

Recognizing Purchasing Behavior in the Perspective of Halal: A Proposed Framework

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DOI: <https://doi.org/10.56293/IJASR.2022.5475>

IJASR 2022

VOLUME 5

ISSUE 6 NOVEMBER - DECEMBER

ISSN: 2581-7876

Abstract: This study aims to build a research framework examining the relationship between halal labels, product quality, and price perceptions on consumer purchasing decisions at the Solaria restaurant in PGC East Jakarta. The population in this study were all Solaria PGC consumers who had made purchases within the last three months. The sampling technique uses a non-probability sampling technique. For data analysis will use SEM-PLS version 3.2.

Keywords: halal label, product quality, price perception, purchase decision

Background of Study

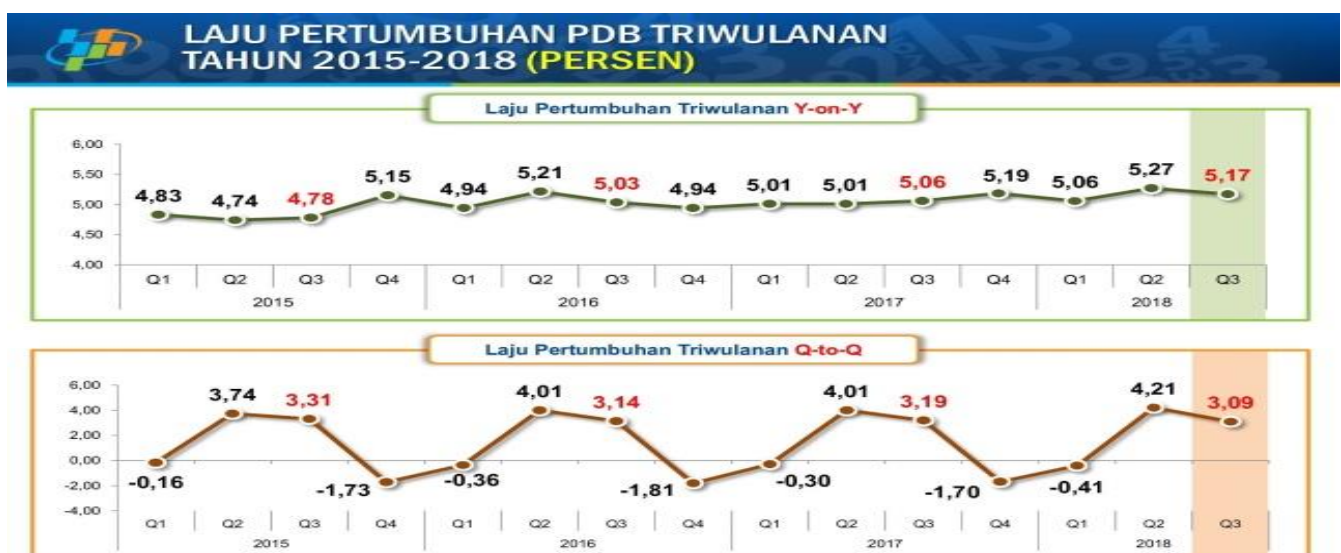
Economic growth in this era of globalization is difficult to predict. This is caused by changes in the world in the economic, social, and cultural fields. Of course, this will also affect the development of the structure of the global economy.

Minister of the Economy Coordinator, Darmin Nasution, said that macroeconomics has four pillars, such as, first: public consumption, second: investment, third: government spending, and fourth: international trade, exports, and imports. Theoretically, big countries can take advantage of their domestic consumption—likewise, Indonesia's economic growth.

The Central Statistics Agency (BPS) reported that Indonesia's economic growth reached 4.94% in 2016. This figure was higher than in 2015, which was corrected at 5.15%. Likewise, the realization of this growth was also higher than in 2017, which amounted to 5.19%. This realization is in line with predictions.

Sri Mulyani (2018), in her research, predicts that the Indonesian economy will grow by around 5.17% in 2017, or higher than the 2017 realization of 5.07%.

