

# Buying Decision: Halal Certification and Product Ingredients

Muliasari Pinilih<sup>1</sup>, Anisa Nur Andina<sup>2</sup>

<sup>1,2</sup>*Business Digital, Faculty of Business and Social Science, Universitas Amikom Purwokerto, Indonesia*

## Abstract

The address of this research is to analyze the significance of halal certificates and product composition on purchasing decisions for food products in SMEs via social media. Data was seized using a questionnaire distributed to 103 respondents. The data was analyzed using the Least Square Regression Method using the t-test and F-test approaches. The outcomes of the analysis show that halal certificates are partially able to influence decisions to purchase food products in SMEs via social media and product composition can influence decisions to purchase food products in SMEs via social media. The results of the simultaneous analysis found that halal certificates and product composition were able to influence purchasing decisions for food products in SMEs via social media. The variable that has the most influence on the decision to purchase food products in SMEs via social media is halal certificate.

## Keywords

Halal Certification, Product Ingredients, Purchasing Decisions, MSMEs

## INTRODUCTION

It cannot be denied that in recent years the halal industry has develop into trend in several countries, including Indonesia. Especially for Indonesia, as a country with a dense population whose majority is Muslim, it is necessary to pay attention to the food products in circulation, namely not only paying attention to the composition which is not harmful to health but also ensuring that the food is halal for consumption.

The food sector is one sector that continues to grow. Not only that, halal food seems to be a new contingency to boost economic expansion and development. SMEs in this case need to understand that they also cannot ignore the need to state halal on their products so that consumers feel confident that the products they consume are halal products that are free from prohibited ingredients.

In this case, the government has an significant role, especially in educating and making it easy for SMEs to obtain halal certificates. (Peristiwo, 2019) said that the Government is obliged to provide facilities ranging from access, costs and accessible requirements for SMEs in carrying out halal certification.

The halal standards that are enforced not only include halal certificates but also the use of halal ingredients and not contaminated

with haram ingredients in them. When we discuss halal, it's not just about the ingredients but how to get these ingredients in a good way. Halal covers all aspects including cosmetic products, personal care, food and services. Therefore, the annotation of halal includes products and services that are described as halal or with any other expression to show that they can be used by Muslim consumers.

The definition of halal products is contained in Undang-Undang Nomor 33 of 2014 respecting Jaminan Produk Halal (JPH) in Article 1 paragraph (2), namely: "Halal products are products that have been declared halal in accordance with Islamic law". The aim is to contribute insurance and guarantee with reference to the halalness of products consumed and used by the public. Warranty as regards halal products should be carried out in conformity with the regulation of protection, justice, legal credence, liability and transparency, effectiveness and efficiency, and professionalism. Hence, the guarantee of the fulfillment of halal products aims to grant comfort, security, safety and belief of the possibility of halal products for the public in engrossing and using products, as well as expanding added appraisal for business in producing and selling halal products.

Certification and labels on food products are gauging and control tool so that they do not harm or menace consumers and encourage consumers to select healthier food (Kaczorowska et al., 2021). According to (Sarah & Bettine, 2021) goods and production processes, personnel and production accompaniments, halal management systems and other things that are directly or indirectly related to food production enterprises are very important in halal food inspection.

The emphasis of halal certificates and product components can clout consumers' decisions to buy a product, chiefly when the obtaining process is carried out via social media. Social media can be assumed to be a collection of internet-based applications that developed in the web 2.0 era and provide users with the freedom to create content and produce their own content. Social media is developing very rapidly nowadays and has become a favorite. Everything is available on social media, whether it's trending news to the latest products being sold. Consumers will not have difficulty finding out information about products sold by manufacturers because currently almost all manufacturers have special social media to promote their products (Rafiq, 2020).

Considerable foregoing studies have also heightened the relationship amidst halal certificates and product inhereents on purchasing decisions. Study by (Santosa & Rizaldy, 2022), (Jumarni, 2021), (Isdiana & Susiana, 2021) exhibit halal certificates and consumer knowledge of product ingredients pressure consumers in deciding to bargain food products. Additionally, research from (Millatina et al., 2022) also emphasized that halal labels will significantly ascendancy purchasing decisions. However, research conducted by (Pebriani et al., 2023) seemingly states that halal certificates are not able to influence purchasing judgments. There are still contrast in the results seized from antecedent research, so this research will re-analyze the encounter of halal certification and product components on purchasing decisions via social media.

