

Research Article

Muslim Consumer Behavior Analysis at Halal Product In Indonesia

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Abstract.

Indonesia with the majority of muslim population in the world should be able to be the center of halal industry in the world. Halal industry has a great potential to increase GDP in Indonesia. That is why muslim consumers themselves should be part of contributing to the halal industry. Basically, there are 8 sectors studied : food sector, finance sector, travel sector, clothing sector, media / recreation sector, pharmaceutical sector, cosmetics sector and medical care sector. In fact, the awareness of muslim society in Indonesia on halal product is still relatively low. That is why this study is important to conduct. This study used descriptive qualitative approach, with unrestricted sample where respondents can fill out questionnaires online during the period of questionnaire distribution with unlimited number of respondents. Of the 150 respondents who filled the questionnaires, only 136 who filled in completely, while the other 14 were incomplete so they were not used. Based on the analysis result, it is known that in the 8 sectors studied, there are external factors that influence the decision to purchase or use halal products, they are : demography, subculture, social class, values, family life cycle, and culture. While the internal factors influenced the decision to purchase or use halal products are : emotion, memory (in food and beverage sector); motive, emotion, and personality (in travel sector); motive, personality, emotion, and memory (in financial sector, clothing sector, cosmetic sector, and medical care sector). Meanwhile, all respondents stated that the decision to purchase or use halal products for 8 sectors were based on the needs and ease of finding them around the respondents.

Keywords: Halal product; halal industry; Muslim consumer

1. Introduction

Indonesia is referred to as the country with the highest Muslim majority in Asia. Indonesia is also included in the 10 countries with the largest Muslim population in the world. The percentage of Muslims in Indonesia reaches 12.7 percent of the world's population. It is also said that around 88.1 percent of the total population in Indonesia is Muslim [1]. Even predicted in 2030, the number of Muslim population in Indonesia will increase by 17 percent. In 2010, the number of Muslim population in Indonesia was 204,847,000 people and in 2030 it would be 238,833,000 people. The total Muslim population of the world reaches 1.6 billion with 56 Muslim majority countries and the total GDP (Gross Domestic Product) reaches \$ 6.7 trillion [1]. This is a good potential for Indonesia, especially

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because an increase in the number of Muslim population will also directly affect the total GDP both in Indonesia and globally. The total GDP produced is certainly influenced by consumer behavior itself. As Muslim consumers, it is an obligation to only choose, buy and use halal products in various aspects of life. Unfortunately, the awareness of Indonesian people, especially Muslim consumers in consuming halal products is still low [2]. That is why it is necessary to analyze the behavior of Muslim consumers, because even though the number of Indonesian people is predominantly Muslim, they have not fully implemented the halal lifestyle as they should. Consumer behavior learns how a person, group or organization chooses, buys, uses and stops using goods, services, ideas or experiences to meet their needs and satisfaction [3]. If as a Muslim can behave in a good consumer in accordance with the guidance of the Qur'an and Hadith, by simply choosing, buying and using halal products in various aspects of life will directly impact the increase in total GDP while also contributing to the global halal lifestyle progress that will have a positive impact on the global Islamic economy. Therefore, analysis of Muslim consumer behavior towards halal products is interesting to study. Lately research has focused more on the food industry sector (halal food) even though there are 7 other industrial sectors that contribute to increasing GDP such as: finance, travel, clothing, media/recreation, pharmaceutical, cosmetics and medical care [4]. Muslim population in Indonesia alone spends as much as US \$ 190.4 billion on the food sector which is the highest among other sectors with a market share of 14.7 percent, followed by the cosmetics, fashion, pharmaceutical, media / recreation, finance and travel sectors. (Hajj and Umrah) respectively 7.4 percent; 7 percent; 6.7 percent; 5 percent; 3 percent; 0.6 percent [4]. This shows that the Indonesian economy is influenced by Muslim consumers' behavior towards halal products. Halal is not merely an Islamic religious doctrine. Halal is actually good for all people, including those who are not Muslims. The guarantee of halal products is expected to provide comfort, security, safety and certainty of the availability of halal products for the community in consuming and using products as well as to increase added value for businesses to produce and sell halal products [5]. In Indonesia itself, there are provisions that regulate halal product guarantees such as: Law of the This description of Muslim consumer behavior towards halal products in Indonesia is expected to present important and useful information for economic and halal business interests in Indonesia.

