

## **A STUDY OF CONSUMER BEHAVIOR FOR HALAL PRODUCT**

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### ***ABSTRACT***

*The aims of this study is to the preliminary studies determine the characteristics of the consumers of halal products and determine dimensions within factor that influence consumers to purchase products with Halal certified. Research done by finding respondents with purposive sampling techniques with samples by selecting a Muslim respondents who bought ready meals, visiting fast-food restaurants and buy food products of SMEs who live at the Region Jabodetabek with the number of 162 respondents. The analytical tool used is a factor analysis using six dimensions of variable. Including perceived value, brand credibility, consumer loyalty, brand loyalty, trust, purchase intention and religious orientations were extraction the the Varimax factor analysis and get 5 sets a new factor for respondents in the product category of instant food and fast food and 6 new factor for SMEs food product.*

**Keywords:** *Consumer behavior, Halal certificate, purchase intention*

### **INTRODUCTION**

Lifestyle of the Islamic society is now more clearly its trend among Indonesian society today. The results of the last population census conducted by BPS in 2013 stated that 87% of Indonesian people are Muslim and over time that number increases definitely. These conditions make the people of Indonesia are a potential market for products who has the requirements for the consumption of the Muslim community. The government of Indonesia wants using this situations to make Indonesia as the center of marketing halal products in the world must be supported with a complete knowledge of Indonesian consumer behavior, given that its market is expanding rapidly.

Muslim communities market share in Indonesia for the categories of food and beverages has significant potential in the amount of \$ 197 billion, \$ 5 billion for drugs and \$ 1.1 billion

personal care / cosmetics. This market requires a deep knowledge of how consumers make a decision to select the products that will be used in everyday life. This knowledge is important because in the process of decision making products the consumer goods group is in the category of quick decisions by consumers, these conditions require that the company designing marketing activities that could influence the decision consumers, to choose products.

Muslim consumers have specific criteria in consuming food and beverages. This condition needs special concern by the producers to participate in creating products that fit the needs of the Muslim community. The existence of a halal certificate is still the only attribute that can be used by manufacturers in the conduct of information to consumers that the product is the product is not classified as a product that is forbidden according to Islam. There are currently based on data LPOM MUI, from 2010-2015

Number of halal certificates that have been issued 35.962 and it contains of the number of 309.111 products (<http://www.halalmui.org/>, 2016). The amount of Halal certificate number in 2009 was 470 and 1.550 certified halal-certified products, from the data shown a significant increase. Increasing the number of products and halal certificates must be followed by consumer knowledge on halal products, departing from these conditions, this study will also map the Indonesian Muslim consumers in the process of consumption of halal products.

The first purpose of this research is mapping the characteristics of the consumers of halal products and the second is to determine factors that influencing consumer decision to buy Halal product.

## **THEORETICAL FRAMEWORK**

### **1. The consumer Behavior**

Social influence in consumer behavior consists of a reference group, family, and the role and status in society. Reference Group serves as a point of comparison or reference directly or indirectly in the formation of attitudes or consumer behavior. Family members of the family have a strong influence on the behavior of buyers. Marketers interested in the role and influence of husbands, wives, and children in the purchase of goods and services vary. Roles and Status, each role brings status which describes a general appreciation of the role of the community. (Aziz & Vui, 2012).

### **2. Religious Orientation**

Religious Orientation owned by consumers are expected to have an impact on the decision-making process by customers. The decision making process is currently more influenced by social norms and influence on brand choice. At a certain time customers will build brand loyalty that is being experienced does not contradict belief religion. Brand- brand considered related by religious rules will not get the positive attention of customers. These conditions make the religious orientation can be a mediator variable in the relationship between trustworthiness, perceived quality, brand and consumer loyalty, (Ambali & Bakar, 2014).

### **3. Perceived Quality**

Perceived Quality is the customers' perception of quality and superior product relative to competitors. Often Perceived Quality is hard to determine given the result of perception and judgment of the customer, a basis of differentiation and positioning of products, generating a premium price, as well as appeal to retailers and distributors. If the brand has a good perception it will be the basis for the existence and expansion of the brand. Dimensional performance of the product and service, which covers Product (performance, features, conformance with specification, reliability, durability, serviceability. Service (tangibles, responsiveness, competence, reliability, assurance, empathy) (Sumarwan, Fachrodji, Nursal, & Nugroho, 2011)

### **4. Brand**

Brand as a name, term, sign, symbol, or design, or a combination of all of them, intended to identify the goods or services of a seller to a group of sellers and to differentiate them from competitors' goods or services. (Ahmad, Borham, & Hasim, 2011) . Brand plays an important role that requires a unique product identity services company, which is different from competitors. Consumers face a lot of products and services in the market, and they do not have specific information about products and services. This creates uncertainty in the minds customers, (Sheeraz, Iqbal, & Ahmed, 2012).