Figure 1.1 Indonesian economic growth



Source: Central Bureau of Statistics, 2018

The Indonesian economy in the first quarter of 2018 grew by 5.06%, slightly higher than the first quarter of 2017 of 5.01% but lower than the previous quarter, which grew by 5.19%. This growth was influenced by global economic factors, which continued to grow despite slowing down and rising commodity prices. From the domestic side, this performance was affected by increased investment, growing exports, and stable public consumption.

In terms of the business sector, the Manufacturing Industry, the sector with the most significant proportion of GDP, grew by 4.5%. This growth was relatively unchanged from the previous quarter but higher than the first quarter of 2017, which was 4.3%. The increasing performance of several key industries influenced this performance.

The industrial sector's contribution to the country's economy continues to increase. The Ministry of Industry (Kemenperin) continues to encourage industrial growth, especially the national food and beverage (primary) industry, because it is one of the strategic sectors contributing to the national economy. The food and beverage industry also has a vital role in developing the industrial sector. Its contribution to the Gross Domestic Product (GDP) of the non-oil and gas industry is the largest compared to other sub-sectors, reaching 33.6% in the third quarter of 2016. With a growth of 9.82%, this sector supported most of the growth of the non-oil and gas industry, with growth reaching 4, 71%, seen from the development of investment realization in the food industry sector up to the second quarter of 2016 of IDR 24 trillion for PMDN and FDI of USD 1.6 billion.

The growth in the food and beverage sector is partly due to the increase in people's income and the development of the middle-class population, which tends to people's consumption patterns to lead to the consumption of ready-to-eat processed food products.

A restaurant is a place for providing food. Restaurants are overgrowing due to lifestyle changes, where the current lifestyle requires individuals to do many activities outside the home. This causes people to need more time to cook their food at home. This drives restaurants' growth as dining needs providers outside the home. Restaurants do not only offer food but further develop towards finding a comfortable dining atmosphere, different tastes, or even a place for recreation. This is what distinguishes a restaurant from other businesses that provide food needs.

As a result of the development of the food and beverage industry, which continues to increase and investment in food and beverages also increases, there are many new and old restaurants and then open branches in various cities, which are intended to increase sales. The following are restaurants or places to eat that already have many units and are most often found in malls and rest areas in cities and outside cities.

Indonesia's population is increasing, and the needs and desires are also growing. On the other hand, humans compete to get what they need and want. They fulfill their desires only for momentary satisfaction because they are driven by a feeling of liking for goods, not mere needs. The need for food, drink, clothing, food, and shelter increases yearly. Therefore, producers compete to dominate the market by producing various food and beverages. Producers aware of people's needs have their way of attracting consumers. One is the label, a characteristic of certain products that are remembered in people's hearts. Today's society pays little attention to the halalness of a product.

The halalness of a product needs to be considered because religious teachings require that the products consumed are guaranteed to be halal and legally pure. With the inclusion of the halal label, Muslim consumers are protected. The inclusion of the halal brand is a means of information from producers to consumers regarding the products they will sell so that consumers know what ingredients are used, including the additional ingredients listed on the packaging. Correct labeling following applicable regulations will create honest and responsible trade to facilitate food safety control and protect consumers from wrong perceptions.

The Food and Drug Supervisory Agency (BPOM) is the authority to carry out halal labeling in Indonesia. This agency has a role in supervising the distribution of drugs and food so that quality and quality are guaranteed is still suitable for consumption. In contrast, halal certification is the Indonesian Ulama Council (MUI), which is technically handled by the Research Institute for Food, Drugs, and Cosmetics (LPPOM) used; all additional ingredients must be explained honestly to LPPOM MUI and become a requirement for the inclusion of a halal label on each product.

Halal labeling is a marketing strategy that has the potential or strength to sell a product with guaranteed quality so that Muslims no longer need to doubt its halal status (safe for consumption by Muslims). Halal labeling plays a role in increasing sales to attract consumers, especially Muslim consumers, where the purchase decision can measure the level of sales of products that have been determined as halal with products where there is no clarity between halal and haram. This has led to the rise of restaurant service companies in Indonesia to create halal-certified restaurants.