## METHODS

The research uses a quantitative approach and will focus on the repercussion of halal certificates and product ingredients on food purchasing decisions in SMEs using social media. The research sample was obtained using purposive sampling, namely selecting

respondents using certain previously determined criteria (Vehovar et al., 2016). The criteria used are consumers who have purchased food at SMEs using social media. The research questionnaire was distributed using Google Form to 112 respondents but only 103 respondents met the requirements. Data will be processed using the method Least Square Regression Method using t-test approach (Allen, 2007) and F-test approach (Sureiman & Mangera, 2020)

## RESULTS AND DISCUSSION

The collected respondent data shows that of the 103 respondents based on gender, there were 63 women or around 61,2 percent and 40 men or 38.8 percent. The respondents' domiciles were spread across Central Java with 52 respondents (50,5 percent), Yogyakarta with 41 respondents (39,8 percent), Jakarta with 8 respondents (7,8 percent) and West Java with 2 respondents (1,9 percent). All respondents were recorded as having purchased SMEs food products via social media. The proportion of social media used in sequence is GoFood with 28 respondents (27,2 percent), WhatsApp with around 26 respondents (25,2 percent), Grab Food with 13 respondents (12,6 percent), Shopee Food and market places (Shopee, Tokopedia, Lazada, etc.) with 11 respondents (10,6 percent), TikTok with 6 respondents (5,8 percent), Facebook with 5 respondents (4,9 percent), and Instagram with only 3 respondents (2,9 respondents). Overall response data can be seen in Table 1.

Based on the determination test carried out in Table 2, it was found that halal certificates and product ingredients were able to explain the decision to purchase food products in SMEs by 30,7 percent. A value of 69,3 percent shows that decisions to purchase food products in SMEs are explained by other factors not discussed in the research.

**Table 1. Description of Respondents**

Description	Frequency	Percentage
<b>Gender</b>		
Man	63	61,2
Woman	40	38,8
<b>Responden' Domicile</b>		
Central Java	52	50,5
Yogyakarta	41	39,8
Jakarta	8	7,8
West Java	2	2,0
<b>Media Social</b>		
GoFood	28	27,2
Whatsapp	26	25,2
Grab Food	13	12,6
Shopee Food	11	10,6
Market place	11	10,6
TikTok	6	5,8
Facebook	5	4,9
Instagram	3	2,9

Source: data processed, 2023

**Tabel 2. Coefficient of Determination**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.566	.320	.307	1.469

Source: data processed, 2023

Based on Table 3, hypothesis testing between food ingredients and purchasing decisions shows a significance value that is smaller than 0,05, namely 0,022, so that food ingredients are able to influence purchasing decisions for food products in SMEs. The food ingredients contained in food products are one of the reasons that form the basis of purchasing decisions by respondents in this study. Food ingredients that are clearly listed will make it easier for purchasers to choose the food products to buy. The importance of food labeling information was expressed by (Bandara et al., 2016) which states that consumers tend to look at food labeling information to determine, check and evaluate the suitability of what is contained in it for various reasons, for example religion, the tendency to avoid food-related illnesses, or even to look at expiration dates. Further (Bandara et al., 2016) found that the components in food labeling information that are most in demand are food ingredients. Research by (Pratiwi, 2019) disclosing complete information for food products such as the food ingredients used is something that absolutely needs to be done by business actors in their efforts to protect consumer

rights. This research is in line with (Hayani, 2019), (Jumarni, 2021), (Isdiana & Susiana, 2021), (Santosa & Rizaldy, 2022), and (Nupuspitasari et al., 2022) who also found that food ingredients influence buying decisions.

