

The Influence Of Halal Lifestyle As A Mediating Variable Of Halal Awareness On Purchasing Decisions

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Abstract:

Background: This research aims to determine and analyze the influence of halal awareness and halal lifestyle variables on purchasing decisions among Muslim students at the Department of Business Administration, State Polytechnic of Malang, Indonesia. Do halal awareness variables influence purchasing decisions?, do halal awareness variables influence halal lifestyles?, do halal lifestyle variables influence purchasing decisions? and do halal lifestyle variables mediate halal awareness in influencing purchasing decisions among Muslim students?

Materials and Methods: The population of this research was all 1866 students of the Department of Business Administration, State Polytechnic of Malang, with a sample of 100 respondents. This research was analyzed using Partial Least Square

Results: This research found the results: the halal awareness variable influences the purchasing decision variable, the halal awareness variable influences the halal lifestyle variable, the halal lifestyle variable influences the purchasing decision variable and the halal awareness variable influences the purchasing decision variable through the halal lifestyle variable

Conclusion: The halal lifestyle variable is a partial mediating variable between halal awareness and purchasing decisions. This is because without the existence of the halal lifestyle variable, the actual influence of halal awareness on the decision to purchase halal products remains

Key Word : halal awareness, halal lifestyle, purchasing decisions, Department of Business Administration, State Polytechnic of Malang

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I. Introduction

The increasing popularity of the halal lifestyle is shown by the increasingly rapid growth of the halal industry. The growth of the halal industry is not only in the food and beverage industry, but also in other industries, for example: fashion, tourism, cosmetics, medicine, hospitality, finance, and electronics. Many companies in countries with non-Muslim populations also set a target market of consumers with a halal lifestyle [1].

Muslim consumers' awareness of halal products encourages them to be selective in choosing the products they buy. Companies that sell their products to Muslim consumers must make products that do not contain ingredients prohibited by sharia, such as pork fat and/or alcohol. Companies that are able to give guarantee that their products do not contain ingredients that are prohibited by Islamic law for consumption will definitely eliminate consumers' doubts of purchasing. Halal awareness makes Muslims look for products in accordance with the teachings of their religion [6].

Malang City is one of the cities in East Java with a Muslim majority population. Muslim residents in this city study at various campuses, one of which is the State Polytechnic of Malang. The student of State Polytechnic Malang, especially in the Department of Business Administration, are predominantly Muslim. In the context of purchasing products and services, whether students consider halal awareness and halal lifestyle in making decisions to purchase products and services is a very interesting thing to research. The development of halal awareness and halal lifestyle among the middle class, where students are also included in this class, has given rise to a trend in making purchasing decisions about a product.

II. Material And Methods

Population and Sample

The population of this research was all 1866 students of the Department of Business Administration, State Polytechnic of Malang. In this study, the sample size was calculated using the Slovin formula [13], as follows:

$$n = \frac{N}{1 + Nd^2}$$

Note :

n = minimum sample size

N = population size

d = error tolerance (sampling error)

Thus, if the error tolerance = 10%, the number of samples = 95 people , and rounded up become 100 people

Data analysis

The data analysis method used in this study is Partial Least Squares (PLS). Partial Least Squares is a predictive technique that can handle many independent variables, even if they are multicollinear [4]. In PLS, the path analysis model is made up of three sets of relationships: (1) the inner model, (2) the outer model, and (3) the weight relation.

Research Concept Framework

The conceptual framework of the research begins with the assumption that halal awareness can increase purchasing decisions and remain influential indirectly through halal lifestyle

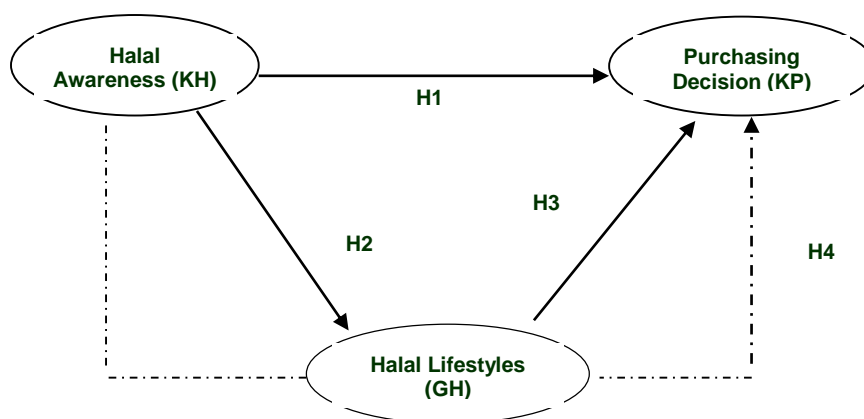


Figure no 1 : Research Concept Framework

Validity and Reliability Test

An indicator is declared valid if the convergent validity has a minimum loading value of 0.7. [24]. In this study, PLS was used to analyze three variables and twelve indicators. The results include all indicators that have been declared valid based on this parameter because their loading factor value is greater than 0.7. (Figure no 2).

