Conference Paper

Effect of Religiosity and Halal Awareness on Purchase Intention Moderated by Halal Certification

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Abstract
This study analyzed the factors that influence consumer’s purchase intention towards halal products, which are Religiosity, and Halal Awareness, Halal Certification as a moderating variable, using causal descriptive with hypothesis testing by using cross-section data collected through questionnaires. The method used was the coefficient of determination, significance regression from the overall sample, and personal significance’s parameters. The results of this study showed that Religiosity, Halal Awareness, Halal Certification, Religiosity * Halal Certification, Halal Awareness * Halal Certification, simultaneously affected the Purchase Intention significantly. While partly, Religiosity and Halal Awareness significantly affected the Purchase Intention before moderated. On the other hand, after moderated, Religiosity and Halal Awareness did not significantly affect the Purchase Intention. Meanwhile, Halal Certification did not strengthen the effect of Religiosity on Purchase Intention or Halal Awareness on Purchase Intention.

Keywords: Religiosity, Halal Awareness, Halal Certification, Purchase Intention

1. Background

One of Muslim’s obligation is getting and consuming halal and thayyib food and beverages, so while consuming goods or services is not only prioritized the value of using goods or services but also consider the benefits of consumer goods or services. Halal is a symbol of cleanliness, security, and quality standards for Muslim consumers.

Based on consumption estimation, the market size of the world’s halal food has grown progressively from USD587.2 billion in 2004 to USD651.5 billion in 2010 (Awan et al., 2015). Therefore, halal food will be a profitable business in the future, both for countries with a large Muslim population, as well as non-Muslim countries.

Indonesia, as a country with the largest Muslim population in the world, about 237,641, 326 people or 12.7 percent of the world’s population, is a potential market for goods and services manufacturers. In Muslim-majority countries, the halal concept is
an absolute key to consumption. Awan et al. (2015) define halal as something that allowed or permitted by sharia. Any edible food or drink that drinkable considered halal until there is a prohibition in the Qur’an and Hadith.

Halal certification is a guarantee of security for Muslims to consume food products according to Islamic dogma. Halal certified products are proven by the halal logo on the product packaging. Through halal certification, food manufacturers can send claims on the market if what they sell is halal for Muslim consumers and trusted by people who import and buy the product.

A Muslim should know the product categories that bought and used. Therefore, he/she must have an understanding of the halal concept. Knowledge of halal awareness includes understanding what is halal and how the production process of a product complies with Islamic halal standards, which it will affect Muslim’s intention on decision-making (Awan et al., 2015). On the other hand, the research conducted by Nurcahyo and Hudrasyah (2017) showed that there was no significant effect between halal awareness and Purchase Intention. The research above showed inconsistent results, so rising the research gaps.

Research conducted by Awan et al., 2015, showed the demand for halal food products certification by Muslim consumers was increasing. It indicated the need for halal food products certificate because it is an important factor in the purchase decision of the product.

This study analyzed the factors that influence consumers’ buying intention towards halal products, which are Religiosity, and Halal Awareness, Halal Certification as a moderated variable. These variables selected considering the purchase decision of halal products is not just about what selected, bought and consumed by Muslim consumers, but also should base on the knowledge of the halal products and religious understanding if buying a product is not only for temporal consumption but also for welfare and safety in the afterlife.

2. Theory

2.1. Consumer Behavior in Conventional Economics

Consumers behaviors is a basic of consumers in making purchasing decisions. Consumers behaviors could be shown in several stages, i.e., before purchased, actually purchased, and after purchased. At the stage before purchased, consumers will search for information related to the product that they wanted. According to Kotler and Armstrong
(2016), purchasing decisions are a result of interplay and complicated relationships between consumer's cultural, social, personal, and psychological factors.

2.2. Consumer Behavior in Islamic Economics

Islamic consumer's behaviors based on the Qur'an's and Hadith which purposed as helping tools in worshiping God. Consuming something to increase stamina in God devotion was made the consumption itself as worship, which will get a reward. Therefore, consumption cannot be separated from faith. Islamic dogma suggested the consumption and used of assets in the fair and balanced. According to Arif (2015), there are several Islamic ethics on consumption, including:

1. Tawhid (Unity)
2. Equilibrium
3. Free Will
4. Amanah (Responsibility)
5. Halal
6. Simple

2.3. Consumer Decision Making Process

The purchasing process started before the actual purchase happened and has long-term consequences afterward. Kotler and Keller (2016) described the consumer decision making process model as below:

![Figure 1: Consumer Decision Making Process.](image)