**Table 3. t-test Result**

Variable	t	Sig.
Halal Certificate	4.867	.000
Product Ingredients	2.330	.022

a. Dependent Variable: Buying Decisions

Source: data processed, 2023

Examining the relationship between the two variables halal certificate and product ingredients on buying decisions for SMEs food products via social media can be seen in table 4. The significance value in the analysis results is 0,000, which means that simultaneously halal certificates and product ingredients are able to influence buying decisions. These results support the research (Hayani, 2019) who also get halal certificates and product ingredients have an influence on purchasing decisions.

**Table 4. F-Test Result**

	F	Sig.
Regression	23.580	.000
a. Dependent Variable: Buying Decisions		
b. Predictors: (Constant), Product Ingredients, Halal Certificate		

Source: data processed, 2023

The variables that most influence the purchasing decisions of SMEs food products via social media can be seen in table 5. The beta value for halal certificates is 0.443 and product ingredients is 0.212. These two variables have a significant effect on buying decisions. Based on the results of the analysis, halal certificates are the most influential variable in purchasing decisions for SMEs food products via social media. This shows that halal certifications are the first basis for making decisions to purchase food products in SMEs. For consumers, especially Muslims, halal certificates are the main consideration in making purchasing decisions, because halal certification provides a guarantee that gives consumers a sense of security in consuming a product

## CONCLUSION

Analysis of halal certificates, product ingredients and buying decisions for food

products in SMEs shows that partially halal certificates influence buying decisions for food products in SMEs and product ingredients also influence buying decisions for food products in SMEs. Simultaneous results also show that halal certificates and product ingredients can influence purchasing decisions for food products in SMEs. The most influential variable in the decision to purchase food products in SMEs based on the analysis results is the halal certificate. This research can still be developed in more depth to analyze the determining factors in decisions about purchasing halal food products such as halal awareness, product quality, promotion, Islamic brands or MUI fatwa.

