Impact of Halal Information on Purchasing Decisions moderated Religiosity in Food and Beverage Provision

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Abstract

Halal information on Food and Beverage Preparations, analyze for influence on Purchasing Decisions. Novelty research is the Role of Moderation to the relationship of Halal Information to Purchasing Decisions. Using structural model equations (SEM), there is a positive and significant impact of Halal Information on Purchasing Decisions. There is a positive and considerable moderation of Religiosity to the relationship between Halal Information and Purchasing Decisions. The practical implications of the study's results, empirically proving that Halal Information listed on Food and Beverage Preparations led to an increase in Purchasing Decisions, and consumer Religiosity showed significant differences. Advice for Food and Beverage manufacturers to keep halal information on Food and Beverage Preparations because it affects positive buying decisions.

Keywords: Halal information, Buying Decisions, Religiosity

1. Introduction

The study used a sample of 311 respondents who shopped at Hypermart Stores, located in Samarinda City, East Kalimantan Province, Indonesia. The purpose of this study is to analyze the impact of Halal Information on Food and Beverage Preparations on Purchasing Decisions. The role of Moderation of Religiosity was also analyzed on the relationship of Halal Information with Purchasing Decisions.

Consumption of halal food and beverages is a must for consumers who are Muslims because it is a recommendation in the Islamic teachings itself. The basis of consuming halal food and drinks according to those listed in (QS. Al Baqarah: 168), wherein verse gives an explicit command to select menu with halal criteria and tayyib (edible, safe and healthy).

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223

The halal principle is not only in the concept order in religion, but halal now has become a new paradigm in the global marketing world. The issues about halal continue at a further level, such as environmental awareness, food safety, how to cultivate, to the extent of transportation and distribution of its market. [1] reveals that halal is part of Islamic law; therefore, halal products.

The Muslim population, of course, is very high in the values of the religion that they believe, so that all food and beverages traded throughout the region must contain Halal Label. Provisions for determining halal products in Indonesia as stipulated in Law number 33. Halal product guarantee is a provider of halal product guarantee (BPJH) in cooperation with the Indonesian Ulama Council (MUI), with the main task of BPJH and MUI to include halal writing and label on product packaging, which is easily seen and read by consumers. [2] suggests that food and pharmaceutical products (pharmaceuticals and cosmetics) are one of the essential human needs since human civilization. Muslims must consume and use halal goods.

The behavior of Muslim consumers to make decisions to buy halal food and beverage products is part of an activity related to religiosity. The expression of religiosity is a reality in general that Muslim consumers are very fond and happy and concerned with products that use religious symbols. The findings reveal that halal certification is considered as critical and more trustworthy for the majority of generation Y respondents when buying halal food,[3].

Based on factor analysis, six factors affecting the purchase of food products based on the halal label are identified. These factors are; Belief in the Halal logo, level of consciousness, trust, safety and health awareness, government involvement, and manufacturing practices. In general, various socio- economic factors and attitudes significantly affect the possibility of consumer confidence in the halal logo [1].

The consumer interests provide labels, and to determine the impact of these quality signals on the consumer's purchase intent,[4]. The results showed that halal product label variables affect Muslim communities in making their purchasing decisions, as well as variable-consumption security label variables, positively

affect the purchasing decision making of the Muslim community [5].

The role of moderation of Religiosity to the relationship of Halal Information with Purchasing Decisions, is Novelty of Research.

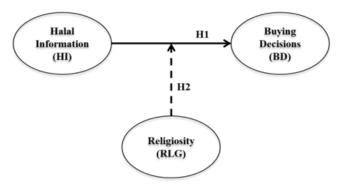## 2. Experimental section

Research model pathway analysis:

Figure 1: Research Model pathway

Analysis Measuring the Outer equation of the model and the Inner model equation, as follows:

Outer Model:

Halal Information (HI) $= \lambda_1 HI_1 + \lambda_2 HI_2 + \lambda_3 HI_3 + \lambda_4 HI_4 + \lambda_5 HI_5 + \delta_1$ (1)
Buying Decision (BD) $= \lambda_6 BD_1 + \lambda_7 BD_2 + \lambda_8 BD_3 + \lambda_9 BD_4 + \lambda_{10} BD_5 + \delta_2$ (2)
Religiosity (RLG) $= \lambda_{11} RLG_1 + \lambda_{12} RLG_2 + \lambda_{13} RLG_3 + \lambda_{14} RLG_4 + \lambda_{15} RLG_5 + \delta_3$ (3)