2.4. Halal concept

1. Islam not only teaches how people worship their Lord but also teaches how to live a good life. This good life begins with the halal concept. Based on Islamic law, there are three product categories for Muslims, namely halal, haram, and mushbooh. Halal is a behavior or activity that is permissible in Islam. Conversely haram interpreted as prohibited behavior and actions (Ghadikolaei, 2016). While mushbooh
(syubha, shubhah, and mashbuh) means black and white, still questionable, and doubtful so it should be avoided. Therefore, halal can define as any action or product that is permissible in Islam, which can be used by removing everything harmful or destructive to humans. And this is following maqashid sharia, which is maintaining human welfare includes protection against:

(a) Faith or religion
(b) Life
(c) Intellect
(d) Lineage
(e) Property.

2.5. The Law of Consuming Foods

Consuming food is a way to keep up survival and health, so humans can fear, obey, and worship Allah SWT. Therefore, the law consumes food can different, according to the conditions of each person. According to Thawilah (2012), consuming compulsory food, it does not consume it then caused death. There is also lazim mu‘akkad, which is to keep them able to stand up for praying and ease them to fast. Some are mubah, which causes fullness to increase body strength. There was also Makruh, means exceed the limits or too much. But there is also haram, which is excessive to the point of endangering the body.

2.6. Reasons for Food Prohibition

Allah SWT allowed us to consume good food and drink (Ath-Thayyibat) and prohibited the bad (Al-Khaba‘its). Thawilah (2012) classified the factors of something that prohibited into two:

1. Internal factors related to the actions of a mukallaf (developer of shari‘a obligations).
2. External factors, characters that declared vanity by the Shari‘a: such as anger, stealing, gambling, and other characters related to aqidah and faith.

3. Religion (Religiosity)

Religion consisted of internal and external dimensions. Internally, someone can have a religious identity for development, attitudes, values, and religious beliefs. Externally,
religion stated by religious affiliation, worship services, and membership in religious communities or attending religious functions. Religion is important because it can influence people cognitively and behaviorally. Therefore, how strongly consumers committed to their religiosity considered in understanding the nature of consumer behavior (Ibrahim and Ismail, 2015).

3.1. Halal Awareness

Awareness is the ability to understand, feel, and become aware of an event and object. Halal awareness is known based on understanding or not a Muslim about what is halal, knowing the correct slaughter process, and prioritize halal food for their consumption (Ardyanti et al., 2013). Knowledge has a positive influence on the intention because the increase of knowledge likely affects the intention. As a result, Halal awareness has a big influence in explaining the intention to buy halal products (Aziz and Chok, 2013).

3.2. Halal Certification

Halal certification is not only focused on materials or raw materials that put into the product but the concept of "Thoyyib" or the concept of goodness that applied also check every aspect of production. Halal certificate is a document issued by an approved Islamic organization stating that the product meets Islamic law and used by Muslims (Islam and Chandrasekaran, 2013).

3.3. Purchase Intention

The theory that is widely used on measured purchase intention among consumers is Planned Behavior Theory. The theory argues that the level of religious commitment of Muslim consumers guides their attitude to consumption which affects Perceived Behavioral Control (or perceived barrier) and predicts their behavioral goals (Razzaque and Chaudhry, 2013).

<table>
<thead>
<tr>
<th>No.</th>
<th>Research Title</th>
<th>Researcher</th>
<th>Research result</th>
</tr>
</thead>
</table>
| 1   | Factors Influencing Halal Products Purchase Intention in India: Preliminary Investigation (2016) | Adil Khan and Mohammad Khalid Azam | 1. The attitude and perceived behavior control were significant, and most influential factors in purchase intention of halal-certified products.  
2. Religiosity norm was a non-significant factor. |
<table>
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</tr>
</thead>
</table>
| 2   | A study on the mediating role of halal perception: determinants and consequence reflections (2016) | Suraiya Ishak, Abd Hair Awang, Mohd Yusof Hussain, Zaimah Ramli, Sarmila Md Sum, Suhana Saad, Azima Abd Manaf | 1. The halal perception was mediator variable to intervene in the relationship between several independent variables and the tendency to purchase decisions.  
2. Independent variables such as manufacturer identity, product label, physic of product and packaging also the origin country considered had a significant relationship toward the halal perception. |
| 3   | Consumer knowledge and religious rulings on products: Consumer’s young Muslim perspective (2016) | Mazda Muhamad, Vai Shiem Leong, and Dick Mizerski                           | 1. The religious orientation of consumers distinguished their knowledge of the fatwa related to the brand choice and their behavior towards the brand. |
| 4   | A Generational Cohort Study of the Relationship between Religious Intensity and Religious Assurance for the Purchase of Non-food Products (2015) | Haifa Ibrahim and Hashanah Ismail                                          | 1. The personal characteristics of respondents were significantly related to purchase behavior.  
2. There was a significant relationship between religiosity and purchase intention for non-food products labeled Halal among Gen Y respondents. |
2. Customers were willing to spend more effort and money to buy halal food. |
| 6   | An empirical study on non-Muslim’s packaged halal food manufacturers: Saudi Arabian consumers’ Purchase Intention (2016) | Afshan Azam                                                               | 1. Halal awareness and product’s ingredients were significantly affected Muslim’s intention to buy halal packaged food produced by non-Muslim manufacturers.  
2. Religion, certification, or logos were potential sources of Muslim awareness of halal packaged food produced by non-Muslim manufacturers. |
2. There was a weak relationship between product attributes and consumer’s purchase intentions.  
3. There was a strong relationship between product loyalty and consumer’s purchase intention. |
### 4. Methodology

