The Effects of Halal Certification and Halal Awareness on Purchase Intention of Halal Food Products in Indonesia

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Abstract: Halal has become part of life worldwide, and the service demand is advancing on a big scale in the industrial and economic frame. This study aims to determine the effects of halal certification and customers’ halal awareness of the intention to purchase halal food products. This study belongs to the quantitative type with samples of 105 Muslim respondents. Accidental sampling is applied to sampling data. Four-point Likert scale questionnaire is utilized in data collecting which is analyzed with multiple linear regression techniques using SPSS 23 program. The results of this study indicate that halal certification variables and halal awareness both partially have positive effects on purchase intentions of halal food products. Meanwhile, the two variables simultaneously, halal certification and halal awareness, also positively influence the intention to purchase halal food products.

Keywords: halal awareness, halal certification, halal food, halal product, purchase intention

1. Introduction

The global Muslim population in 2017 reached 1.8 billion people, and it is expected to bloom. In the same year, the halal industry sector reached more than $2.107 billion per year (Dinar Standard & Thomson Reuters, 2018). As a result, revenues from the halal sector rose due to the advancing demand for halal goods. These special products are food and beverages. Halal food is profitable in countries with Muslim contributions and a Muslim majority (Ahmad et al., 2013). The growing Muslim population has increased demand for halal food products and suppliers' willingness to introduce more halal products to the market (Katuk et al., 2021; Rejeb et al., 2021).

Indonesia is the largest Muslim population country. According to BPS data, in 2010, the total Muslim population reached 207.17 million (87.18%). Based on the Global Islamic State Report 2018/2019 on halal food and beverages consumption, Indonesia is ranked first with a total expenditure of $170 billion (Dinar Standard & Thomson Reuters, 2018). The food and beverages industry took a positive production growth trend in 2017, both in the large and medium and small micro-industry, reaching 9.93% (BPS, 2018). This industry is essential to be significant market potential for the halal food and beverage industry in Indonesia.

As Allah announces, consuming halal food is one of Muslim's obligations: O mankind! eat of that which is halal (lawful) [food which is good on earth], and do not follow the steps of Satan (devil) (Quran chapter 2, verse 168). Obedience and devotion have made halal a universal indicator of product quality assurance and living standards (Gillani et al., 2016). The availability of halal products is an important requirement for Muslims. Therefore, it has become necessary for the government to provide halal products, especially in countries with a majority of Muslims (Adinugraha et al., 2021; Anwar et al., 2018; Kasri et al., 2021).

The halal certification logo generally is a benchmark for Muslim and non-Muslim consumers (Billah et al., 2020; Ghadikolaei, 2016). It relates to product hygiene and safety guarantees (Awan et al., 2015). Consumers perceived halal food with confidence, believing that halal food products are healthy and clean. There is a strong belief that halal awareness among non-Muslim consumers is establishing a standard for trust, safety, quality, and hygiene (Haque et al., 2015; Nawawi et al., 2020). Non-Muslims use halal products because of their quality, also known as Halalan Thoyyiban, because there are guarantees of cleanliness, safety, and product quality throughout the entire production chain (from farm to plate) (Azam et al., 2019; Yusuf et al., 2022). Halal certifications issued by the Assessment Institute for Foods, Drugs, and Cosmetics Indonesian Ulema Council are the only official...
indicator of halal food products in Indonesia. In the last five years, the Assessment Institute for Foods, Drugs, and Cosmetics Indonesian Ulema Council has given 58,959 halal certifications from 655,725 total products in circulation (Assessment Institute for Foods Drugs and Cosmetics Indonesian Ulema Council, 2018).