III. Result

This study was conducted by sharing Google Forms questionnaires to students of the Department of Business Administration, State Polytechnic of Malang, East Java, Indonesia. The results were 256 people filled out and returned the questionnaire during the collection period. To avoid questionnaires with incomplete answers, the accepted Google forms were checked one by one, and 206 copies with complete questionnaires were obtained. Only 100 respondents were chosen for this study based on the needs of the sample. The following are the findings of the study:

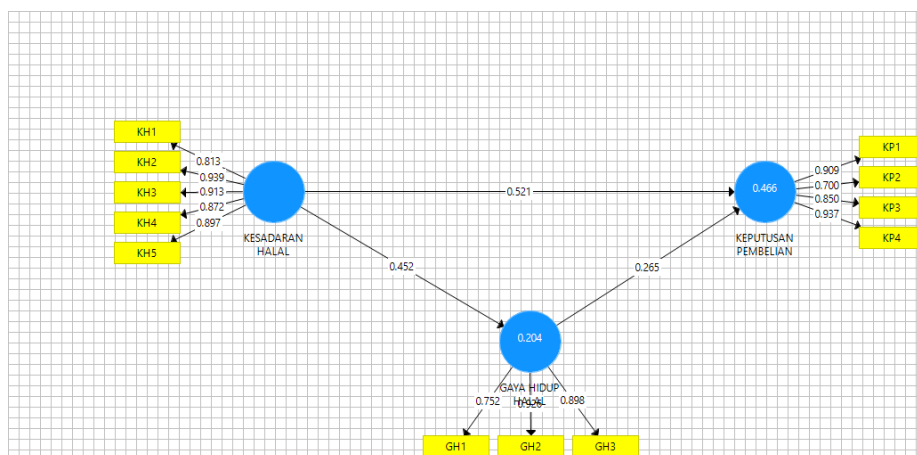


Figure No 2 : Research Result Framework

Direct and Indirect Effect

Table No 1 shows the values in the path coefficient, t-statistics and P-value columns for testing the direct and indirect effect hypothesis between variables. The results show that all of correlations are significant and the hypothesis are accepted, namely hypothesis 1 (H2), hypothesis 2 (H2), hypothesis 3 (H3), and hypothesis 4 (H4).

Table No 1 : Testing Result of Direct Effect and Indirect Effect

Hypotesis	Correlation	Path Coeff	t -Stat	P-Values	Remark
H1	Halal Awareness -> Purchasing Decision	0.521	6,305	0.000	Sig accepted
H2	Halal Awareness -> Halal Lifestyles	0.452	4,768	0.000	Sig accepted
H3	Halal Lifestyles -> Purchasing Decision	0.265	3,223	0.001	Sig accepted
H4	Halal Awareness Halal Lifestyles -> Purchasing Decision	0.120	2,412	0.016	Sig accepted

Source: Primary data processed 2023

Table No 2 Contribution of the influence of indicators on variables

Indicator->Variable	Original Sample	t- statistic Value
KH1 <- KH	0.813	13,732
KH2 <- KH	0.939	66,608
KH3 <- KH	0.913	29,501
KH4 <- KH	0.872	21,134
KH5 <- KH	0.872	20,279
GH1 <- GH	0.752	9,150
GH2 <- GH	0.926	33,391
GH3 <- GH	0.898	31,885
KP1 <- KP	0.909	34,384
KP2 <- KP	0.700	10,678
KP3 <- KP	0.850	22,123
KP4 <- KP	0.937	55,042

Source: Primary data processed 2023

Tabel No 3 Total Effects

Situation	Correlation	Path Coeff	t - Statistic	P-Values
Before mediating	Halal Awareness -> Purchasing Decision	0.521	6,305	0,000
After mediating	Halal Awareness -> Purchasing Decision	0.640	7,597	0.000