#### 4.1. Research design

This study used a *causal descriptive* approach that analyzed the hypotheses of the influence of *religiosity* and *halal awareness* towards *purchase intention*, which moderated by *halal certification*. The data used in this study is cross-section data collected through a questionnaire. Questions in the questionnaire were using a Likert scale.

#### 4.2. Sample

Sampling used the *purposive sampling method*. The intended unit of analysis was productive Muslims and Muslim women who aged at least 24 years old with a minimum diploma education level.
<table>
<thead>
<tr>
<th>Variable</th>
<th>Indicator</th>
<th>Instrument</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religion (Religiosity)</td>
<td>Consume halal products because of religious beliefs</td>
<td>1</td>
<td>INTERVAL</td>
</tr>
<tr>
<td></td>
<td>Follow the religious dogma which suggested consuming halal products</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Avoid buying products that considered makruh</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Awareness lawful (Halal Awareness)</td>
<td>Always ensured the products that I consumed is halal</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Always ensured the products that I consumed contain halal ingredients</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Always ensure the products that I consumed processed / manufactured through the halal process</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I will only buy a product if it has a halal label</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Has sufficient knowledge to make purchase-decisions of halal products</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Certification Halal (Halal Certification)</td>
<td>The halal certification and logo that used convinced me if the product is halal</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I feel the safe consuming product that has halal logo</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>When I buy a product, I will request halal certified products</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Halal certification increases the selling power of the product</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I know if some products have halal certification from other countries</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I know if some products have no genuine halal logo</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Purchase intentions (Purchase Intention)</td>
<td>Willing to buy halal certified products in the future</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Will regularly buy halal-certified products if it is available</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>I prefer to buy halal products even though the brand is not popular</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Willing to buy halal certified products even though the price is slightly high</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Consume halal products is healthier</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

Source: Data processed

5. Classic Assumptions test
5.1. Normality test

Data was around the diagonal line and followed the diagonal line direction; the regression model met the assumption of normality.

5.2. Multicollinearity Test

Before interacted with moderating variables, the VIF value <10 was, so there was no multicollinearity issue in the model. But after interacted with moderating variables, all variables have VIF > 10, so it has multicollinearity issue. However, it can be ignored because the interaction variable is the result of multiplication between the independent variable and the moderating variable.

5.3. Heterocedasticity test

There was no heterocedasticity issue because it had no clear patterns in the scatterplot and dots spread randomly, either above or below zero on the Y-axis.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Sig (2-Tailed)</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Religiosity</td>
<td>0.0000</td>
<td>.851</td>
</tr>
<tr>
<td>Halal Awareness</td>
<td>0.0000</td>
<td>.882</td>
</tr>
<tr>
<td>Halal Certification</td>
<td>0.0000</td>
<td>.601</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.0000</td>
<td>.819</td>
</tr>
</tbody>
</table>

Based on the table above, all the variables used in this study are valid and reliable.
Based on the test results in the first table, before moderation, and in the second table, after moderation, the significance had a simultaneous influence.

6. T-test

6.1. Religiosity

Before moderated, there was a significant effect of Religiosity toward the Purchase Intention, and after moderated, there was no significant effect of Religiosity toward Purchase Intention.

