, 2015). The results of these calculations can be seen in table 4.13 below:

<table>
<thead>
<tr>
<th>Variable</th>
<th>Q-Square (Q²)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Intention</td>
<td>0.592</td>
<td>Strong</td>
</tr>
<tr>
<td>Attitude</td>
<td>0.498</td>
<td>Strong</td>
</tr>
</tbody>
</table>

Source: PLS Processing Results (2023)

The explanation above shows that the q-square value of the purchase intention variable is 0.592 and the attitude variable is 0.498, so it can be concluded that the relative impact of the structural model on the measurement of the dependent variable is quite strong because each is above 0.35.

**Discussion**

**The Effect of Halal Awareness on Purchase Intention**

Testing the hypothesis of this study shows that the effect of Knowledge About Halal on Purchase Intention is positive and significant. This result is based on the results of the t-statistic greater than the t-table (1.967) which is 4.553 with a magnitude of influence of 0.251 and a P-value <0.05, which is equal to 0.000. These results prove that knowledge about halal is one of the important factors that shape the purchase intention of halal products. The status of MUI as the party authorized to issue the "HALAL" label as shown in table 4.5 has the highest Mean value of the Halal Knowledge variable, with a value of 4.522 in indicator PH6, which indicates that respondents feel greatly assisted by its existence. This value shows that public awareness of the halalness of products is very high so that people assess the status of MUI as the party authorized to issue the "HALAL" label is very important. If MUI exists and issues the "HALAL" label, people will no longer hesitate to make purchases. Because it is easy to distinguish which products are halal or not, consumer interest in the product is high. Research conducted by Mahardika, (2019), and Vristiyana, (2019) stated that positive and negative aspects are both present in a person's knowledge about an object. Positive information can affect consumers' perceptions of a product and their desire to buy it. Islam values consumer intentions and halal awareness. As stated in Surah Al-Ma'idah verse 88 that commands us (Muslim) to eat halal and good food.

**The Effect of Halal Awareness on Attitude**

Testing the hypothesis of this study shows that the effect of Halal Knowledge on Attitude is positive and significant. This result is based on the results of the t-statistic greater than the t-table (1.967) which is 15.414 with a magnitude of influence of 0.839 and a P-value <0.05 which is equal to 0.000. These results prove that knowledge about halal is one of the important factors that shape people's attitudes towards halal products. Previous research findings of Sekarwangi & Hendayani, (2022) and Mahardika (2019) stated that consumer knowledge and education can influence consumer purchasing behavior by influencing positive consumer attitudes. As a result, it can be concluded that attitudes towards buying halal goods are an indication of current society rather than a prediction of what people actually want to do in the future. It is
explained in the hadith as follows: Indeed, all actions depend on his intention, and everyone will get what he intended" (HR Bukhari and Muslim).

**The Effect of Attitude on Purchase Intention**

Testing the hypothesis of this study shows that the effect of attitude on purchase intention is positive and significant. This result is based on the results of the t-statistic greater than the t-table (1.967) which is 11.357 with an effect of 0.687 and a P-value <0.05, which is 0.000. These results prove that attitude is one of the important factors that shape the purchase intention of halal products. Using table 4.6, it can be seen that the SP5 indicator has the highest Mean value of 4.583 which indicates that Muslim respondents always look for halal food. From these results it can be concluded that consumers who have an attitude of always wanting to eat halal food will tend to choose halal products so that consumer interest in halal products will increase. Hendayani and Sekarwangi (2022), T. (S.) provide evidence that supports these research findings. (Fitriyani, 2021) and (Mahardika, 2019) show how attitude affects purchase intention. The more accurately a person evaluates attitudes and how subjective attitudes relate to behavior, and the more behavioral control a person feels, the stronger the individual's intention to engage in the recommended behavior. A positive attitude towards a product or service will influence your decision to buy it. It is a gift from Allah to be able to distinguish between good and bad in others. Allah gave humans the will to do good and keep away from actions that harm themselves. This is explained in the Qur'an verse 69 Surah Al-Ankabut and Qur'an verse 168 Surah Al-Baqarah.

**Conclusion**

Brand knowledge of halal practices and purchase intention are positively and significantly correlated. It means that knowledge of halal has a very large influence on whether someone will buy something. The level of purchase intention of Muslim consumers increases with their knowledge of Halal. Halal knowledge and attitudes have a positive and significant correlation. Which means that consumer knowledge and understanding that can influence consumer purchasing decisions affect positive consumer attitudes. Attitude and purchase intention are positively and significantly correlated. This implies that a positive perception of a good or service will result in a positive desire to purchase that good or service. Positively and significantly, attitude can mediate the impact of halal knowledge on purchase intention. This implies that knowledge has an impact on purchase intention, but attitude mediates this effect. Consumer knowledge and education can influence consumer purchasing behavior by influencing positive consumer attitudes. Researchers also hope that this research can provide a broad picture of the phenomena that occur so that all parties, including from authorized institutions such as MUI and related business actors, can respond appropriately to consumer needs, especially in the food and beverage industry regarding halal certification of a product.

Significant consequences flow from this research. The findings of this study can be applied to the creation of D9 Cassava Café to attract Muslim customers. An understanding of Muslim consumers' purchase intentions and patterns for D9 Cassava Café halal products will benefit business people and companies, from a managerial point of view, thanks to the findings of this study. The study findings are expected to assist Café Cassava D9 in understanding the most important elements that motivate Muslim consumers to make future plans to purchase halal food. From the perspective of Muslim consumers, this shows that halal awareness and attitude do have an impact, but not as much as purchase intention. Therefore, every Muslim consumer should be very determined to buy halal meat. A further benefit of this research is that it allows academics, government organizations, and D9 Cassava Cafe to immediately follow up on Muslim consumers' perceptions of the intention to purchase halal meat. From a scientific point of view, this research is expected to add to the treasure of knowledge about halal meat, which can be expanded in future studies. Through this research, researchers will be able to close the information gap between Muslim customers and Café Cassava D9 regarding the purchase of Café Cassava D9 halal products in the future.
Author’s Contribution
The corresponding author named Ariestio Amrullah contributed on collecting data, drafting manuscripts and drafting drawings, drafting key conceptual ideas, doing research and analysis also revisions of articles.

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Declaration of Competing Interest
The author declares that the research was conducted in the absence of any commercial or financial relationships that could be construed as a potential conflict of interest.

Reference