2. Methods

This design of research is qualitative research. This qualitative research suggests a prior approach based on philosophical assumptions (interpretive naturalistic approach) [6]. This study apply a qualitative approach which is a research that observing the surrounding phenomena and analyzed by using scientific logic. This study also utilizes descriptive method, a research method that aims to depict the genuinely, forthrightly, and holistically actual circumstance in the field according to the research context [7]. As an addition, descriptive research may transforms into assessment, behavior, opinions, and preferences, demographics of a place, practice and procedure. This study applies two types of data: primary and secondary data. Primary data was obtained from questionnaires distributed to the public directly or online. The sample in the study as well as research respondents with unrestricted samples or anyone who is a visitor on the internet is allowed to fill out the questionnaire provided, this respondents referred to as the self-selected respondent [8]. The number of respondents is unlimited, as many as possible during the distribution time span of electronic questionnaires. Samples are expected coming from various regions of Indonesia. Meanwhile, secondary data is sourced from books, journals, public government data and private institutions research data. The data collection was carried out in March-May 2018. The implementation procedures on these data collections were distributing data collection tools in the form of electronic questionnaire (e-questionnaire). Questionnaire is a data collection technique by giving a set of questions or written statements to be answered by respondents [9]. Data collected through questionnaires is a primary data or as a support resources in discussing problems [10]. Descriptive statistics are statistical methods that explaining or depicting various characteristics of the data such as the average of data, data variety distances, standard deviations, maximum and minimum data values [11] [12]. Next, the discussion of data analysis result is compared between theories, text books, journals, prior research results, and updated information related consumer behavior towards halal products.

3. Results and Discussion

The study result will be explained become 2 part : the description of respondents characteristic and the description of Muslim consumer behavior toward halal products in Indonesia. The description of Muslim consumer behavior is classified based on the investigated sectors, start from food and sector, finance sector, travel sector, clothing

sector, media/recreation sector, pharmaceutical sector, cosmetics sector, and medical care sector. In this study, the total of questionnaire that have returned was 136 of a total 150. There were 14 questionnaires that were not filled completely so they did not include in this result.

1. *The Characteristics of Study Respondents (Muslim Consumers)*

TABLE 1: Summary of Respondents Characteristics of the Study.

No.	Characteristic	Result
1	Domicile	DI Aceh : 4 people North Sumatera : 71 people West Sumatera : 3 people Riau Island : 2 people West Java : 20 people DKI Jakarta : 27 people Central Java : 6 people East Java : 1 people South Sulawesi : 2 people
2	Age	< 20 years : 37 people 21-29 years : 43 people > 30 years : 56 people
3	Gender	Male : 40 people Female : 96 people
4	Profession	Academician : 68 people Private employee : 23 people Entrepreneur : 10 people Civil servant : 19 people Freelancer : 8 people Housewife : 8 people
5	Marital Status	Married : 50 people Unmarried : 86 people
6	Number of Dependents in the Family	1 people : 87 people 2 people : 27 people 3 people : 8 people > 3 people : 14 people
7	Education	Junior High School : 1 people Senior High School : 63 people Diploma : 2 people Bachelor (S1) : 43 people Master (S2) : 26 people Doctoral (S3) : 1 people
8	Monthly Income	< Rp 2.500.000 : 75 people Rp 2.500.000 – Rp 5.000.000 : 40 people > Rp 5.000.000 : 21 people
9	Monthly Expenses	< Rp 2.500.000 : 106 people Rp 2.500.000 – Rp 5.000.000 : 23 people > Rp 5.000.000 : 7 people

The following are the characteristics of 136 respondents of the study including information related to domicile, age, gender, profession, marital status, number of dependents in the family, education, monthly income, monthly expenses.

2. *Muslim Consumers Behavior toward Halal Products in Indonesia*

The study findings are explained per sector to facilitate in seeing how muslim consumers behavior in each sector starts from food sector, finance sector, travel sector, clothing sector, media/recreation sector, pharmaceutical sector, cosmetics sector and medical care sector.

3.1. Food Sector

Muslim consumer behavior that is reflected is that muslim consumers who choose, buy and consume halal food and drinks are influenced by external factors such as: demography, subculture, social class, values of family life cycle and culture. While the internal factors that influence are emotional and memory (past experiences where consumers have been consuming halal food and drinks for a long time). Internal factor influenced halal food consumption are normative structure or in this research is social class [13] [16]. Also, External factor influenced halal food consumption is motivation or in this research is emotional and memory [17]. The decision to purchase halal food and drinks is due to the need for muslim consumers to feel safe for health. They are willing to consume halal food and drinks not because of friends nor because of their brands. For them, the ease of finding halal food and drinks is the reason why they decided to consume halal food and drinks in Indonesia.

3.2. Finance Sector

Muslim consumer behavior that is reflected is that Muslim consumers who choose, buy and use sharia financial products and services are influenced by external factors such as: demography, subculture, values, family life cycle and culture. While the internal factors that influence are the motives (strong Islamic character within), a firm personality on principles, emotions and memory (past experiences where consumers have been using sharia financial products and services for a long time). It is supported by other research that emotional is significant internal factor [18] [19]. The decision to use sharia financial products and services is due to the need for Muslim consumers to feel safer. They are willing to use Islamic financial products and services not because of friends but because of their positive brand image. For them, the ease of finding using sharia financial products and services is the reason why they decided to use sharia financial products and services in Indonesia.

3.3. Travel Sector

Muslim consumer behavior that is reflected is that Muslim consumers who choose, buy and use halal travel are influenced by external factors such as: demography, subculture, social class, values of religion, family life cycle and culture. It is supported by other research that family and demography (economic condition) are significant external

factors [20]. While the internal factors that influence are the motives (strong Islamic character within), a firm personality on principles, and emotions (the spirit) [21] [22]. The decision to use halal travel services is due to the need for Muslim consumers to feel safe and trusted. They are willing to use halal travel services not because of friends but because of their positive brand image. For them, the ease of finding using halaltravel is the reason why they decided to use halal travel in Indonesia.