6.2. Halal Awareness

Before moderated, there was a significant effect of Halal Awareness toward Purchase Intention, and after moderated, there was no significant effect of Halal Awareness toward Purchase Intention.
6.3. Religiosity * Halal Certification

*Halal Certification* variable was not strengthening the effect of *Religiosity* toward *Purchase Intention*.

6.4. Halal Awareness * Halal Certification

*Halal Certification* variable was not strengthening the effect of *Halal Awareness* toward *Purchase Intention*.

7. Discussion

A Muslim, when purchased the products, is always based on faith by not being excessive and wasting money. Also, a Muslim is expected always to be cautious in choosing products used in daily life to avoid consuming products that are subhat or haram. Halal certification indicated if the product is suitable for consuming by Muslim consumers, so it can create peace of mind and confidence in consuming a product.

7.1. Effects of Religiosity on Purchase Intention

Before moderated, *Religiosity* had a significant effect on the *Purchase Intention*, and after moderated, there was no significant effect of *Religiosity* toward *Purchase Intention*. The results were consistent with the research conducted by Awan *et al.* (2015), which stated that religious beliefs had very little effect on consumer’s purchase decisions.

7.2. Effect of Halal Awareness on Purchase Intention

Before moderated, *Halal Awareness* had a significant effect on *Purchase Intention*, and after moderated *Halal Awareness* had no significant effect on *Purchase Intention*. The results of this study, contrary to the research conducted by Aziz and Chok (2013) and Azam (2016), which stated that halal awareness had a positive effect on intention.
7.3. Effect of Halal Certification on the relationship of Religiosity to Purchase Intention

Halal certification is a manifestation of sanitation and safety for Muslims. Halal Certification indicated to strengthen the relationship of Religiosity to Purchase Intention partially. In this study, the indication was not proven. Based on the regression results, it indicated that Halal Certification did not strengthen the effect of Religiosity toward Purchase Intention. It was contrary to the research conducted by Azam (2016), which stated that religiosity, certification, or logo were sources of Muslim awareness to the halal packaged food.

7.4. Effect of Halal Certification on the relationship of Halal Awareness to Purchase Intention

In Surah Al-Baqarah verse 168 stated that basic principle of halal certification was halal (allowed) and thoyyib (beneficial). Based on the regression analyses, Halal Certification did not strengthen the effect of Halal Awareness on Purchase Intention. It is contrary to the research conducted by Khan and Azam (2016), which stated that attitude and perceived control behavior was significant and most important factors that influence the purchase intention of halal-certified products.

8. Conclusion

Partly, the effect of each variable was as follows:

1. Before moderated, Religiosity had a significant effect on Purchase Intention, but after moderated, Religiosity had no significant effect on Purchase Intention.

2. Before moderated, Halal Awareness had a significant effect on Purchase Intention, but after moderated Halal Awareness did not significantly affect Purchase Intention.

3. Halal Certification did not strengthen the effect of Religiosity toward Purchase Intention.

4. Halal Certification did not strengthen the effect of Halal Awareness toward Purchase Intention

While the data testing and analysis by using moderated regression analysis showed that Religiosity, Halal Awareness, Halal Certification, Religiosity Halal Certification,
*Halal Awareness* and *Halal Certification*, simultaneously had a significant effect on *Purchase Intention*.

**9. Suggestion**

1. Add the number of samples so we can see whether, with a larger number of samples, the *Religiosity* variable, *Halal Awareness*, *Halal Certification* affected the *Purchase Intention*.

2. Add the number of independent variables to examine, such as the Halal Marketing variable proposed by Awan *et al.* (2015).

**10. Implications**

**10.1. Theoretical**

The research-proven if religion and halal awareness did not have a significant effect in making a purchase decision. Halal certification as a manifestation of religion in maintaining maqashid sharia did not strengthen the effect of religion or halal awareness on the purchase intention of halal products. So the duty of the ulema, mullah, and religious teachers to educate and improve the religious understanding of the public about important of consuming halal and thayyib products. On the other hand, Muslims and Muslim women need studying muamalah actively, especially about halal products by participating in various religious studies to understand the halal concepts of daily consumed products better. Indonesia Ulema Council (MUI) as a provider of halal certification also needs more aggressively in educating the public about products that already received halal certification from MUI and which manufacturers that do not extend their halal certificates.

**10.2. Managerial**

The results showed that *Halal Awareness* did not significantly affect *Purchase Intention* of halal products. It can encourage marketers to improve *Halal Marketing* and *Branding* to increase consumers *Halal Awareness* of products that marketed by marketers because consumers are usually more easily influenced by sales promotions and endorsement, especially from celebrities or public figures.
References


