

Exploring Factors Affecting the Purchase Intention of Halal Food Products : An Empirical Study on Student Consumers

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ABSTRACT

The purpose of this study is analyze the relationship of brand image, Food safety, Halal awareness,halal certificate and Halal marketing on purchase intention of halal food product. The method used in this research is quantitative method, data collection methods by distributing questionnaires to 120 halal food consumers in Indonesia. The method for processing data is by using PLS and using the SmartPLS version 3.0 software as a tool. The population in this study are consumers in Indonesia The questionnaire was distributed electronically using simple random sampling technique. The results showed that the variables of halal awareness, health, and perceived value showed a significant and positive influence on purchase intention. This shows the increasing awareness of consumers about the halalness of products, brand image,food safety affects purchase intention of halal food product, halal awareness affects purchase intention of halal food product,halal certificate affects purchase intention of halal food product, halal marketing affects purchase intention of halal food product, which increasingly encourages consumer interest to buy halal food products.

Keywords: halal food, purchase interest, Structural Equation Modeling

Introduction

The Global Islamic Economic Report (GEIR) shows that in 2017 Indonesia was still unable to rank in the top 10 in the halal food industry sector based on the GIER indicator assessment, and was under other Southeast Asian countries, namely Malaysia and Singapore. This indicator is used to evaluate countries in the world regarding the health and development of the halal food industry ecosystem in that country. According to Yuyun et al. (2021) This indicator works not only to focus on overall and growth but also to other things such as supply (meat, and other live animals), halal regulations from the government, halal awareness as seen from news, articles, and events related to the halal industry, and those related to the halal industry. The last is from the social interactions carried out by the community. Indonesia itself is a country that is the center of the largest Muslim population in the world, this is because as many as 87.18% of the 237,641,326 population are Muslims. These data reflect that the Indonesian state has enormous potential to develop the halal product industry, including the halal food industry sector. This statement is evident from the number of

Indonesian people's consumption of halal food which is the highest in the world, Indonesia is ranked first above other Muslim-majority countries such as Turkey, Pakistan, Egypt, and Bangladesh by spending around 169.7 million USD]. On the other hand, even though Indonesia is the country with the highest level of consumption of halal food, the development of the halal food industry in Indonesia is still far from advanced, according to a report obtained from the Global Islamic Economic Report (GEIR) showing that in 2017 Indonesia was still not able to be at the ranked in the top 10 in the halal food industry sector based on the GIER indicator assessment, and is below other Southeast Asian countries, namely Malaysia and Singapore. According to Nico et al. (2021) This indicator is used to evaluate countries in the world regarding the health and development of the halal food industry ecosystem in that country. This indicator works not only to focus on overall and growth but also to other things such as supply (meat, and other live animals), halal regulations from the government, halal awareness as seen from news, articles, and events related to the halal industry, and those related to the halal industry. The last is from the social interactions carried out by the community. Indonesia is still not able to develop a good halal food industry, although there are many opportunities, the Indonesian state is still comfortable as a target market for halal food. There are several reasons behind why the halal food industry in Indonesia is still underdeveloped. Industry awareness about halal in Indonesia is still very weak, this can be seen from the media and articles.

According to Yuyun et al. (2021) Halal certification plays an important role in the growing demand for halal food on a global scale, furthermore, information about the halal industry must be provided to companies to increase their level of awareness. Based on this, it is interesting to conduct a study on consumer behavior in Indonesia towards halal food to increase the level of the halal industry in Indonesia. Therefore, this research aims to further explore what factors most influence consumer buying interest in Indonesia for halal food products using the variables of Religiosity, Halal Awareness, Halal Marketing, and Halal Certification. Previous research has shown that the level of religiosity of each individual has a significant effect on the purchase intention of halal food. Likewise, research conducted by Purwanto (2020) found that religiosity directly has a positive influence on the purchase intention of halal food. This finding shows that religious commitment has a positive relationship with consumers' intention to buy halal products. According to According to Evy et al. (2021) Halal awareness has a positive influence in explaining the purchase intention of halal food. A previous study conducted by Purwanto (2020) found that halal awareness has a significant influence on the purchase intention of halal food even though the product is produced by a non-Muslim company. This result is similar to the research conducted by Purwanto (2021) which shows that halal awareness has a positive influence on purchase intention. According to Purwanto (2021) halal certification is also a form of food testing starting from preparation, slaughter, processing, and cleaning so that it is as good as possible. This indicates the need for halal certification as it appears to be an important factor in purchasing decisions. Previous research that has been done shows that halal certification is used as a marketing tool by companies, and has a positive influence on the purchase intention of halal food.