Consumer trust will grow well if consumers feel confident and trust the products made by the company. If consumers feel optimistic and confident, a positive perception of the company will arise, which will make the company's image good in the minds of consumers? A company with a good image in the eyes of consumers means that it has managed its consumer trust well. Corporate image is a valuable asset that needs to be addressed or paid attention to by the company. One way to form a good image is with halal labeling. A good image is a goal and, at the same time, a reputation and achievement to be achieved. Although the image is something abstract and cannot be measured systematically, its form can be felt from the good and bad research results that come from the public or the wider community. One of the indicators of image measurement that is carried out is to look at consumer impressions and trust in companies because people's perceptions of companies are based on what they know or think about the company in question. However, if public trust and perceptions are not suitable for a company's performance, it can be ascertained that its image will also decrease. One of the indicators of image measurement that is carried out is to look at consumer impressions and trust in companies because people's perceptions of companies are based on what they know or think about the company in question.

Nevertheless, if public trust and perceptions are not suitable for a company's performance, it can be ascertained that its image will also decrease. One of the indicators of image measurement that is carried out is to look at consumer impressions and trust in companies because people's perceptions of companies are based on what they know or think about the company in question. Nevertheless, if public trust and perceptions are not suitable for a company's performance, it can be ascertained that its image will also decrease.

As with Solaria Restaurants, which are often found in malls and rest areas in big cities, the general public's trust in Solaria Restaurants is declining. The decline in public trust in Solaria Restaurant harms the company's performance. Declining trust and negative public perceptions of Solaria Restaurant have caused the company's current image to become unfavorable in the eyes of consumers. As a result of the decrease in consumer confidence in the company, which caused the company's image of the Solaria Restaurant to become unfavorable, led to a decline in visitors in all Solaria Restaurant branches, Solaria Restaurant Operations Manager (2015).

The lack of an excellent corporate image caused by declining consumer confidence in Solaria Restaurant is also felt in Jakarta. This happens because consumers assume that if one branch has a problem, the other branches will also be the same if managed by the same management. Jakarta, one of the big cities in Indonesia where the people are very dynamic, is a city with relatively rapid restaurant business development. Moreover, it has a population that is quite a lot and increasing every year.

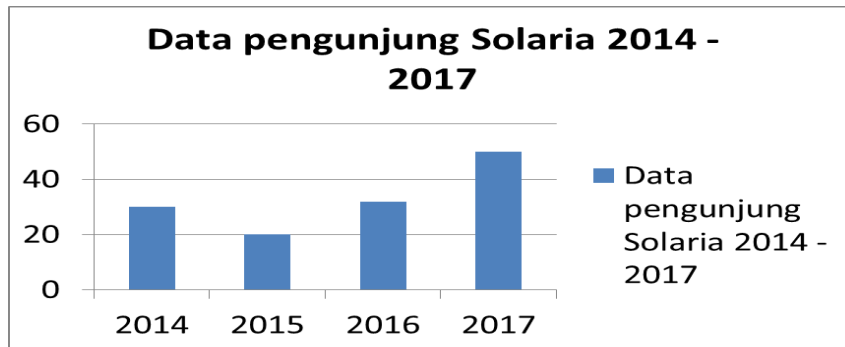
As a result of the large number of Muslims in the city of Jakarta, issues have arisen, such as Solaria Restaurant is not halal-certified, and other issues, such as the presence of pork DNA in its dishes, are triggering factors that have led to a decline in Muslim consumer confidence in products made by Solaria Restaurant. Furthermore, this issue is also causing damage to the image of Solaria Restaurant in the eyes of Muslim consumers. The poor image of the Solaria Restaurant and the decline in consumer confidence in the Solaria Restaurant are also due to the non-extension of halal certification by LPPOM MUI.

The existence of this issue affects the confidence of Muslim consumers and causes the image of the Solaria company to decline. Because Muslims consume food and drink that is halal and good

Another factor that the Solaria Restaurant must consider is product quality because the increasing number of restaurants spread across various cities is causing Muslim consumers to be more careful in choosing the food they will consume. In addition to halal labeling, consumers will compare one product to another and pay more attention to products that provide good benefits. This is because in looking for a product, consumers want to meet their needs and satisfy their desires. Therefore, companies must have good product quality, and halal label prices can influence purchasing decisions.

Based on Figure 1.2, it can be seen that the Solaria Restaurant is located in the PGC Jakarta mal every year; there is a decrease in visitors after the circulation of negative issues regarding the use of lard at one of the Solaria restaurant branches in Kalimantan. This issue causes the image of the Solaria company to decline in the eyes of consumers and a decrease in consumer confidence in the food it serves as a result of the quality and halalness of the food that is not guaranteed.