In addition to halal certification, customer behavior in choosing products is also influenced by product awareness. Therefore, the required knowledge when buying and consuming halal products is crucial for Muslims. It is critical because halal-certified products are produced by Muslim producers and several non-Muslim sources (Bashir, 2019; Yunus et al., 2014). Personal intrinsic religiosity (PIR) and halal product knowledge (HPK) that enable consumers to raise awareness about the benefits of consuming halal products will increase their interest in purchasing halal products. As a result, increased efforts to improve PIR and product knowledge through religio-centric-based marketing orientation, as well as increased knowledge of halal products through effective marketing communication activities, can raise consumer awareness and purchase intention for halal products (Nurhayati & Hendar, 2020). Furthermore, cases related to food and beverages harm the company itself (Huda & Muchlisin, 2014).

Surabaya is the most populous area in East Java. According to BPS data in 2017, the population of Surabaya is approximately 2,874,990 people, with a Muslim population of 2,499,116 inhabitants. Along with the increasing Muslim population and the growth of the halal market in various cities throughout Indonesia, further research is needed regarding determining factors as it has significant effects on halal product purchase intention. Therefore, based on the explanation above, the researcher took the study title, the effects of halal certification, and halal awareness on the purchase intention of halal food products.

2. Materials and Methods

Consumer behavior is a dynamic interaction between the influence and condition of behavior and events around the environment in which humans exchange aspects in their lives (Peter & Olson, 2017). Customer behavior can be pictured in several stages; the stage before the purchase includes the introduction of problems, information search, alternative evaluation, the stage of purchase, and post-purchase (Kotler & Kotler, 2012).

This study uses theory of planned behavior (TPB) from Ajzen and Fishbein as a fundamental theory to support the relationship and influence between the concept of halal and other antecedents with customers' intention to buy. According to Ajzen (Peter & Olson, 2017), a relevant component of TPB is the attitude towards the behavior. Attitudes in this regard relate to the beliefs of collective behavior, such as the belief that the product is halal, which leads to a favorable positive attitude that ends in the intention to buy (Yoga, 2018).

2.1. Halal Certification

Halal certification is a security guarantee for Muslims to be able to consume halal food products according to the teachings of Muslims (Batu & Regenstein, 2014; Nurcahyo & Hudrasyah, 2017). Halal certification is administered in accordance with Islamic Law with the primary goal of resolving Muslim consumers’ concerns about the status of a single product (Salindal, 2019). Halal approval issued by Indonesian Ulema Council after strict assessment based on sharia law is called halal certification. The process involves thorough, detailed inspection from scratch; the preparation, the ingredients, the cooking process, the serving, the kitchen, the hygiene, and the labeling, which results in halal status in the form of an Indonesian Ulema Council fatwa. Products that have passed the halal certification test by Indonesian Ulema Council are identified by the presence of the halal logo listed on the product packaging (Assessment Institute for Foods Drugs and Cosmetics Indonesian Ulema Council, 2018).

2.2. Halal Awareness

Awareness is the ability to feel conscious about an event and an object (Aziz & Chok, 2013). Halal awareness is a cognizant state of a Muslim where she/he has adequate sharia knowledge of what halal is, knows the exact slaughtering process, and prioritizes halal food for consumption (Ahmad et al., 2013). The more she/he understands the halal concept, the more she/he is selective in buying and consuming any food and beverage products sold widely in society.
2.3. Purchase Intention

The intention is defined as the desire to conduct behavior. Intentions are not always static but can change over time. Intentions are situations where a person is willing to engage in behavior and is considered direct behavior. The intention is a motivational factor that influences a person's behavior to do something (Zarrad & Debabi, 2015). For example, customers' purchase intention is the desire and tendency to buy the advertised product because there is a possibility that customers will buy the product in the future (Zafar & Rafique, 2013). The mental stage in the decision-making process in which the consumer has developed an actual willingness to act toward an object or brand is referred to as purchase intention (Garg & Joshi, 2018; Hutter et al., 2013; Lu et al., 2014). An increase in purchase intention means an increase in the likelihood of purchase so that it can be used as an essential indicator for estimating consumer behavior (Wu, 2011).

The object of this research is Muslim customers in Surabaya. Therefore, quantitative research is chosen as the type of research. The data source used in this study is primary data obtained directly from respondents through the distribution of questionnaires containing statements relating to the research conducted.