### **5. Brand Credibility**

When the information is available in the market do not occur imperfections or asymmetric information consumers will seek to obtain their information about a brand. In this type, the brand can serve as a symbol or a signal, and the signal must be credible or trustworthy. Brand Credibility as a trust that contains product information contained in a brand, which require "consistency in delivering what it promises". The concept of credibility has two main dimensions, namely trustworthiness and expertise Trustworthiness is that a brand is willing to deliver what is promised, while the expertise to explain that the brand is able or unable to deliver what was promised (Erdem, Swait, & Valenzuela, 2006) .

**RESEARCH METHODS**

This study employed the survey research methodology from 162 respondents around Jakarta, Bogor, Depok, Tangerang and Bekasi (JABODETABEK) base on nonprobability sampling. Research surveys were used to quantitatively the level of agreement of statement of reason why the choose Halal Product. The questions were prepare using five point Likert scale questionnaires. The five anchors that were used in the questionnaires were (1) Strongly disagree (2) disagree (3) Neutral (4) agree (5) strongly agree. The populations of this research are unknown but the respondents of this research are people who were buying instant food, visiting the fast food restaurant and purchase the food product from SME. The Factor Analysis is use to determine the an interrelationship new group of factor the influencing the consumer decision choosing the Halal product, so that it can be made one or several sets of variables are less than the amount of the initial variables.

**RESULTS AND DISCUSSION**

Analysis on the respondent demographic profiles as in Table 1 below reveal that majority of respondents were male, 84 (54%), while for the age category, the number of respondent with age above 21 years and between 21-25 years of 54%, was the highest . Most of the respondents were single 117 (72%) respondent. In term of level of education 68 (42%) respondents has high school diploma and 75 (46%) respondent already graduated from university. Most of the respondent are worker 89 (55%) and 50 (33%) were students. 60 Respondent (37%) have spent not more IDR 4.500.000/ month for domestic needs, 55 respondent ( 34%) spent between IDR 4.500.000-5.000.000/ month and 33 (20%) respondents spent IDR 5.000.000-10.000.000.

**Table 1. Demographics Variables**

Demographics Variables	Gender				Frequency	%
	Male	%	Female	%		
<b>Marital status</b>						
<b>Married</b>	15	18%	29	37%	44	27%
<b>Single</b>	68	81%	49	63%	117	72%
<b>Other</b>	1	1%	0	0%	1	1%
<b>Frequency</b>	<b>84</b>	<b>100%</b>	<b>78</b>	<b>100%</b>	<b>162</b>	<b>100%</b>
<b>Occupation</b>						
<b>Unemployed</b>	6	7%	8	10%	14	9%
<b>Student</b>	32	38%	18	23%	50	31%
<b>House Wife</b>	0	0%	9	12%	9	6%
<b>Worker</b>	46	55%	43	55%	89	55%
<b>Frequency</b>	<b>84</b>	<b>100%</b>	<b>78</b>	<b>45%</b>	<b>162</b>	<b>100%</b>
<b>Highest Level of Education</b>						
<b>Junior High School</b>	2	2%	4	5%	5	3%
<b>High School</b>	49	58%	19	24%	68	42%

<b>Diploma</b>	4	5%	5	6%	9	6%
<b>Degree</b>	27	32%	48	62%	75	46%
<b>Master</b>	2	2%	2	3%	4	2%
<b>Frequency</b>	<b>84</b>	<b>100%</b>	<b>78</b>	<b>100%</b>	<b>162</b>	<b>100%</b>

**Monthly spending**

<b>IDR 20.000.001-IDR 25.000.000</b>	3	4%	1	1%	4	2%
<b>IDR 15.000.001-IDR 20.000.000</b>	0	0%	2	3%	2	1%
<b>IDR 20.000.001-IDR 25.000.000</b>	4	5%	4	5%	8	5%
<b>IDR 15.000.001-IDR 20.000.000</b>	18	21%	15	19%	33	20%
<b>IDR 4.500.001-IDR 5.000.000</b>	27	32%	28	36%	55	34%
<b>Bellow IDR 4.500.000</b>	32	38%	28	36%	60	37%
<b>Frequency</b>	<b>84</b>	<b>100%</b>	<b>78</b>	<b>100%</b>	<b>162</b>	<b>100%</b>

**(1) Halal Purchase Intention dimensions  
For Food Product**

Consumer decision process for halal product intentions can be vary depending on the product that they consume. Three group were conduct on this research from the answer of respondent for instant food product, fast food restaurant and food product from SME. Twenty three indicators were using in this research from perceive value, brand credibility, consumer loyalty, brand loyalty, purchase intentions and religious variables.