## REFERENCES

- Allen, M. P. (2007). The t test for the simple regression coefficient. In *Understanding Regression Analysis* (pp. 66–70). Springer. [https://doi.org/10.1007/978-0-585-25657-3\\_14](https://doi.org/10.1007/978-0-585-25657-3_14)
- Anggarkasih, M. G., & Resma, P. S. (2022). The Importance of Halal Certification for the Processed Food by SMEs to Increase Export Opportunities. *E3S Web of Conference ICAS 2021*, 348(00039). <https://doi.org/https://doi.org/10.1051/e3sconf/202234800039>
- Bandara, B. E. S., De Silva, D. A. M., Maduwanthi, B. C. H., & Warunasinghe, W. A. A. I. (2016). Impact of Food Labeling Information on Consumer Purchasing Decision: With Special Reference to Faculty of Agricultural Sciences. *Procedia Food Science*, 6, 309–313. <https://doi.org/10.1016/j.profoo.2016.02.061>
- Efendi, A. (2020). The Effect of Halal Certification, Halal Awareness and Product Knowledge on Purchase Decisions for Halal Fashion Products. *Journal of Digital Marketing and Halal Industry*, 2(2), 145–154. <https://doi.org/10.21580/jdmhi.2020.2.2.6160>
- Fadlullah, A. K., Soetjipto, B. E., & Rahayu, W. P. (2021). The Effect of Halal Label, Halal Awareness, Food Ingredients, Advertising and Purchase Interest on the Decision To Buy “Samyang Noodles” (Study on Universities Students in Malang City). *South East Asia Journal of Contemporary Business, Economics and Law*, 24(2), 107–113.
- Hayani, N. (2019). Pengaruh Sertifikasi Halal dan Bahan Makanan terhadap Keputusan Pembelian Produk Makanan oleh Ibu Rumahtangga Muslim di Pekanbaru. *Jurnal AL-Amwal*, 8(1), 31–44.
- Isdiana, F., & Susiana. (2021). Pengaruh Labelisasi Halal dan Komposisi Bahan Makanan Terhadap Keputusan Pembelian Produk Makanan Kemasan Kerupuk Cabe Mai Satun pada Masyarakat Muslim Kota Dumai. *Al-Hisbah Jurnal Ekonomi Syariah*, 1(2), 25–38. <https://doi.org/10.57113/his.v1i2.81>
- Jumarni. (2021). Pengaruh Label Halal dan Bahan Makanan Terhadap Keputusan Pembelian Produk Makanan Impor (Studi Pada Mahasiswa Fakultas Ekonomi Dan Bisnis Islam). *IEB JOURNAL Islamic Economics and Business Journal*, 3(1), 36–64.
- Kaczorowska, J., Prandota, A., Rejman, K., Halicka, E., & Tul-Krzyszczuk, A. (2021). Certification Labels in Shaping Perception of Food Quality—Insights from Polish and Belgian Urban Consumers. *Sustainability (Switzerland)*, 13(702), 1–22. <https://doi.org/10.3390/su13020702>
- Millatina, A. N., Hakimi, F., Budiantoro, R. A., & Arifandi, M. R. (2022). The Impact of Halal Label in Halal Food Buying Decisions. *Journal of Islamic Economic Laws*, 5(1), 159–176. <https://doi.org/10.23917/jisel.v5i1.17139>
- Nupuspitasari, D. A., Hardinawati, L. U., & Subagio, N. A. (2022). Pengaruh Kesadaran Halal, Label Halal, Dan Bahan Produk Terhadap Keputusan Pembelian Ulang Body Lotion Scarlett Whitening Pada Mahasiswa Muslim Fakultas Ekonomi Dan Bisnis Universitas Jember. *VALUE: Journal of Business Studies*, 1(2), 194–214. <https://doi.org/10.19184/value.v1i2.35394>
- Pebriani, D., Setiawan, D., & Bayinah, A. N. (2023). The Effect of Halal Certificate, Food Quality and Price on Consumers' Decision in Buying Aqeeqah Products. *Jurnal Ekonomi Dan Perbankan Syariah*, 11(1), 20–39. <https://doi.org/10.46899/jeps.v11i1.422>
- Peristiwo, H. (2019). Indonesian Food Industry on Halal Supply Chains. *Food ScienTech Journal*, 1(2), 69–77. <https://doi.org/10.33512/fsj.v1i2.6475>
- Pratiwi, R. (2019). Pencantuman Komposisi Bahan Pada Label Makanan Kemasan Sebagai Hak Hukum Di Kota Pekanbaru. *Jurnal Gagasan Hukum*, 1(1), 63–87. <https://doi.org/10.31849/jgh.v1i01.2903>
- Rafiq, A. (2020). Dampak Media Sosial terhadap

- Perubahan Sosial Suatu Masyarakat. *Global Komunika*, 1(1), 18–29.
- Santosa, S. G., & Rizaldy, M. R. (2022). The Effect of Halal Awareness, Religiosity, Product Ingredients Knowledge, and Halal Certification on the Purchase Decision of Halal Fast Food. *Ar-Ribhu: Jurnal Manajemen Dan Keuangan Syariah*, 3(1), 1–12. <https://doi.org/10.55210/arribhu.v3i1.804>
- Sarah, A. A., & Bettine, B. (2021). Blockchain Technology As a Solution of Integration Issue in Halal Food Supply Chain. *Diponegoro Journal of Accounting*, 10(4), 1–15. <http://ejournal-s1.undip.ac.id/index.php/accounting>
- Sureiman, O., & Magera, C. M. (2020). F-test of overall Significance in Regression Analysis Simplified. *Journal of the Practice of Cardiovascular Sciences*, 6(2), 116–122. [https://doi.org/10.4103/jpcs.jpcs\\_18\\_20](https://doi.org/10.4103/jpcs.jpcs_18_20)
- Usmandani, A. L., & Darwanto. (2021). Factors Affecting Purchase Decision of Halal Processed Meat for Muslim Consumers in Semarang. *AL-Amwal: Jurnal Ekonomi Dan Perbankan Syari'ah*, 13(1), 46–63. <https://doi.org/10.24235/amwal.v13i1.7969>
- Vehovar, V., Steinmentz, S., & Toepoel, V. (2016). Non-probability sampling. In *The Sage Handbook of Survey Methodology* (Issue January, pp. 329–346). Sage.