The sampling method in this study used non-probability sampling with an accidental sampling technique, which is a sampling technique based on chance. Criteria for a sample of respondents were Muslim, Surabaya residence; proven by owning an authentic legal civilian self ID, and within 17 years old and over. Yamane formula with an error rate of 10% (Sugiyono, 2018) is used to determine the sampling number, leading to a minimum sample size of 100 respondents. Data collection techniques in this study were conducted online and provided by the researchers in which respondents choose the available answer. Measurement data on the research questionnaire uses a Likert scale with a score range of 1-4. The research instrument test used the validity and reliability test, while the classical assumption test used the normality, multicollinearity, and heteroscedasticity tests. Hypothesis testing used a t-test and an F-test. Multiple linear regression analysis using SPSS 23 was applied to analyze the results.

3. Results and Discussion

3.1. Respondent's Answer

The following are the results of the analysis of the respondent’s answers for the halal certification variable consisting of three indicators:

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Mean Indicator</th>
<th>Category</th>
<th>Interval score for the respondent's answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3.57</td>
<td>High</td>
<td>High (3.1 – 4)</td>
</tr>
<tr>
<td>2</td>
<td>3.49</td>
<td>High</td>
<td>Moderate (2.1 – 3)</td>
</tr>
<tr>
<td>3</td>
<td>3.53</td>
<td>High</td>
<td>Low (1 – 2)</td>
</tr>
</tbody>
</table>

The Mean variable of Halal Certification 3.53

The results can be concluded based on Table 1. The overall value of the halal certification indicator is an excellent category, with an average value of 3.53, as shown in Table 1. It shows that respondents have confidence in the Indonesian Ulema Council halal certification agency to guarantee the halal product.

There are the results of the analysis of respondent answers for the halal awareness variable consisting of four indicators, as shown in Table 2.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Mean Indicator</th>
<th>Category</th>
<th>Interval score for the respondent's answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3.43</td>
<td>High</td>
<td>High (3.1 – 4)</td>
</tr>
<tr>
<td>2</td>
<td>3.58</td>
<td>High</td>
<td>Moderate (2.1 – 3)</td>
</tr>
<tr>
<td>3</td>
<td>3.35</td>
<td>High</td>
<td>Low (1 – 2)</td>
</tr>
<tr>
<td>4</td>
<td>3.47</td>
<td>High</td>
<td></td>
</tr>
</tbody>
</table>

Mean Variable of Halal Awareness 3.44
Based on Table 2, it could be concluded that the overall indicator value on the halal awareness variable is in the excellent category, with an average value of 3.44. It shows that respondents have good religious awareness about halal and haram.

Table 3 shows the results of the analysis of respondent answers for the purchase intention variable consisting of four indicators.

Table 3. Description of Respondents' Answers to Purchase Intention

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Mean Indicator</th>
<th>Category</th>
<th>Interval score for the respondent's answer</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3.44</td>
<td>High</td>
<td>High (3.1 – 4)</td>
</tr>
<tr>
<td>2</td>
<td>3.36</td>
<td>High</td>
<td>Moderat (2.1 – 3)</td>
</tr>
<tr>
<td>3</td>
<td>3.31</td>
<td>High</td>
<td>Low (1 – 2)</td>
</tr>
<tr>
<td>4</td>
<td>3.39</td>
<td>High</td>
<td></td>
</tr>
</tbody>
</table>

Mean Variable of Purchase Intention 3.38

Based on Table 3, it can be concluded that the overall indicator value on the purchase intention variable of halal food products is in the excellent category, with an average value of 3.38. It shows that respondents who intend to buy halal food products in Surabaya tend to make purchases or consumption.

3.2. Hypothesis Testing

A research instrument test was previously carried out using the validity and reliability test in this study, as shown in Table 4 & 5. The data validity test uses a bivariate Pearson correlation. There are the results of the validity tests that have been carried out on research instruments using SPSS 23.