Inner Model:

Buying Decision (BD) $= \gamma_1 + \gamma_2 HI + \gamma_8 HI*RLG + \delta_4$ (4)

3. Results and Discussion

The feasibility analysis result of this model of research can be seen in Figure 1. Model fit and Quality index and shows the P values for APC, ARS, and AARS are all equal to or lower than 0.001, i.e., a significant level of confidence (confidence interval) of 29%, table 1.

The R-squared value of the buying decision (BD) which is the endogenous variable in the study, is 0.29, this is due to the influence of the exogenous variables, namely: Halal information (HI), as well as the effect of the moderation of Religiosity (RLG). This means that the exogenous variable and the moderation role of

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224

religiosity (RLG) are 29%, and the remainder is 71% influenced by other variables outside this research model and errors. The reliability value of > 0.7 and the Cronbach Alpha > 0.6, so that all variables in this study have qualified reliability. Variance average value is extracted (AVE) > 0.5 for all variables, so that the convergent validity is met. Full cholinergic testing that includes vertical and lateral multicollinearity and common method bias has resulted in a full collinearity test for all < 3.3 variables so that it can be expressed as a free model of the vertical, lateral and common method bias. The predictive validity assessment for the model should have a Q-squared value of > 0, And in this research, all variables demonstrate good predictive validity.

Hypothesis 1: Halal Information Relationship (HI) to Purchasing Decision (BD) is a positive and significant relationship, with a value of $\beta = 0.44$, and Significant (P<.01), can be seen in Figure 2.

Hypothesis 2: There is a positive and significant Moderation Role of Religiosity (RLG) to the relationship between Halal Information (HI) and Purchasing Decisions (BD), with a value of $\beta = 0.17$, and Significant (P<.01), can be seen in Figure 2.

Table 1. Model fit and Quality index

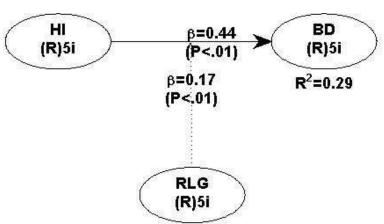| No	Model fit & Quality index	Criteria Fit	Analysis results	Description
1	Average Path Coefficient (APC)	p < 0.001	0.306	Good
			p < 0.001	Significant
2	Average R-squared (ARS)	p < 0.001	0.291	Good
			p < 0.001	Significant
3	Average Adjusted R-squared (AARS)	p < 0.001	0.286	Good
			p < 0.001	Significant
4	Average block Variance Inflation Factor (AVIF)	Acceptable if ≤ 5 Ideally ≤ 3.3	1.239	Ideally
5	Average Full Collinearity VIF (AFVIF)	Acceptable if ≤ 5 Ideally ≤ 3.3	1.498	Ideally
6	Tenenhaus GoF (GoF)	Small ≥ 0.1 Medium ≥ 0.25 Large ≥ 0.36	0.470	Large
7	Simpson's paradox ratio (SPR)	Acceptable if ≥ 0.7 Ideally = 1	1	Ideally
8	R-squared contribution ratio (RSCR)	Acceptable if ≥ 0.9 Ideally = 1	1	Ideally
9	Statistical suppression ratio (SSR)	Acceptable if ≥ 0.7	1	Acceptable
10	Nonlinear bivariate causality direction ratio (NLBCDR).	Acceptable if ≥ 0.7	1	Acceptable