Figure 1.2 Solaria Visitor Data for 2014-2017



This study will examine the effect of the halal label, product quality, and price perceptions on purchasing decisions at Solaria Restaurant.

Literature Review and Hypothesis Development

Buying decision

Consumer purchasing decisions are buying the most preferred brand (Kotler & Armstrong, 2012) purchasing decisions are a consumer decision that is influenced by financial conditions, technology, politics, culture, products, location prices, promotions, product characteristics, people (employees), and the process to form an attitude on consumers to process all information and draw conclusions in the form of responses that appear what products will be purchased (Alma, 2013). Purchasing decisions are strongly influenced by purchasing motives which can be because buyers make purchases not only from emotional considerations, such as pride, suggestion, and so on, but buyers rationally like the price (Daryanto, 2011)

From the description above, it can be concluded that purchasing decisions are an integration process combining knowledge to evaluate two or more alternative behaviors and choose one (Peter & Olson, 2013). The result and process of this integration is a choice presented cognitively as a behavioral desire to make a purchase decision (Setiadi, 2013). A purchase decision includes choosing between two or more alternative actions (or behaviors).

Purchase decision concept

In purchasing decisions, generally five kinds of roles that a person can perform, these five roles include: (Tjiptono, 2008)

1. Initiator: the person who first becomes aware of a desire or need that has not been met and proposes an idea to purchase a particular item or service.
2. Influencer (Influencer): a person who gives views, advice, or opinions so that they can help purchase decisions.
3. The decision maker (Decider): the person who determines the purchase decision, whether to buy, what to buy, how to buy, or where to buy it.
4. Buyer (Buyer): people who make actual purchases.
5. Users (User): people who consume or use goods or services that have been purchased.

It can be concluded that a person has five roles in purchasing decisions, including: as an initiator, as an influence, as a decision maker, as a buyer, and as a user. This is where a marketer must be able to know the role of consumers in making a purchasing decision.

Halal label

Based on Government Regulation Number 69 of 1999 concerning Halal Labels and food advertisements, labels are any information regarding food in the form of pictures, writing, a combination of both, or other forms that are attached to food, inserted into, affixed to, or are part of food packaging. A halal label is a label that is printed on food packaging which indicates that a product has undergone a halal inspection process and has been declared halal

According to Government Regulation Number 69 Article 10, every person who produces or imports packaged food into Indonesian territory for trading and declares that the food is halal for Muslims, is responsible for the truth of the statement and must include halal information or writing on the label.

Halal certification is an MUI (Indonesian Ulema Council) fatwa. Halal certification is a requirement to obtain permission to place halal labels on product packaging from authorized government agencies.

According to the General Guidelines for the Halal Assurance System LPPOMMUI (Institute for the Supervision and Distribution of Drugs and Food – Indonesian Ulema Council), halal certification is a process to obtain halal certification through several stages to prove that materials, production processes, and SJH (Halal Assurance System) meet LPPOM standards. -MUI.

Halal To Reassure Consumers”. For consumers, especially Muslim consumers, the benefits of a halal certificate are clear; knowing that a product has been halal certified means safety and inner peace in consuming and using the product. Consumers get certainty and assurance that the product does not contain anything that is not halal and is also produced in a halal way. In addition, quality assurance and quality will go hand in hand to protect consumers' interests and create peace in production for producers.

Product Quality

The definition of product quality has a core in efforts to fulfill customer needs and desires, which aim to offset customer expectations. According to Kotler and Armstrong (2014), product quality is the ability of a product to perform its functions, including overall durability, reliability, accuracy, ease of operation, and product repair, as well as other product attributes. According to Kotler and Keller (2016), product quality is the ability of an item to provide relevant results or performance beyond what the customer wants. Meanwhile, according to Mowen (2012), product quality is an overall evaluation process for customers to improve a product's performance.

Product quality interests consumers in managing good relationships with product supply companies. The existence of a reciprocal relationship between companies and consumers will provide an opportunity to know and understand what the needs and expectations are in consumer perceptions. Thus, product provider companies can provide good performance to achieve consumer satisfaction by maximizing pleasant experiences and minimizing adverse consumer experiences in consuming products. If a product's performance is in accordance with consumer expectations, then the quality of the product received or perceived is following consumer expectations.