METHOD

The method used in this research is quantitative method, data collection methods by distributing questionnaires to 120 halal food consumers in Indonesia. The instrument used to measure all the variables of this study was adapted from (Bogler, 2001), with 5 items for each variable. Each closed question / statement item is given five answer options, namely: strongly agree (SS) score 5, agree (S) score 4, disagree (KS) score 3, disagree (TS) score 2, and strongly disagree (STS)) score 1. The method for processing data is by using PLS and using the SmartPLS version 3.0 software as a tool. The population in this study are consumers in Indonesia The questionnaire was distributed electronically using simple random sampling technique. The results of the questionnaire returned were 120 respondents.

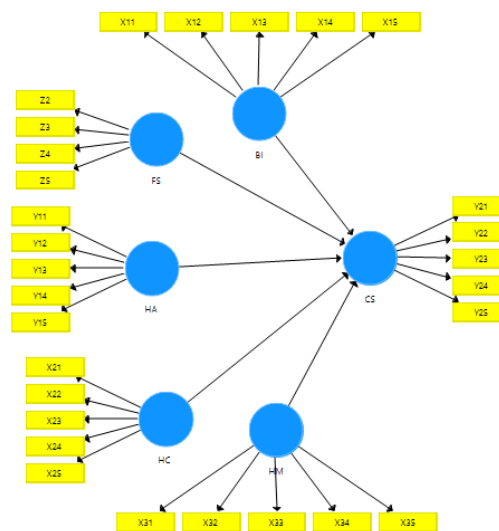


Fig 1. Research Model

Based on the theory and findings from previous research, this study combines various variables. The hypothesis developed in this study is as follows:

- H1: Brand image affects purchase intention of halal food product
- H2: Food safety affects purchase intention of halal food product
- H3: Halal awareness affects purchase intention of halal food product
- H4: Halal certificate affects purchase intention of halal food product
- H5: Halal marketing affects purchase intention of halal food product

RESULT AND DISCUSION

The testing phase of the measurement model includes testing for convergent validity, discriminant validity and composite reliability. The results of the PLS analysis can be used to test the research hypothesis if all indicators in the PLS model have met the requirements of convergent validity, discriminant validity and reliability testing. Convergent validity test is done by looking at the loading factor value of each indicator against the construct. In most references, a factor weight of 0.5 or more is considered to have sufficiently strong validation to explain latent constructs (Chin, 1998; Hair et al, 2010; Ghazali, 2014). In this study, the

minimum limit for the accepted loading factor is 0.5, provided that the AVE value of each construct is > 0.5 (Ghozali, 2014).

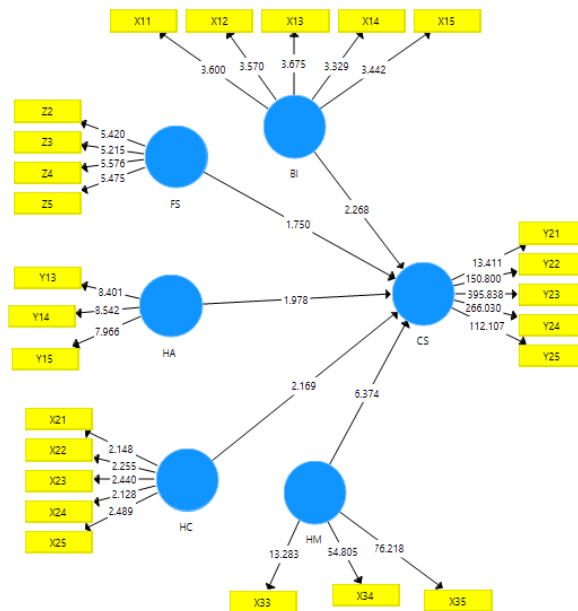


Fig 2. Model valid

Based on the estimation results of the PLS model in the image above, all indicators have a loading factor value above 0.5 so that the model has met the convergent validity requirements. Apart from looking at the loading factor value of each indicator, convergent validity was also assessed from the AVE value of each construct. The AVE value for each construct of this study is more than 0.5. So the convergent validity of this research model has met the requirements. The value of loadings, cronbach's alpha, composite reliability and AVE for each complete construct can be seen in table 2 below:

Tabel 2. Cronbach’s Alpha, Composite Reliability, and Average Variance Extracted (AVE)

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
BI	0.933	0.959	0.948	0.784
CS	0.976	0.982	0.982	0.916
FS	0.981	-0.136	0.967	0.882
HA	0.988	1.013	0.992	0.977
HC	0.949	3.071	0.863	0.563
HM	0.898	0.972	0.935	0.827

Construct reliability can be assessed from the Cronbach's alpha value and the composite reliability of each construct. The recommended composite reliability and cronbach's alpha value is more than 0.7. (Ghozali, 2014). The results of the reliability test in

Table 2 above show that all constructs have composite reliability and Cronbach's alpha values are greater than 0.7 (> 0.7). In conclusion, all constructs have met the required reliability.

Hypothesis test

Hypothesis testing in PLS is also known as the inner model test. This test includes a significance test for direct and indirect effects as well as a measurement of the magnitude of the influence of exogenous variables on endogenous variables. To determine the effect between variables, a direct and indirect effect test is needed. The effect test was performed using the t-statistic test in the partial least squared (PLS) analysis model using the SmartPLS 3.0 software. With the bootstrapping technique, the R Square value and the significance test value are obtained as shown in the table below:

Table 3. *R Square*

	<i>R Square</i>	<i>R Square Adjusted</i>
CS	0.900	0.901

Based on Table 5 above, the R Square value is 0.900, which means that the purchase intention variable is influenced by food safety, halal awareness, halal certificate, halal marketing affects, brand image by 90%, while the remaining 10% is explained by other variables not discussed. in this research.

Table 4. Hypotheses Testing

	Original Sample (O)	T Statistics	P Values	Result
BI -> CS	0.592	2.268	0.024	Supported
FS -> CS	-0.199	1.750	0.081	Not Supported
HA -> CS	0.202	1.978	0.048	Supported
HC -> CS	-0.616	2.169	0.031	Supported
HM -> CS	0.661	6.374	0.000	Supported

Meanwhile, Table 6 shows the T Statistics and P-Values which show the influence between the research variables that have been mentioned.

The influence of brand image on purchase intention

Brand image has a positive effect on perceived quality, with a t value of 2.268. These results are in accordance with the findings of Purwanto et al.(2021) which show that brand image has a significant influence on purchase intention. This shows that halal food products with brands and those that have been widely recognized and considered good after purchase are a

very strong factor reflecting the image of brand. The better the brand image of a halal food product, the better the consumer's perception of the quality of the product.

The effect of food safety on purchase intention

Food safety has a positive effect on health of 0.323. The resulting statistical t value is 1,750, indicating that food safety has no significant effect on health, so the hypothesis decision is rejected. Food safety represented by expiration date, safety assurance label, product content, and product origin are indicators of food safety variables. Food safety is a factor that encourages consumer arguments about health in choosing halal food. The more consumers believe that halal food products purchased are safe for consumption, consumers will be convinced that consumption of halal food products is healthy.

The effect of halal awareness on purchase intention

The relationship between halal awareness and purchase intention shows a significant positive effect with the t-statistic value of 1.979, so that the hypothesis decision is accepted. Research shows that the awareness of the Muslim community to buy halal processed food products is high. This is in line with previous research conducted by Yuyun et al (2021) and Agus (2021), although it is different from the results shown by Nico et al (2021) which states that halal awareness does not have a significant effect.

