

## ANALYSIS OF THE INFLUENCE OF HALAL LABELING ON CUSTOMER PURCHASING DECISIONS AT RESTAURANTS IN SOUTH TANGERANG CITY

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**Abstract** - Indonesia is the country with the largest Muslim population in the world. In Islamic teachings, it is important for people to comply with the rules of halal food as stated in the Qur'an. However, the phenomenon of globalization has brought many foreign products and cultures to Indonesia, which causes Indonesian people to face a dilemma in choosing halal and safe food in accordance with Islamic teachings. To assist Muslims and non-Muslims in choosing halal food or products, restaurants and manufacturers need to apply halal labeling to the food products sold. Halal labeling has an influence on consumer confidence. consumer confidence affects purchasing decisions where purchasing decisions will increase along with increased trust. However, the halal food industry in Indonesia does not dominate the market. This study aims to determine the effect of halal labeling on consumer purchasing decisions in South Tangerang city restaurants. This study uses a quantitative correlation method with a data collection instrument, namely a questionnaire distributed to people who live on South Tangerang city. The results of this study indicate that the halal label has a positive influence on purchasing decisions, besides that the halal label has a significant influence on consumer purchasing decisions. Based on the results, restaurants in South Tangerang City and throughout Indonesia are expected to apply for halal certification held by government organization to help Muslim and non-Muslim communities choose halal food.

**Keywords:** Halal label, Purchase decision, Restaurant, South Tangerang City.

### INTRODUCTION

Indonesia is a country with a majority Muslim population. Based on a table from RISSC, the Muslim population in Indonesia reaches 240.62 million people or equivalent to 86.7% of the Indonesian population.

Table 1 Countries Based On Muslims Population

Rank	Country	Population
1	Indonesia	240.622.084
2	Pakistan	232.068.660
3	India	208.579.639
4	Bangladesh	157.388.430
5	Nigeria	108.545.247

Source: Databoks, 2023

In the teachings of Islam, it is important for people to comply with the rules of halal food as stated in the Qur'an. Surah Al-Baqarah Verse 168 and Surah Al-Maidah Verse 88. The phenomenon of globalization has brought many foreign products and cultures to Indonesia, which causes Indonesian people to face a dilemma in choosing halal and safe food in accordance with Islamic teachings. To assist Muslims and non-Muslims in Indonesia in choosing halal food or products, restaurants and food producers in Indonesia need to apply halal labeling to the products sold. Paramita et al., (2022) Halal labeling is the placement of halal marks on product packaging to indicate the halalness of a product. The application of halal labels can make it easier for Muslim communities to ensure the halalness of products in accordance with Islamic teachings. For Muslims, products that are certified and labeled as halal provide peace of mind, as the halal label is a key indicator distinguishing halal products from non-halal ones. Additionally, the halal label signifies compliance with Islamic criteria permitted by Sharia law.

For non-Muslims, halal-certified products with halal labels confirm the safety, cleanliness, and quality of the food (Aziz and Chok; Haque et al. in Bashir, 2019). Fitriani (2023) asserts that consuming products labeled as halal is an obligation for every Muslim. Moreover, the halal label on food indicates that the product meets and conforms to Islamic spiritual values, which enhances the satisfaction of Muslim consumers in selecting or prioritizing halal-labeled products over those without such labels (Lubis et al., 2016; Muflih & Juliana, 2021 in Firdaus et al., 2022). Kurniawan et al. (2021) found that there is a relationship between halal labels and consumer trust in using certain products.

The study by Tirtayasa et al. (2021) found that consumer trust influences the purchasing decisions of a brand, with purchasing decisions increasing alongside rising trust. Sukresti in Putri et al. (2022) states that halal labels have a significant impact on purchasing decisions. Although Indonesia is the country with the largest Muslim population in the world, research by Arsil et al. (2018) in Muflih & Juliana (2020) indicates that the halal food industry in Indonesia has not yet dominated the general food market. Based on the introduction, the objectives of this study is: To determine the influence of halal label towards customer purchase decision at restaurant in South Tangerang City.

