An Examination of Purchasing Intention towards Halal Products

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Abstract: - The consumer behavior in purchasing halal products is still an interesting topic to be researched because behavior is dynamic. The purpose of this study was to determine the factors that affect consumer decision in purchasing halal food. This study explored consumer driving factors in choosing halal products in the Muslim-majority community who feel that halal products are very easy to obtain. The research method used primary data analysis using a research instrument in the form of a questionnaire distributed to 200 respondents in Bandung, Indonesia. The results of this study revealed that the religiosity factor is a significant factor in affecting consumer intention in purchasing halal products. While other factors studied, such as halal awareness, halal certification, and trust, do not affect.

Key-Words: - halal product, halal purchase intention, religiosity, halal awareness, halal certification, trust

1 Introduction
Islam is a religion with quite large followers, reaching 23 percent of the world's population [1]. Indonesia is the largest contributor to the world's Muslim population with 12.6% [2]. It is estimated that 52 percent of the world's Muslims are under the age of 24 years, thus becoming a significant and large potential market. The value of the halal industry is estimated to reach $2.1 trillion in 2015 that make it one of the fastest growing industries in recent years [3], [4]. This potential will continue to grow along with the finding of the Pew Research Institute that estimated that by 2070, Muslims will become the largest religious group in the world [5].

Previous researchers have highlighted the concepts and advantages of halal markets as global business potential and new commercial trends along with the rapid growth of the global Muslim population [6]. Until now, research on the Muslim consumer intention to measure the right attitude in purchasing halal food is still an interesting topic to be discussed [7]–[9] for the faster development of this business. Moreover, acceptance of halal products is increasingly widespread among non-Muslims [10]. So that it is considered a rational market. But lately, research in the consumption of halal products in the Muslim market segment has been largely ignored by researchers [11]. Like the potential market in Indonesia, with a Muslim population reaching 87.1% of the total population or 219,960,000 people [2].

For Muslim consumers, it is very important to know the category of the product they buy or use, whether it is halal or haram [12], [13]. Because in reality, there are still some consumers who do not have sufficient access to information regarding halal certification or halal brands [14]. The Muslim market is a relatively homogeneous market because there are certain principles and values that bind all Muslim consumers together [15]. On the other hand, there is a lack of public knowledge regarding the relationship between halal concepts such as awareness of halal products and halal certification with interest in purchasing [16].

Halal food consumers in various countries have different levels of trust in the halal certification logo [17]. Several studies have been conducted on the importance of halal certification for respondents and also whether the consumption rules provided by Islam are followed or not by respondents in Muslim-majority countries [17]–[21]. Indonesia as the world's largest Muslim country must have a different perspective than other countries in terms of halal products. There is not much literature discusses the interest of the Indonesian Muslim community in purchasing halal products. Indonesia can be a representation of the world's Muslim population. However, because access to halal products or food is very easy in Indonesia, consumers may not pay too much attention to the halalness of a product. This is worsened by the difficulty of consumers to be able to verify, even after consumption, whether it is halal or haram [11].

By understanding the relationship between future behavioral intentions and the behavioral determinants, halal product producers and marketing managers should know how to build attractive images and increase their marketing efforts to
maximize sales and increase their market share. Therefore, it is an interesting topic to further study.

2 Literature Review and Hypothesis Development

2.1 Religiosity

According to Marzuki et al. [22], Muslims must adhere to the standards of halal food and not consume foods that are prohibited (haram). The rise of Islam has led to an increase in the awareness of Islamic societies about the content, processes, sources, and other determinants of the products they consume [23]. Islamic law will lead them to fulfill their consumption needs according to the commodities available in the market. Consumers will consider purchasing a new product if the previous product is not according to their beliefs [24].