Effect of halal certificates on purchase intention

Halal certificate has a significant and positive effect on brand image with a t value of 2.169 so that the hypothesis decision is accepted. Processed food products that have halal certification will be able to improve the brand image of the product itself. This is because most consumers think that a food brand that is good and safe for consumption is one that has halal certification. Muslim consumers reject product brands that are not certified halal.

The Effect of Halal Marketing on Purchase Intention

The test results show that halal marketing has a significant negative effect on halal marketing, with a t-statistic value of 6,374. This finding is inconsistent with the findings of Evy et al (2021). This shows that people buying halal food products do not see advertising stars that promote and price which is an indicator of marketing variables to influence them in buying halal food. Halal food is in demand to buy because it is halal, not because of the marketing process it offers. So this research shows that in the marketing process of halal food products, it should prioritize promoting the halalness of the product rather than relying on promotions with advertising stars and prices.

According to Wang and Tsai (2014) who shows that brand image has a significant influence on perception quality. This shows that halal food products with brands and has been widely recognized and rated well after purchase as a very strong factor reflects the image of the brand. The better the brand image of a halal food product the consumer's perception of product quality is also getting better. Food safety is represented by expiration date, safety guarantee label, product condition, and product origin food safety variable indicator. Food safety is a major factor encourage consumer arguments about health in choosing halal food. The more consumers believe that the halal food products they buy are safe consumed, consumers will be more confident that the consumption of halal food products it's healthy. Previous research conducted by According to Yuyun et al. (2021)) and Agus et al. (2021),

although different from the results shown by Nico et al (2021) which stated that halal awareness had no significant effect. Processed food products by having halal certification will be able to improve the brand image of the product itself. This is because most consumers consider a food brand that is good and safe to consume is one that already has halal certification. Muslim consumers reject product brands that have not been certified halal. According to Agus et al. (2021) people buying halal food products do not see advertising stars that promote and prices are indicators of marketing variables to influence them in buying halal food. Halal food is in demand to be purchased because it is halal, not because of the marketing process offered. So this research shows that in the process of marketing halal food products, it must prioritize promoting halal products rather than relying on promotions with advertising stars and prices. In previous research conducted by Husain et al (2016), it showed that health was not a factor that influenced buying interest. However, in this study, the results show that the health variable shows a positive value and has a significant effect on buying interest. This shows that people buy halal food because they believe that consuming halal food can prevent disease, have a better and healthier consumption pattern. So this reason can encourage them to buy halal processed food products. Based on research conducted by Wang and Tsai (2014), perceived quality has a positive influence on perceived value. In this study, similar results were also obtained that perceived quality had a positive and significant effect on perceived value.

Consumers' perceptions of the quality of halal food products are directly proportional to their perceptions of the value of these halal food products. So that the more perceived quality is good, the perception of value will also be better. research conducted by Wang and Tsai (2014) which showed similar results. In this case, a good perception of value can encourage consumers to make purchases. The perceived value is that halal food is a favorite of purchases, the price of the food is in accordance with its value, and it has a quality that is in accordance with its value. Food safety, halal certificate, brand image and perceived quality do not have a direct influence on buying interest. The food safety variable has an indirect effect on buying interest through health. This means that food safety factors increase health reasons for consumers in choosing halal food products, even though many consumers do not directly pay attention to food safety in determining purchases. Halal certificates also have an indirect effect on buying interest through brand image variables. Although halal certification does not directly affect consumer buying interest, halal certification can improve the brand image of food products. With the existence of halal certification, the brand image of food products will be better, especially among Muslim consumers.

Conclusion

The results showed that the variables of halal awareness, health, and perceived value showed a significant and positive influence on purchase intention. This shows the increasing awareness of consumers about the halalness of products, health and perceived value, which increasingly encourages consumer interest to buy halal food products. As for halal marketing, it has a significant but negative effect, indicating that the marketing process is necessary but does not need to highlight elements of advertising and price ambassadors. Halal marketing also has a significant and positive effect on brand image. Meanwhile, the variables of food safety, halal certificates, brand image, and perceived quality do not have a direct influence on purchase intention. Food safety has an indirect effect on buying interest through health. Halal certificate has an indirect effect on purchase intention through the brand image variable. Meanwhile, brand image and perceived quality have an indirect effect through perceived value variables on purchase intention.

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