## LITERATURE REVIEW

Restaurant according to Marsum (as cited in Tawalujan et al., 2022), a restaurant is characterized as a commercial establishment designed to cater to guests. Furthermore, under the stipulations of Law No. 1 of 2022, a restaurant is defined as an establishment that provides Food and/or Beverage services for a specified charge. Kotler (2023) defines a label as a symbol or sign affixed to a product or its packaging to convey information about the product. Similarly, Satyahadi, as cited in Kurniawan et al. (2021), describes a label as a blend of text and images, or both, integrated into the product's container or packaging through various methods such as insertion, attachment, or printing, thus becoming an essential component of the packaging. Under the stipulations of Law No. 33 of 2014 concerning Halal Product Assurance, a halal label serves as an indicator of a product's halal status. According to Kurniawan et al. (2021), a halal label is defined as a symbol that signifies the halal status of a product and its appropriateness for consumption by Muslims. Ernawati and Koerniawan (2023) further elucidate that a halal label involves the inclusion of halal information on product packaging to indicate that the product has been verified as halal. Sukresti, as cited in Putri et al. (2022), asserts that the presence of a halal label has a significant impact on purchasing decisions. Fischer (2019) underscores the necessity of halal certificates and labels in the production, trade, and regulation of halal food, emphasizing that verifying a product's halal status is challenging without a halal label. Kotler and Keller (2012), as cited in Tirtayasa et al. (2021), describe a purchase decision as a human action involving individuals, groups, or organizations making choices about acquiring goods or services to meet their needs and desires. Similarly, Tjiptono and Chandra (2014), as referenced in Wijaya and Padmantlyo (2023), define a purchase decision as the culmination of a sequence of steps beginning with problem recognition by the consumer, followed by gathering information about specific products or brands, and concluding with the evaluation of alternatives based on their ability to resolve the issue. Kotler and Keller (2012), as cited in Tirtayasa et al. (2021), also identify five stages in the decision-making process. This five-stage consumer decision-making model delineates the mental process consumers undergo when selecting products to satisfy their needs and desires. These stages include problem definition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior. According to Santoso and Sispradana (2021), Kotler's five-stage consumer decision-making model serves as a framework for assessing consumer purchase decisions.

## METHODS

The research method used in this study is a correlational research method with a quantitative approach. Data collection for this research was conducted by distributing online questionnaires using Google Forms and collecting direct responses from South Tangerang Resident. The respondents in this study were resident who have lived in the city for more than or less than three years. Simple random sampling technique was used to collect data from the population, meaning samples were choosed at random from a specified group. The determination of the sample size was calculated using the Slovin formula. According to (Sugiyono 2019:213) Slovin formula is the most widely used method to determine the number of participants in quantitative studies.

$$n = \frac{N}{1 + N(e)^2}$$

Where:

- n = Sample size
- N = Population size
- e = Margin of error

$$n = \frac{1,394,015}{1 + 1394,015(0.05)^2} = 399,54$$

From the calculations conducted, the sample size determined for this study is 399.54. Rounding this figure, a total of 400 samples were selected from a population of 1,394,015.

**RESULTS AND DISCUSSION****Mean Test**

Table 2. Mean Test

	N	Minimum	Maximum	Mean	Std. Deviation
X1	400	1	4	3.30	1.274
X2	400	1	4	2.79	.822
X3	400	1	4	2.86	.768
X4	400	1	4	2.79	.804
X5	400	1	4	2.80	.840
X6	400	1	4	3.10	.737
X7	400	1	4	3.00	.759
X8	400	1	4	2.91	.796
X9	400	1	4	3.08	.746
X10	400	1	4	2.81	.837
X11	400	1	4	2.91	.799
X12	400	1	4	2.98	.737
X13	400	1	4	2.60	.921
X14	400	1	4	2.80	.841
X15	400	1	4	2.89	.869
X16	400	1	4	3.09	.855
X17	400	1	4	3.15	.871
X18	400	1	4	3.04	.784
X19	400	1	4	2.89	.851
Valid N (listwise)	400				

Source: Data Processed by Authors (2024)

The descriptive test results for the mean value of the halal label variable reveal that the thirteenth statement in the questionnaire, "I am aware that the Indonesian halal label has changed since March 1, 2022," has the lowest average score of 2.60. Conversely, the first statement, "I recognize this logo," received the highest average score of 3.30. These findings suggest that the residents of South Tangerang City are familiar with the Indonesian Halal Label logo. However, the low score for the thirteenth statement indicates a lack of awareness among residents regarding the change in the Indonesian halal label since March 1, 2022. This evidence shows that while the residents recognize the new Indonesian Halal Label, they are not aware that it has been updated as per March 1, 2022.