Table 2 depicts the finding for factor analysis on the twenty three indicator. Using SPSS, a principle components extraction was done to find a pattern to preliminary Halal Purchase Intentions dimensions. The KMO and Bartlett test was 0.844 greater from the required of 0.5 for a satisfactory for factor analysis to be proceed further and suggested 5 new dimensions.

**Table 1 KMO and Bartlett's Test for Instant Food Product**

<b>KMO and Bartlett's Test</b>	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.844
Bartlett's Test of Sphericity	Approx. Chi-Square
	df
	Sig.
	1775.793
	253
	.000

**Table 2 Varimax Rotated Matrix for Instant Food Product**

	INSTANT FOOD PRODUCT				
	1	2	3	4	5
PV1.F	.520				
PV2.F	.730				
PV3.F	.701				

PV4.F			.542
BC1.F			.653
BC2.F	.778		
BC3.F	.723		
BC4.F	.591		
CL1.F		.683	
CL2.F		.465	
BL1.F		.556	
BL2.F		.642	
BL3.F		.665	
BL4.F		.478	
BL5.F		.631	
TR1.F			.657
TR2.F			.779
TR3.F			.732
TR4.F			
PI1.F	.485		
PI2.F		.707	
PI3.F		.468	
RO.F			.779

**Table 4 Interpretations Matrix for Instant Food Product**

No	Faktor	Nilai	Indikator	Interpretasi
PV1.F		.520	Very good quality of food	Quality assurance
PV2.F		.730	Very good service	
PV3.F		.701	Food quality assurance	
BC2.F	1	.778	Brand choice of food products has the ability to provide the promised services	Brand preference
BC3.F		.723	Brand of food products have been providing services as promised	
BC4.F		.591	The brand of this food product can be trusted	
PI1.F		.485	Willing to buy / consume this food in the future	
CL1.F		.683	This is the best choice for me	Brand preference
CL2.F		.465	Has plans to continue to visit / buy these food products	
BL1.F		.556	Switching to other brand because of the price factor	
BL2.F	2	.642	Habitually choosing this brand	
BL3.F		.665	Choosing the products because satisfied	
BL4.F		.478	Liking all the variant of this brand	
BL5.F		.631	Have recommend this product to someone	
PI2.F		.707	I always choose this brand if I want the kind of the this food products	
PI3.F		.468	Willing to buy this food products in no longer time	

TR1.F		.657	Have full trust to the producer of this brand	Trust
TR2.F		.779	This company is honest to do they business	
TR3.F	3	.732	Fully Trusted company who has this brand	
TR4.F		.596	Trust this company with all the resources	
PV4.F		.542	This company is sincere doing their business	Product Image
BC1.F	4	.653	This brand remain me of someone who professionally in the culinary business	
RO.F	5	.779	Refusing food products were not treated in my religious beliefs	Religiosity

**(2) Halal Purchase Intention dimensions For Fast Food Restaurant**

Table 5 depicts the finding for factor analysis on for the fast food restaurant. Using SPSS, a principle components extraction was done to find a pattern to preliminary Halal Purchase Intentions dimensions. The KMO and Bartlett test was 0.845 greater from the required of 0.5 for a

satisfactory for factor analysis to be proceed further and suggested 5 new dimensions. The amount of the new dimensions are the same in instant food but it has deferent indicator for each new dimensions.

**Table 5 KMO and Bartlett's Test for Fast Food Restaurant**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.845
Bartlett's Test of Sppatjan hasil hericity	Approx. Chi-Square	1768.414
	Df	253
	Sig.	.000

**Table 6 Varimax Rotated Matrix for Fast Food Restaurant**

	Fast Food				
	1	2	3	4	5
PV1.R	.739				
PV2.R	.714				
PV3.R	.705				
PV4.R		.545			
BC1.R					.782
BC2.R	.712				
BC3.R	.625				
BC4.R	.544				
CL1.R			.664		
CL2.R				.663	

BL1.R		.553	
BL2.R		.655	
TR1.R	.657		
BL5.R		.578	
BL4.R	.481		
BL3.R		.652	
TR2.R	.764		
TR3.R	.738		
TR4.R	.697		
PI1.R			.501
PI2.R		.712	
PI3.R			
RO.R			-.716