Price Perception

Kotler and Armstrong (2016) argue that price is the amount consumers must pay to obtain an item or service. Peter and Olson (2000) argue that price perception is related to how price information is fully understood by consumers and gives deep meaning to them. Price evaluation is strongly influenced by the consumer's perception so that, in the end, a product can be said to have a high or low price.

Hypothesis

- H1: The Halal label has a significant effect on purchasing decisions
- H2: Product quality has a significant effect on purchasing decisions
- H3: Price perception has a significant effect on purchasing decisions

Research Framework

Based on the above study, the following research framework was compiled:

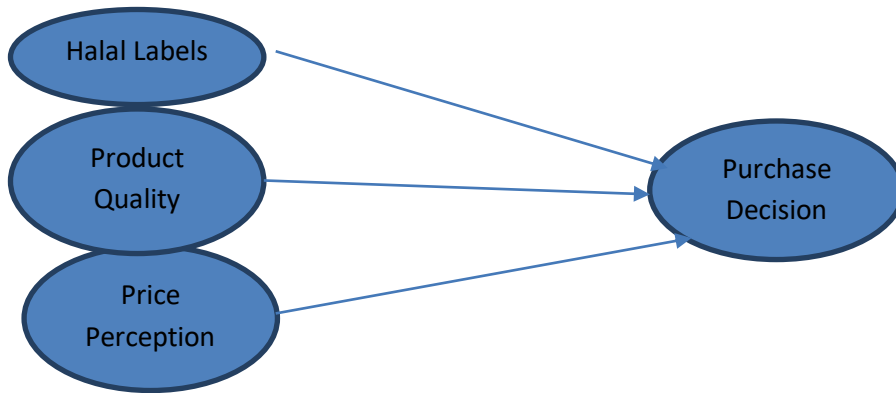


Figure 1.3. Research Framework

RESEARCH METHODS

This research will be conducted in January-March 2023. The author distributes questionnaires to consumers who come to Solaria. The research object used is Solaria PGC (East Jakarta)

The population not only depends on the number of objects or objects being studied, but the population includes all the characteristics or traits possessed by the subject (Hair et al., 2014). The population is a combination of all elements in the form of events, things, or people with similar characteristics. It is the center of a researcher's attention because it is seen as a research universe (Ferdinand, 2014). So that it can also be said that the population is the entire research subject. The population in this study is customers who make purchases at the Solaria PGC restaurant –in East Jakarta.

The sample is a subset of the population, consisting of several members (Ferdinand, 2014). The sample is part or a certain number of samples taken from a population and examined in detail. The respondent sample used in this study was determined through non-probability sampling. This sampling technique does not provide equal opportunities or opportunities for each element or member of the population to be selected as a sample. The sampling technique used was accidental sampling, namely those met by researchers at the research site or people who were known to have used the product so that they could be used as samples in the study.

Discussion

In the last few decades, the buying behavior of Indonesian people has begun to consider halal factors in their purchasing decisions, especially food products. The halal labeling factor is one factor consumers consider when purchasing food products.

This is due to the importance of being careful in choosing food products; the main thing that must be considered is halal labeling which, of course guarantees the quality and quality of these products.

Through the halal label listed on the product, it will increase consumer confidence to buy the product; the halal label on the product packaging will add to the value and price of the product so that products that have obtained halal certification can enter the Muslim market share and will become the choice of Muslim consumers. Muslim consumers' alternative selection of purchasing decisions.

In addition, the product quality factor is also one of the considerations of consumers in deciding to purchase food products. This is due to the consideration that the better the product quality, the greater the sense of confidence for consumers in purchasing decisions. Good product quality will be a reference for consumers, mainly if a quality

product is supported by halal labeling. This will be a reinforcing factor in influencing consumers to purchase food products.

Furthermore, the price factor is another factor that consumers consider when purchasing food products. Price perception is related to how price information is fully understood by consumers and gives deep meaning to them. Price evaluation is strongly influenced by the consumer's perception so that, in the end, a product can be said to have a high or low price.

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