Table 3. Mean Test Variable Y

	N	Minimum	Maximum	Mean	Std. Deviation
Y1	400	1	4	2.76	.914
Y2	400	1	4	2.54	.843
Y3	400	1	4	2.55	.863
Y4	400	1	4	2.40	.939
Y5	400	1	4	2.84	.836
Y6	400	1	4	2.49	.890
Y7	400	1	4	2.84	.915
Valid N (listwise)	400				

Source: Data Processed by Authors (2024)

Regarding the Purchasing Decision variable, the fourth statement, "Before eating at a restaurant, I usually visit the restaurant and ask if it has a halal label," has an average score of 2.40. Meanwhile, the fifth and sixth statements, "Before eating at a restaurant, I will search for information about the restaurant on the internet and social media," and "After obtaining information about the restaurant I intend to visit, I will look for alternative restaurants offering similar products," both received an average score of 2.84.

These findings suggest that residents of South Tangerang City have a moderate tendency to visit a restaurant in person to inquire about its halal certification. However, they demonstrate a stronger preference for using the internet and social media to gather information about the restaurant and to find alternative dining options that offer similar products once they have obtained the relevant information.

**T-Test**

Sugiyono (2019:250) Stated the t-test is employed to evaluate the influence of independent variables on dependent variables. When the computed t-value surpasses the critical t-value at a 5% significance level, the alternative hypothesis (H<sup>1</sup>) is accepted.

Table 4. T-Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.504	1.051		4.284	.000		
	TOTALX	.249	.019	.558	13.419	.000	1.000	1.000

Source: Data Processed by Authors (2024)

The results indicate a t-test value of 13.419, whereas the critical t-value for this study is 1.6487. Consequently, it can be concluded that the t-test value exceeds the critical t-value (13.419 > 1.6487), thereby confirming the acceptance of the positive hypothesis (H<sup>1</sup>).

**Coefficient Determination Test**

Sugiyono (2019:255) states that the coefficient of determination test is utilized to quantify the extent to which the dependent variable is explained by the independent variables. A value closer to 1 indicates a stronger relationship between these variables.

Table 5. Coefficient Determination Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.558 <sup>a</sup>	.311	.310	3.512

Source: Data Processed by Authors (2024)

**Simple Regression Linear Test**

Sugiyono (2019:277) posits that simple linear regression analysis is a tool for evaluating the correlation between the independent variable (X) and the dependent variable (Y).

$$Y = a + bX$$

Where:

Y = dependent variable

a = constant

b = regression coefficient

X = independent variable

Table 6. Simple Regresion Linear Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.504	1.051		4.284	.000		
	TOTALX	.249	.019	.558	13.419	.000	1.000	1.000

Source: Data Processed by Authors (2024)

From the data presented, the constant (a) is determined to be 4.504, and the regression coefficient (b) is 0.249. Thus, the equation derived from the simple regression test in this study is (Y = 4.504 + 0.249X). The constant's value indicates the direction of the independent variable's influence, with a positive constant signifying a positive effect of the independent variable.

## CONCLUSION

The findings of this study reveal that the t-test results demonstrate a significant impact of the halal label variable on customer purchasing decisions at restaurants in South Tangerang City, thereby supporting the acceptance of hypothesis H1. Furthermore, the coefficient of determination ( $R^2$ ) was calculated to be 0.331, indicating that the halal label influences 33.1% of consumer purchasing decisions at these restaurants. The remaining 66.9% is attributed to other variables not explored in this research. The descriptive mean test for the halal label variable indicates that residents of South Tangerang City are familiar with the new Indonesian Halal Label logo but are unaware of the label change that occurred on March 1, 2022. For the purchasing decision variable, the descriptive mean test reveals that residents prefer to use the internet and social media to gather information about the restaurants they intend to visit and to look for alternative restaurants offering similar products once they have obtained this information. Although they show a moderate tendency to visit restaurants in person to inquire about their halal certification, they generally prefer using the internet and social media for this purpose. This suggests a reluctance to visit restaurants directly, favoring online methods for gathering information instead.

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