3.4. Clothing Sector

Muslim consumer behavior that is reflected is that Muslim consumers who choose the halal clothing store, buy and use halalclothing are influenced by external factors such as: demography, subculture, social class, values of religion, family life cycle and culture. It is supported by other research that show social and culture are significant external factors [23]. While the internal factors that influence are the motives (strong Islamic character within), a firm personality on principles, and emotions and memory (past experiences where consumers have been shopping forhalal clothing store for a long time). The decision to choose halal clothing store is due to the need for halal consumers to feel safe and trusted. They are willing to use halalclothing store not because of friends but because of their positive brand image. For them, the ease of finding halal clothing store is the reason why they decided to choose muslim clothing store and buy muslim clothing in Indonesia.

3.5. Media/Recreation Sector

Muslim consumer behavior that is reflected is that Muslim consumers who choosehalal media/recreation are influenced by external factors such as: demography, subculture, social class, values, family life cycle and culture. While the internal factors that influence are the motives, a firm personality on principles, and emotions (the spirit), and memory (past experiences where consumers have been travelling to Islamic entertainment places for a long time). The decision to halal media/recreationto Islamic entertainment places is due to the need for Muslim consumers to feel safe and trusted. They are willing to use halal media/recreation not because of friends but because of their positive brand image. For them, the ease of finding halal media/recreation is the reason why they decided to halal media/recreation in Indonesia.

3.6. Pharmaceutical Sector

Muslim consumer behavior that is reflected is that muslim consumers who choose, buy and use halal medicines are influenced by external factors such as: demography, subculture, social class, values, family life cycle and culture. It is supported by other research that show social class is significant external factor [24]. While the internal factors that influence are the motives (strong Islamic character within), a firm personality on principles, and emotion, and memory (past experiences where consumers have been consuming the halal medicines for a long time). The decision to use halal medicines is due to the need for Muslim consumers to feel safe and healthy. It is supported by other research that show safety is important factor [25]. They are willing to use halal medicines not because of friends but because of their positive brand image. For them, the ease of finding halal medicines is the reason why they decided to use halal medicines in Indonesia.

3.7. Cosmetic Sector

Muslim consumer behavior that is reflected is that muslim consumers who choose, buy and use halal cosmetics are influenced by external factors such as: demography, subculture, social class, values, family life cycle and culture. It is supported by other research that show social is important factor [26]. While the internal factors that influence are the motives (strong Islamic character within), a firm personality on principles, and emotion, and memory (past experiences where consumers have been consuming the halal cosmetics for a long time). Religiosity and emotional known as important internal factors [27] [29]. The decision to use halal cosmetics is due to the need for Muslim consumers to feel safe for health. They are willing to use halal cosmetics not because of friends but because of their positive brand image. For them, the ease of finding halal cosmetics is the reason why they decided to use halal cosmetics in Indonesia.

3.8. Medical Care Sector

Muslim consumer behavior that is reflected is that muslim consumers who choose and get treatment at Islamic Hospital are influenced by external factors such as: demography, subculture, social class (all family members get treatment at Islamic Hospital), values, family life cycle and culture. While the internal factors that influence are the motives (strong Islamic character within), a firm personality on principles, and emotion (the spirit),

and memory (past experiences where consumers have been getting treatment at Islamic Hospital for a long time). The decision to get treatment at Islamic Hospital is due to the need for Muslim consumers to feel safe. They are willing to get treatment at Islamic Hospital not because of friends but because of their positive brand image. For them, the ease of finding treatment at Islamic Hospital is the reason why they decided to get treatment at Islamic Hospital in Indonesia.

4. Conclusions

The results of the study show that the Muslim consumer behavior towards sectors other than food and beverages is still not good, it can be caused by the lack of knowledge of Muslim communities in Indonesia towards the halal lifestyle especially on other sectors. Thus, there is a need for government and educational institutions in Indonesia to be more active and intensive in educating Muslim communities, especially in sectors other than food and beverages. Muslim consumer behavior towards halal products in the service sector (hospitals, travel, hotels, and tourism places) does not look good, it may be due to the absence of a clear law regarding Islamic Hospital, tourism places and sharia hotels that have an impact on low awareness of Muslim consumers in these sectors. Therefore, there needs to be clear rules related to these sectors so that a halal lifestyle is formed which eventually shapes the halal lifestyle of Muslim consumers in Indonesia. Low awareness in the halal medicine sector in this study can be caused by neglect where the urge to recover quickly is higher than the consideration that the drug is halal. This causes strong motivation needed by Muslim consumers in Indonesia so that they always prioritize halal on drugs consumed or used. Muslim consumer behavior towards halal products in 8 sectors, when viewed from the purchase decision already shows the need factor. That is, Muslim consumers do believe that halal products are a necessity. Muslim consumers also assess the availability of important products. Therefore, the availability of halal products must be accompanied by good quality so that halal products are no less competitive than non-halal products in Indonesia. Halal product markets are actually very large, industry players must pay attention to the quality of halal products.

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