Consuming halal food is their religion and moral obligation regardless of whether they are at home or outside and also whether the food is easily accessible or not [25]. Religious commitment influences consumer orientation regarding consumption patterns, as well as their social behavior [26]. Every joint of their lives and actions will be connected with their knowledge of their religion. In other words, very religious people will evaluate the world through religious schemes and integrate their religion into their lives [27]. So this dimension of religion will affect likes or dislikes [28]. Many evidences have proven that religion plays an important and influential role in shaping food choices in society [11], [29]–[33]. In addition, in most Muslim countries, the consumption of halal food is part of complying with state law [34]. For customers who have a commitment to their religion, they tend to show positive loyalty to products based on the sharia [35], even if he/she is not a consumer (prospective customer), he/she is committed to being loyal to products or services based on sharia [36]. Thus, the following hypothesis was proposed:

\[ H_1: \text{Religiosity is positively related to purchase intention.} \]

2.2 Halal Awareness

Awareness is the ability to understand, feel, and be aware of events and objects [16]. Awareness can represent perceptions and cognitive reactions to certain events and objects [37]. Aziz & Chok [16] further stated that this is a concept of how to imply understanding and perception of events or subjects. This awareness departs from the rationalization of consumer thinking before they act. Rezai et al. [38] found that awareness of the principle of halal and halal food products was determined by a positive attitude. In accordance with the Theory of Planned Behavior developed by Ajzen [39], consumers who have a good attitude will determine behavior.

Awareness can also be defined as knowledge, realization, and familiarity gained through experience or learning [40]. So the information they have can be a reference for them in behaving and making choices. Some researchers found that the decision to choose halal products is determined by a positive attitude [7], [9], [16], [26], [37], [41], [42]. In the context of this research, a positive attitude is a perception that benefits halal concepts and halal awareness. Thus, the following hypothesis was proposed:

\[ H_2: \text{Halal awareness is positively related to purchase intention.} \]

2.3 Halal Certification

Halal certification is the standard that signifies a product has fulfilled the feasibility by the basis of Islamic law. This can be a guide in choosing the allowed products in the fields of finance, cosmetics, food, clothing, services, and banking [43]. Halal certification refers to official recognition of the entire process of production or distribution and other management practices by established official bodies (such as the Indonesian Ulema Council or Majelis Ulama Indonesia (MUI) in Indonesia). The aim is to attract Muslim consumers because they tend to look for products that are in accordance with Islamic law and believe this product is blessed by Allah [44].

Certified halal food is a requirement for Muslims as part of religious obligations. But as time goes by, certified halal food can also indicate that these foods adhere to strict standards in cleanliness and sanitation [9]. For this reason, halal food is becoming increasingly popular among non-Muslims [16]. Rezai et al. [38] found that non-Muslims care about food safety, which positively influences their attitude towards halal products. In addition, their research findings showed that attitudes towards halal food and perceived control become a significant predictor of intention. Therefore, in line with the theory of TPB [39], [45], the non-Muslims perception of halal food in the context of halal certification is determined by positive personal attitudes [38], which in turn can affect their intention to buy halal food. The argument has led to the formation of the following hypothesis:

\[ H_3: \text{Halal certification is positively related to purchase intention.} \]
2.4 Trust
According to Becker, Berry, & Parasuraman [46], customers who buy products generally experience a strong psychological process of trust. So that trust is an important attribute of attitudes that can affect human behavior, especially related to the purchasing and selling process [47]. Trust is the main construct that operates at various levels of service relations [48]. Based on this conceptualization, trust can be considered as a consumer attitude factor that depends on the integrity of producers and sellers to decide and take action in uncertain situations accompanied by positive expectations from consumers [49].

According to Jarvenpaa et al. [50], trust is the willingness of consumers to depend on sellers and interact in situations where the consumers are trapped in the intrigue of sellers. Consumers will agree with a lot about the product provided by the seller. But on the other hand, it was found that many consumers do not trust halal food providers for their food transactions [51]. Given consumer concerns about halal food trust, a study found that people consider purchasing halal food as a risky problem [52]. Thus, it can be said that the perspective of consumers through trust in halal products influences their attitudes. As the previous studies found that the trust in the consumption of halal food also had a large effect on consumer attitudes and the subsequent behavior [11], [25]. Thus, the following hypothesis was proposed:

\[ H_2: \text{Trust is positively related to purchase intention.} \]

3 Research Method
The steps used in this study followed the previous research [7], [16], [53]–[55] and were modified or adapted to the needs of the research. This study was conducted in West Java as the largest province in Indonesia so that it can represent Indonesia.

A 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree) was used to measure all scale items. The questionnaire was divided into three main sections, starting with a brief explanation of the purpose of the survey, followed by the measurement of the main scale items. The third part was for the participants’ demographic profiles, including age, sex, education level, income level, and marital status.

