

INFLUENCE OF LABELING HALAL AND PRODUCTS CONSUMPTION SAFETY LABELS TO BUYING DECISIONS OF THE MUSLIM COMMUNITY

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ABSTRACT

This research was done to test the influence of labeling halal and product consumption safety labels to decisions making of the Muslim community in Ponorogo. The purpose of this research is to know how much influence of labeling lawful halal and product consumption safety labels to decisions making of the Muslim community in Ponorogo.

The research method used in this research is multiple regressions. The size of the sample of this research is 213 costumers hypermart. While the data used is the primary and secondary data. Testing the hypothesis test is using the SPSS application 20 for windows.

The results showed that the variable of halal products label affecting Muslim community in taking their purchasing decisions, likewise the variable of product consumption safety label has positive influence on the purchase decision making of Ponorogo Muslim community.

Keywords: halal label, safety products consumption, purchase decision.

INTRODUCTION:

A wide variety of food products are marketed in Indonesia, whereas the circulated products were adapted to existing market share in the regions that are spread across Indonesia, because Indonesia is a country with a variety of cultures and religions. There are some food products that can only be marketed in a specific regions in Indonesia, one of factors to the existing of region parts in marketing products is their religious difference in which it was classified into Muslim and non-Muslim Indonesians. The circulation of products in a specific region of non-Muslim in Indonesia is not restricted on the types of distributable products. Unlike the region inhabited by Muslim population, only products with halal certainty are circulated, since Muslims consume only halal food products in the first place, (Eri Agustian H., 2013).

According to (Rangkuti, 2009), nowadays food consumers have a critical attitude in the selection of the products consumed. This is due to the problems frequently encountered that concern with the quality and safety of food products. To fulfill the demands of critical consumers, manufacturers provide labels they have earned from the institutions with authority on the packaging of products they marketed. One of the labels embedded in product packaging is halal. Halal label greatly affect the good or service marketed, thus it can be accepted by Muslim community, and attract them to make decisions in the purchase of products (Eri Agustian H., 2013). In addition, another label should be a concern for companies or organizations in marketing their products in Indonesia the one provided by department of health which shows that the product is at a level safe for consumption for consumers. Both labels are very important to pin up in the product to attract consumers making purchases on the product, (Fatmasari, 2014).

Muslim needs to be extremely careful in checking the halal label and the permission label by the department of health on both goods and services. Sometimes the labels are only pinned up to a product with a very small size so it cannot be seen at a glance, and it has been found a lot of products with no halal label and permission label by the department of health that circulate freely around us, so that the Muslim as consumers should have their own initiative to care on the suitability and health of goods or services they want to consume.

Consuming halal and healthy products is recommended by Islam and it is a reference of life for Muslim to carry out the religious orders in their daily life, particularly for things they will consume (Mohani Abdul, 2009). For consuming goods or services that are not allowed and unhealthy considered as a rejection toward the religious orders, in which such denial will have an impact on the actions that could be classified sinful. The act of sin is something that must be avoided by Muslims, so that the Muslim are only made compulsory to keep their consumption only confined to authorized and healthy goods or services.

Although consumers have been critical, but there are still large consumers who are less sensitive to the importance of halal labels and safe products label (security label on consumer products) which is proved by the license health department (Rangkuti, 2009). Such thing become the cause of many business agents are under no obligation to process halal labeling on their products or to deal with consumption safety permission to the health department on products they market. It is a loss for Muslims when they consume the product without knowing the suitability and health of products consumed, because consuming illicit products had made him sinful, while consuming a product with no clear health information will impact negatively the health of the body.

RELATIONSHIP BETWEEN VARIABLE AND HYPOTHESIS DEVELOPMENT:

Relationship Between Products Suitability towards Buying Decision:

According to (Fatmasari Sukesti, 2014) knowledge of halal products for consumers greatly affects their behavior in the decision to consume the product. Consumers who do not have the knowledge or do not care about halal and haram of a product they consume will encourage him to have behavior consuming any kind of product without seeing whether or not it is approved by religion. Unlike the consumers who know the suitability of products and believe that he is not allowed to consume products that are haram (not authorized by religion). Thus, it will create consumer behavior that only consume or use products approved by their religion and do not want to consume products with no halal label.

Consumers who tend to avoid forbidden products will only make a purchase on products considered halal, so that consumer knowledge on products suitability will affect consumer decisions in the purchase of these products. It is supported by the results of research that has been done by (Khairi Mohamed Omar, 2012). His research found that Halal products influence Muslim consumer's decision to decide product purchasing. Similar results also were found (Fatmasari Sukesti, 2014). Research results showed that halal and religious label significantly influence the purchase decisions of consumers.

Relationship between the Ministry of Health Permit to Purchase Decision:

The products being marketed must have a permit issued by the health department that indicates a product that is feasible and safe to use or consume by consumers. The function of the permit issued by the health department is to explain that: 1). the container used in the product does not release substances that can harm health, 2). the product has met the quality standards set by the minister of health, 3). Employees who manufacture these products do not suffer from contagious diseases, 4). For food products, food additives do not exceed the upper limit allowed. (www.depkes.go.id)

Products having department of health permission will help consumers to be confident and feel comfortable about the suitability and safety of the product when it will be used or consumed so they are attracted to purchases the product. This is supported by a study done by (Ade Vera Rosidta zani, 2013). The research results show that the safe label on food products significantly influence consumer purchasing decisions in Malang.