**Table 7 Interpretations Matrix for Fast Food Restaurant**

No	FAKTOR	Nilai	Indikator	Interpretasi
PV1.R		.739	Very good quality of food	
PV2.R		.714	Very good service	
PV3.R		.705	Food quality assurance	
BC2.R	1	.712	Brand choice of food products has the ability to provide the promised services	Quality assurance
BC3.R		.625	Brand of food products have been providing services as promised	
BC4.R		.544	The brand of this food product can be trusted	
PV4.R		.545	This company is sincere doing their business	
TR1.R		.657	Have full trust to the producer of this brand	
BL5.R	2	.481	Have recommend this product to someone	Trusted company
TR2.R		.764	This company is honest to do they business	
TR3.R		.738	Fully Trusted company who has this restaurant	
TR4.R		.697	Trust this company with all the resources	
CL1.R		.664	This is the best choice for me	
BL1.R		.553	Switching to other brand because of the price factor	
BL2.R	3	.655	Habitually choosing this brand	Product loyalty
BL4.R		.578	Liking all the variant of this restaurant	
BL3.R		.652	Trusted producer	
PI2.R		.712	I always choose this restaurant if I want the kind of this food	

PI3.R		.406	Willing to buy this food products in no longer time	
CL2.R		.663	Has plans to continue to visit / buy these food products	
PI1.R	4	.501	Willing to buy / consume this food in the future	Conformity
RO.R		-.716	Refusing food products were not treated in my religious beliefs	
BC1.R	5	.782	This brand remain me of someone who professionally in the culinary business	Brand association

**(3) Halal Purchase Intention dimensions For SME. Product**

Table 8 depicts the finding for factor analysis on for the fast food restaurant. Using SPSS, a principle components extraction was done to find a pattern to preliminary Halal Purchase Intentions

dimensions. The KMO and Bartlett test was 0.811 greater from the required of 0.5 for a satisfactory for factor analysis to be proceed further and suggested 6 new dimensions.

**Table 8 KMO and Bartlett's Test SME. Product**

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.811
Bartlett's Test of Sphericity	Approx. Chi-Square	1680.090
	df	231
	Sig.	.000



**Table 9 KMO and Bartlett's Test for SMe Product**

SMe Products						
	1	2	3	4	5	6
PV1.U				.801		
PV2.U				.827		
PV3.U				.744		
PV4.U	.377					
BC4.U			.578			
BC2.U			.709			
BC3.U			.643			
CL1.U		.596				
CL2.U		.540				
BL1.U					.699	
BL2.U					.704	
BL3.U					.530	
BL4.U			.516			
BL5.U					.479	
TR1.U						
TR2.U	.762					
TR3.U	.798					
TR4.U	.715					
PI1.U		.423				
PI2.U		.728				
PI3.U		.657				
RO.U						.787

**Table 10 Interpretations Matrix for for SMe Product**

No	Faktor	Nilai	Indikator	Interpretasi
PV4.U		.377	This company is sincere doing their business	
TR1.U		.522	Have full trust to the producer of this brand	
TR2.U	1	.762	This company is honest to do they business	Trusted Company
TR3.U		.798	Fully Trusted company who has this brand	
TR4.U		.715	Trust this company with all the resources	
CL1.U	2	.596	This is the best choice for me	Repeat customer

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CL2.U		.540	Has plans to continue to visit / buy these food products	
PI1.U		.423	Willing to buy / consume this food in the future	
PI2.U		.728	I always choose this brand if I want the kind of the this food products	
PI3.U		.657	Willing to buy this food products in no longer time	
BC4.U		.578	The brand of this food product can be trusted	
BC2.U		.709	Brand choice of food products has the ability to provide the promised services	Trusted brand
BC3.U	3	.643	Brand of food products have been providing services as promised	
BL4.U		.516	Liking all the variant of this brand	
PV1.U		.801	Very good quality of food	
PV2.U	4	.827	Very good service	Product Assurance
PV3.U		.744	Food quality assurance	
BL1.U		.699	Switching to other brand because of the price factor	
BL2.U		.704	Habitually choosing this brand	
BL3.U	5	.530	Choosing the products because satisfied	Loyalty
BL5.U		.479	Have recommend this product to someone	
RO.U	6	.787	Refusing food products were not treated in my religious beliefs	Conformity

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**Table 9 KMO and Bartlett's Test for SMe Product**

	SMe Products					
	1	2	3	4	5	6
PV1.U				.801		
PV2.U				.827		
PV3.U				.744		
PV4.U	.377					
BC4.U			.578			
BC2.U			.709			
BC3.U			.643			
CL1.U		.596				
CL2.U		.540				
BL1.U					.699	
BL2.U					.704	
BL3.U					.530	
BL4.U			.516			
BL5.U					.479	
TR1.U						
TR2.U	.762					
TR3.U	.798					
TR4.U	.715					
PI1.U		.423				
PI2.U		.728				
PI3.U		.657				
RO.U						.787

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