Table 5. Instrument Reliability Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Cronbach Alpha</th>
<th>Critical Value</th>
<th>Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halal Certification</td>
<td>0.859</td>
<td>0.06</td>
<td>Reliable</td>
</tr>
<tr>
<td>Halal Awareness</td>
<td>0.860</td>
<td>0.06</td>
<td>Reliable</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.855</td>
<td>0.06</td>
<td>Reliable</td>
</tr>
</tbody>
</table>
This study used three standard assumption tests: normality, multicollinearity, and heteroscedasticity. This study uses the Kolmogorov-Smirnov Z (1-Sample K-S) normality test. There are the results of the classic assumption test, as shown in Table 6.

Table 6. Classic Assumption Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>Tolerance</th>
<th>VIF</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halal Certification (X₁)</td>
<td>0.621</td>
<td>1.610</td>
<td>0.542</td>
</tr>
<tr>
<td>Halal Awareness (X₂)</td>
<td>0.621</td>
<td>1.610</td>
<td>0.242</td>
</tr>
<tr>
<td>Kolmogorov-Smirnov Z</td>
<td></td>
<td></td>
<td>0.685</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
<td></td>
<td></td>
<td>0.736</td>
</tr>
</tbody>
</table>

Based on Table 6, it can be concluded that this study has a normal distribution because of the asymptotic value. Sig (2-tailed) >0.05. There were no symptoms of multicollinearity because the VIF value of variables X₁ and X₂ <10, and the tolerance value approached number 1. There were no symptoms of heteroscedasticity because of sig values X₁ and X₂ > 0.05.

Table 7. Test Results of Multiple Linear Regression Analysis

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>Std. error</th>
<th>Beta</th>
<th>t-score</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halal Certification (X₁)</td>
<td>0.156</td>
<td>0.055</td>
<td>0.167</td>
<td>2.818</td>
<td>0.006</td>
</tr>
<tr>
<td>Halal Awareness (X₂)</td>
<td>0.733</td>
<td>0.056</td>
<td>0.770</td>
<td>13.020</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Based on Table 7, the multiple linear regression equation is as follows:

\[ Y = a + b_1X_1 + b_2X_2 + e \]
\[ Y = -1.153 + 0.156X_1 + 0.733X_2 + e \]

Based on Table 7, On the other hand, the halal awareness variable has a positive influence on the intention to buy halal food products in the city of Surabaya because of the value of \( t_{\text{arithmetic}} (2.818) > t_{\text{table}} (1.983) \) and the significance value (0.006) <0.05. Furthermore, the halal awareness variable has a positive influence on the intention to buy halal food products in the city of Surabaya because of the value of \( t_{\text{arithmetic}} (13.020) > t_{\text{table}} (1.818) \) and the significance value (0.000) <0.05.

Referring to the table ANOVA, as shown in Table 7, test results obtained an \( F_{\text{count}} \) of 179.257. Then it can be concluded that simultaneously variables X₁ and X₂ affect Y. R square value of 0.774 or equivalent to 77%.

4. Conclusion

Consuming halal food is one of the Muslim obligations. The obedience and devotion have made halal a universal indicator for product quality assurance and living standards. The availability of halal products is an essential requirement for Muslims. Therefore, it has become a necessity for the government to provide halal products. Meanwhile, fostering halal awareness is important in influencing Muslim purchasing decisions to choose halal-certified products and how recognizing the characteristics of products that have been certified. The Government of Indonesia has established regulations on halal certification and has implemented it well in many products. The results of this study support the importance of halal certification and halal awareness in influencing customer purchase intention. The research results conclude that all variables affect the buying intention of Muslim customers. It means that halal certification and awareness contribute to the customers' decision to purchase halal food products in Surabaya. This research has implications for the government to build halal awareness in the industry, increase training, academic and non-academic and support regulations on halal certification, regulate the certification cost standards for SMEs, medium and large industries, and socialize the halal certification process to all sellers. The religiosity factor is a factor for future research to test its influence on the purchase intention of halal products. More samples should be collected to obtain more representative and comprehensive research results.
References


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