Idea framework:

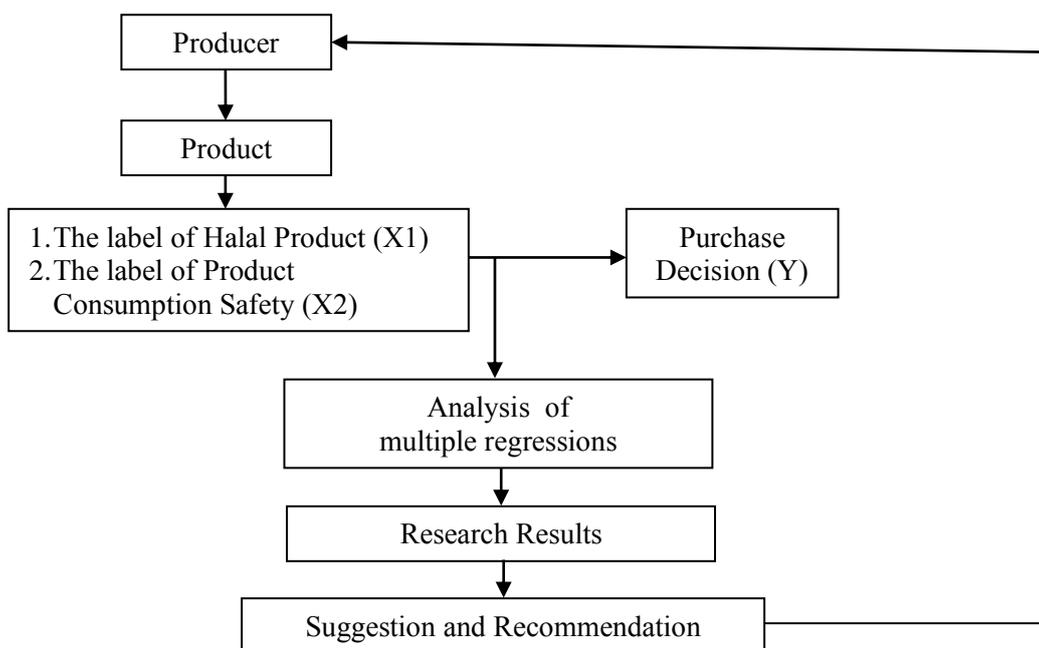


Illustration. 1. Research Framework

RESEARCH METHODS:

In this study, the author use explanatory research. It is a study conducted to explain the causal relationship between the variables (Nur Indiantoro, 2002). In this case, the method is to explain the influence of halal products and label of security products consumption on Muslims’ purchase decisions. The location of the research is supermarket “Hypermart” located in PCC Mall on road. Ir. H. Djuanda No. 19-20 Tonatan village, Ponorogo district, Ponorogo regency.

The population in this study is the Muslims shopping at Hypermart supermarket located at PCC Mall in one day. It is known that in a day shopping at Hypermart, there are around 550 people per day on a normal day. For sampling, this study uses an incidental sampling, it is a sampling technique based on coincident condition, so anyone whom by chance meet with the researchers will be used as a sample with the consideration that the person is suitably-used as a source of research data. To determine the amount of research sample, the researchers use Issac and Michael formula by the pattern. It enables to count that the number of samples from a study population of 550 respondents is 213 persons as the number of study sample with an error rate of 5%.

RESULTS AND DISCUSSION:

Characteristics of respondents:

From the 213 questionnaires that have been distributed, only 120 questionnaires received answers from respondents. So that the respondent data used in this study change into 120 respondents. The respondents are Muslims aged 20-60 years. The result on research respondents’ recapitulation showed that respondents aged 20-35 years old are the most to purchase products in Hypermart Super market with a 65% compared to other age.

Respondents working as private sector workers are the most respondents' line of work who shopped at a 45%. As many as 60% of respondents were female. Respondents in this study are entirely Muslim. The major level of education is High School by 62%. The highest monthly income of respondents in this study have is about Rp.800.000 - Rp. 1,200,000 by 47%.

The Behavior and Characteristics of Respondents, and Consumer Information Source

The behavior and characteristics of respondents researchers get from some questions given to them, it is can be known that in terms of purchasing products the most affecting things for them in making purchasing decisions is price and brand products, while for factors they paid close attention the most on product packaging are three things; halal labels, products consumer safety labels as well as time limit information on product usage (product expiration limit). For them, halal label is very important to put on the packaging of the product, because they considered that the presence of halal label on the product packaging can provide assurance to consumers that the products are guaranteed halal for consumption by the Muslims. They also considered the importance of products consumer safety labels (license label by department of health) and time limit information on product usage (the expiration date of the product) because both information can provide safety guarantees to consume or use these products and guarantees that in future these products will bring no harm for those who consume them.