The data was filtered and scanned using valid cases for data analysis. Structural equation modeling (SEM) using the Partial Least Square (PLS) method was used to test measurements and structural models. Reliability and validity of research constructs were evaluated. PLS-SEM was a well-established technique used in various studies to estimate path coefficients and investigate the complexity of the relationships built into structural models [56]. In other words, SEM, unlike other analytical methods, is able to analyze a variable to its indicators. The ability to link the relationship between variables and efficiency in examining item measurement models are two advantages over covariance-based SEM [57].

The analysis used to test the equation was mathematically formulated as follows:

\[ \text{Halal purchase intention} = A + B \text{Religiosity} + C \text{Halal Awareness} + D \text{Halal Certification} + E \text{Trust} + \varepsilon \]

This study used the software as a tool to facilitate calculations. The tool used was the Smart PLS software version 3.00.

4 Results and Discussion
4.1 Respondent Description
Of the 200 questionnaires expected only about 183 were eligible to be processed in the next stage. Table 1 below illustrates the demographic characteristics of respondents who consume halal products.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Description</th>
<th>Frequency</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Male</td>
<td>39</td>
<td>21.31%</td>
</tr>
<tr>
<td></td>
<td>Female</td>
<td>144</td>
<td>78.69%</td>
</tr>
<tr>
<td>Age</td>
<td>&lt; 20 years</td>
<td>24</td>
<td>13.11%</td>
</tr>
<tr>
<td></td>
<td>20 - 29 years</td>
<td>149</td>
<td>81.42%</td>
</tr>
<tr>
<td></td>
<td>30 - 39 years</td>
<td>4</td>
<td>2.19%</td>
</tr>
<tr>
<td></td>
<td>40 - 49 years</td>
<td>3</td>
<td>1.64%</td>
</tr>
<tr>
<td></td>
<td>&gt; 50 years</td>
<td>3</td>
<td>1.64%</td>
</tr>
<tr>
<td>Education</td>
<td>Less than high school</td>
<td>0</td>
<td>0.00%</td>
</tr>
<tr>
<td></td>
<td>High school</td>
<td>111</td>
<td>60.66%</td>
</tr>
<tr>
<td></td>
<td>Bachelors or higher</td>
<td>72</td>
<td>39.34%</td>
</tr>
</tbody>
</table>

Based on the table above it can be seen that there were more female respondents than men with a percentage of 78.69 percent and the men respondents with 21.31 percent. The respondents under 20 years old were 13.11 percent and the age group of 20-29 years old dominated the demographic with 81.42 percent and the rest were the respondents above 30 years old. While in the education level, it was dominated by high school groups with 60.66 percent and the rest of the
respondents were undergraduate or graduate with a percentage of 39.34 percent.

### 4.2 Measurement Model

To see the validity and reliability of the questionnaire instruments, Outer Loadings, Average Variance Extracted (AVE), Cronbach's Alpha and Composite Reliability (CR) were used. The results were as follows.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Loading</th>
<th>AVE</th>
<th>Cronbach's Alpha</th>
<th>CR</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religiosity</td>
<td>0.904 – 0.914</td>
<td>0.828</td>
<td>0.896</td>
<td>0.935</td>
<td>Valid and Reliable</td>
</tr>
<tr>
<td>Halal awareness</td>
<td>0.849 – 0.897</td>
<td>0.772</td>
<td>0.856</td>
<td>0.910</td>
<td>Valid and Reliable</td>
</tr>
<tr>
<td>Halal certification</td>
<td>0.680 – 0.886</td>
<td>0.664</td>
<td>0.744</td>
<td>0.854</td>
<td>Valid and Reliable</td>
</tr>
<tr>
<td>Trust</td>
<td>0.760 – 0.900</td>
<td>0.682</td>
<td>0.883</td>
<td>0.914</td>
<td>Valid and Reliable</td>
</tr>
<tr>
<td>Halal purchase</td>
<td>0.922 – 0.932</td>
<td>0.654</td>
<td>0.731</td>
<td>0.841</td>
<td>Valid and Reliable</td>
</tr>
</tbody>
</table>

Based on the tests presented in the table above, it can be seen that the Outer Loadings for all indicators showed the numbers above 0.5 so it was feasible to represent each latent variable. Furthermore, the AVE value for all variables was above 0.5. AVE was used to measure the amount of variance that could be captured by the construct compared to the variance caused by measurement errors. Whereas the value of Cronbach's Alpha for all variables was above 0.7, and the of CR value was also above 0.7, which means that it showed the consistency value of each indicator in measuring the construct. With all the above tests it can be concluded that all variables were valid, reliable and feasible to continue in the testing.