Figure 2: Analysis results

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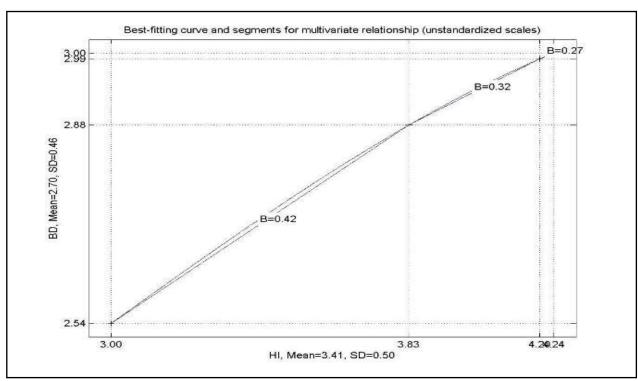p-ISSN: 2087-7099; e-ISSN: 2407-6090

225

Figure 3: The test results of the relationship between Halal Information (HI) on Buying Decision (BD)
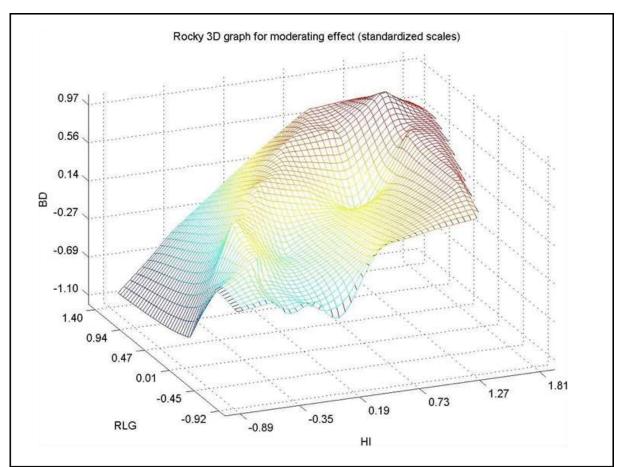

Figure 4: Rocky 3D graph for moderating effect, the role of Religiosity (RLG) moderation on the relationship between Halal Information (HI) and Buying Decision (BD)

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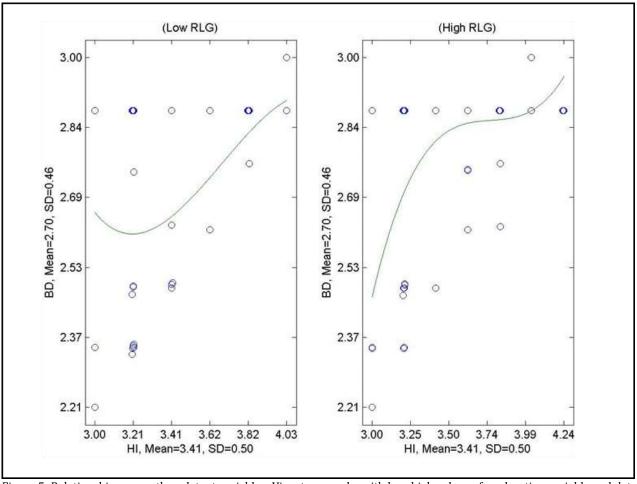p-ISSN: 2087-7099; e-ISSN: 2407-6090

226

Figure 5: Relationship among three latent variables: View two graphs with low-high values of moderating variable and data points (unstandardized scales), the role of Religiosity (RLG) moderation on the relationship between Halal Information (HI) and Buying Decision (BD)

In Figure 3, it appears that the higher the value of Halal Information (HI), the higher the value of Buying Decisions (BD), so that it can be understood, the better Halal Information (HI) is received by consumers, the tendency of consumer Buying Decisions (BD), will increase.

In Figure 4, a rocky 3D graph for moderating effect of RLG, and Figure 5, View two graphs with low-high-values of moderating influence of RLG variable, it is seen that the higher the level of consumer RLG, the higher the Purchasing Decision (BD), compared to consumers who have low RLG level.

4. Conclusion

Halal information (HI) is proven based on the results of research, positive and significant correlation to Purchasing Decisions (BD). The role of moderation of Religiosity (RLG) is positive and significant to HI's relationship with BD.

Halal information contained in Food and Beverage Preparations is proven to improve purchasing decisions, and proven high religiosity can improve purchasing decisions.

The practical implication for Food and Beverage manufacturers, is to consider providing Halal Information on Food and Beverage Preparations produced, in order to increase Sales.

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227

Conflict of Interest

The authors declare there is no conflict of interest.

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228