The Results of Validity and Reliability Test

The results of the questionnaire distributed show a valid or believable value. (Sanusi, 2011) says that when r (count) > r (table), then the question number is valid or the questionnaire can be used as a tool to measure what you want measure.

The results of the questionnaire also evaluated reliable because it still has a reliable value more than the value of *Cronbach's alpha* which was 0.6. (Ghozali, 2005) suggests that the reliability level of construct or research variables can be seen from the results of *Cronbach's Alpha* (α). A variable is reliable if the *Cronbach's Alpha* value > 0.600. The closer alpha value to 1, the more reliable its value of reliability.

Multiple regression analysis tests:

In accordance with the objectives of the study who wish to see the effect of halal label and the product consumption safety label (product safety permit label issued by the health department) to the purchasing decision by the Muslim community, a quantitative method used is multiple linear regression equation. Multiple linear regression equation of this study is as follows;

$$Y = a + b1.X1 + b2.X2$$

where;

- Y = purchasing decision
- X1 = halal label
- X2 = products consumer safety labels
- b1, b2 = regression coefficient
- a = constanta

As regard to the result of data management done can be seen in following table:

Tabel 1.1: regression coefficient table

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,306	1,064		4,046	,000
	LabelHALAL	,436	,145	,339	3,010	,003
	LabelAMAN	,416	,130	,361	3,212	,002

a. Dependent Variable: purchasing decision

Based on the table, it can be arranged a multiple linear regression equation as follows:

$$Y = 4.306 + 0.436X1 + 0.416X2 + e$$

The regression equation explains that Constanta value shows a number of 4.306 which means that if halal label and products consumer safety labels' number is nol (0), therefore making decision on product purchasing will constantly increase to 4.306%.

From the conclusion of several studies conducted shows that the halal label and products consumer safety labels (license label by department of health) influence purchasing decisions of Ponorogo Muslims. And these

conditions are considered fitting to research conducted by the researchers. The products with no halal label and permission label by department of health would negatively affect Muslims purchasing decision and vice versa. The regression coefficient (b) halal label variable is equal to 0.436, meaning that if the halal label increased 1%, it will have a positive impact on increasing the purchasing decision of 43.6%. Meanwhile the value of regression coefficient for products consumer safety labels (license label by department of health) is approximately 0.416, this shows that the increase in label by 1% would impact the increase in the purchasing decision of Muslim society of 41.6%. Seeing this situation it is clear that there is a relationship or the entanglement between halal label variables and products consumer safety labels (license label by department of health) variable towards purchasing decision of the Muslims. The clearer the halal information and safety product consumption information on the product packaging, the higher the purchase decision is made by the Muslims.

This is understandable because the level of Muslims religiousness who keep the suitability of goods or services to consume is high. Paying close attention to halal and consumption safety of the goods or service may prevent Muslims from consuming whatever with no guarantee of halal and security information consumption. This is done by the Muslims as a step to avoid the "sin" by consuming or using goods or services that are not authorized and have a negative impact in the long term, to the detriment of health for those who consume.

Muslim societies have a religious instinct which encourages them to carefully and thoroughly step when they are going to purchase products. The level of religious Muslim society will create an understanding or behavior that halal products shall be informed on the product, so when making a purchase of the product, they will have no more fears on the elements prohibited by the teaching of the Islam. In Indonesia, guarantees of halal products or services proved by the inclusion of halal label on the product. Islam teaches its followers to consume the goods or services that are safe for consumption, and have no negative impact in the future. This encourages the Muslims to carefully observe the safety information on the consumption of products or services that will be bought. Security guarantees that a product is safe for consumption or use can be proved by the department of health license label on the product or service. The permission label health department on products or services is a proof that the product is safe and does not cause negative impacts that may be detrimental to those who use or consume them.

The recapitulation result of the questionnaires distribution showed that Muslims as the respondents of this study always viewed the halal label on the product before making the decision to purchase the product. They also have an understanding of which institution has the right to issue and grant permission to pin up halal label on the product spread on the market. Muslims believe when the products labeled halal, then the product has been guaranteed as halal products, thus consuming the product will not cause any forbidden elements, thus the action is not categorized as disobeying the Islamic orders when Muslims use or consume the products, thus they are prevented from any action which can cause them to commit sins.

Recapitulation result of this study also shows the behavior of the Muslims who always pay attention to the products consumer safety labels (license label by department of health) when they are going to purchase the product. Muslims also have a good understanding on which institution has the right to issue, to give and to pin up license label of health department on the product marketed. Muslims put high trust on safe products guarantee for consumption or use when the products having the license label of health department. Muslims believe that the product which has permission from department of health, then the product will not cause a negative effect which can harm those who consume them. The product will be not health threatening in the future.

CONCLUSION:

1. The result of regression analysis test shows that the halal label variable and products consumer safety labels (license label by department of health) variable positively and significantly impact on Muslims' purchasing decision who purchase products in Hypermart supermarket in PCC Mall of Ponorogo
2. The results of questionnaire recapitulation distributed to the respondents show that respondents pay attention the information on products' packaging, such as consumer safety information (license label by health department), limit date of product use (the expiration date) as well as the presence of halal label on the product packaging.

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