### 4.3 Structural Model

To measure the geometric mean of the equation, the Goodness of Fit (GoF) was employed. In addition, it is also necessary to see the value of $R^2$ to assess how good the model in this study can be a predictor. Below are the test results.

<table>
<thead>
<tr>
<th>Path</th>
<th>Coefficient</th>
<th>t-Stat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religiosity =&gt; Halal purchase intention</td>
<td>0.747</td>
<td>14.615*</td>
</tr>
<tr>
<td>Halal awareness =&gt; Halal purchase intention</td>
<td>0.068</td>
<td>1.105</td>
</tr>
<tr>
<td>Halal certification =&gt; Halal purchase intention</td>
<td>0.127</td>
<td>1.807</td>
</tr>
<tr>
<td>Trust =&gt; Halal purchase intention</td>
<td>-0.034</td>
<td>0.573</td>
</tr>
</tbody>
</table>

Table 4 shows the effect of each variable on the interest variable. The test results stated that the factors that affect the interest in purchasing halal products were religiosity with a coefficient of 0.747 which was significant at $p < 0.01$ or 1%. While other factors did not affect because the significance value was at $p > 0.01$, even still above 5% ($p > 0.05$).

### 4.4 Discussion

This study is in accordance with previous research which stated that the religiosity factor has a major role in food choices decision [11], [29]–[33], [59]. The coefficient was 0.747 with a significance of $p < 0.01$, which is sufficient to explain that religiosity is a very important factor in determining consumer choices for halal products. They are those who are
religiously devout by making Islamic law as a reference for determining product choices.

Indonesia is a country with a majority population of Muslims. Therefore, people are familiar with Islamic culture or rules in their social life. This makes Muslim consumers feel that consuming halal food is a form of obedience in religion, also as a form of inherent habit the daily lives of the community. They realize that religious life is the basis for making economic decisions. The drive for religiosity, whether knowledge, habits, or words of Muslim scholars can be the factors to buy halal products. So they realized that by purchasing and consuming halal products they had practiced their religious teachings well. The religiosity factor becomes very dominant than other factors that can affect the interest in purchasing halal products.

First, awareness is not a factor that affects interest (see table 4). This explains that consumer behavior in Indonesia is more driven by affective conditions (religiosity) than cognitive conditions. The level of halal awareness of the community can be said to be low so that it is not part of the determinant in making economic decisions. It also applies to halal certification; it turns out this is not a factor that can affect consumers to buy halal products. As a Muslim-majority country, there are many products circulating in the market that have been certified halal by the Indonesian Ulema Council (halal certificate issuing authority). So that consumers are no longer care to check the halal logo as a reference that the products they buy are truly halal. They feel that the products in circulation must be halal because they are in a country that is predominantly Muslims.

One interesting thing about this study is that the trust factor in product providers is very low. Even consumer trust is not a factor that can affect consumer decision to buy halal products. As stated Soon et al., [51] that many consumers do not trust halal food providers when there is a transaction of halal food from providers to consumers. However, the factors that make consumers distrust product providers need to be examined in future studies because they are not studied here. Consumer distrust is not a problem because of the many choices available, both from products and product providers. Consumers have many alternatives that they can choose in meeting their consumption needs.

5 Conclusion
Consumers in Indonesia are religiously devout consumers who make religion teaching a reference for making choices about purchasing halal products. The results of this study indicated that religiosity is a factor that significantly affects the consumer to buy halal products. Meanwhile, other factors are considered not to have enough effect to encourage consumers to buy halal products. The results of this study can be submitted to halal product providers in Indonesia to be able to ensure that the products they sell are truly halal by using Islamic attributes in their promotional media.

The variables of halal awareness, halal certification, and trust are not supporting factors for consumers to buy halal products. This is interesting because cognitively, they are obedient to the religion law, but it turns out they have no awareness of halal products and also do not trust the product providers even the halal logos. So that for further researchers, the interest in purchasing halal products with an independent variable in the form of risks accompanying the purchase of halal products needs to be further studied.

This research was only conducted on respondents Bandung and with the low number of respondents. So a larger sample from various other regions is needed to be more representative of the actual conditions.

References:


[54] J. A. Karim, S. A. Rahman, and Z. Z. Ariffin,