Source: Primary data processed 2023

IV. Discussion

Research Hypothesis Testing

Hypothesis testing 1: The influence of halal awareness on purchasing decisions

The results of testing hypothesis 1 (H1) show that there is a significant positive influence of halal awareness on purchasing decisions with a coefficient value of 0.521 and a t-value of 6.305, which means it is greater than the t-table value of 1.6607 and a p-value of 0.000. These results prove that halal awareness of a product is able to encourage respondents to decide to buy a product. Halal awareness includes indicators such as: the existence of a good halal certification process, the existence of halal certification, the opportunity to ask the seller directly about the halalness of the product, the seller's notification of the halalness of the product, ownership of an official MUI halal certificate as an important guarantee of product halalness, the presence of a halal logo on each product on the packaging, respondents had the opportunity to research and observe the halal composition of the ingredients on the packaging, apart from that the composition of the ingredients was clearly stated on the packaging. All of these indicators contribute to the halal awareness variable in influencing halal product purchasing decisions. With halal awareness, consumers in purchasing decisions will consider factors including: selecting products according to their desires and needs, selecting distributor shops, selecting brands and *selecting the right time to purchase. This is done so that there are no mistakes in making decisions about purchasing halal products.*

Purchasing decisions in this research were caused by halal awareness. Where the respondents when using halal products are not enough to see visually (halal logo, composition, etc.), because there are companies that include halal labels without a certification process from the MUI institution. Respondents have this halal basis as a commitment to the religion they adhere to. The results of this research are in line with the opinion of [12] who state that halal awareness is the knowledge that Muslim consumers have to search for and consume halal products in accordance with Islamic law.

Consumer awareness of halal products is increasing, thus increasingly influencing their purchasing decisions regarding a product. This requires producers to provide confidence to consumers that the products they sell are guaranteed halal so that consumers are willing to buy. The results of this research are consistent with the findings of [1] and [3] which show that halal awareness has a significant influence on consumer purchasing decisions. This shows that halal awareness has an important role for consumers in deciding to buy halal products.

Hypothesis testing 2: The influence of halal awareness on halal lifestyle

Testing hypothesis 2 (H2) shows the results that halal awareness has a significant positive effect on halal lifestyle with a coefficient value of 0.452 and a calculated t-value of 4.768, which means it is greater than the t-table value of 1.6607 with a p-value of 0.000. These results prove that halal awareness exists for halal products with indicators: halal certification process, existence of halal certification, seller notification about product halalness, official MUI halal certificate, product halal logo, opportunity to research and observe the halal composition of ingredients are able to encourage consumers to try to have halal lifestyle. The halal lifestyle that respondents have encourages them to; being active or carrying out activities that support a halal lifestyle, having an interest or enthusiasm in carrying out a halal lifestyle and providing opinions or responses to the halal lifestyle carried out by him and his family.

The results of this research are also consistent with research by [5] and [8] who found that halal awareness is an understanding regarding perceptions, attitudes, motivations and behavior that will influence consumers who comply with sharia law in terms of determining the choice of products to be consumed that must have a label/ The halal logo and product must be good and halal (thoyib) as proof of our devotion and faith in Allah's commands. The research results are also consistent with the findings of [7] who confirm that the halal awareness variable is very important in encouraging consumers to develop religion or a lifestyle according to religion or halal in making product purchasing decisions.

Hypothesis testing 3: The influence of a halal lifestyle on purchasing decisions

Testing hypothesis 3 (H3) shows the results that a halal lifestyle has a significant effect on purchasing decisions with a coefficient value of 0.265 and a calculated t-value of 3.223, which means it is greater than the t-table value of 1.6607 with a p-value of 0.001. These results show that a halal lifestyle with indicators: activities, interests and opinions about halal products influence purchasing decisions. All indicators in the halal lifestyle variable contribute to influencing consumer purchasing decisions. Activities indicators are concrete actions such as watching or reading media, shopping in a store, or telling about the service experience obtained which ends in a purchasing decision. Activities relate to spontaneous activities or reactions and behavior. The Interest indicator is enthusiasm or active effort to carry out a goal, namely purchasing halal products. Opinion indicators are responses to stimuli that are used to interpret and evaluate decisions, including purchasing decisions.

Halal lifestyle indicators from the authorized institution MUI also make a big contribution to halal lifestyle variables in influencing purchasing decisions. The existence of a halal lifestyle from MUI stated on product packaging makes consumers increasingly confident that the halal products they will buy are truly halal. Consumers who have halal awareness view that halal products that are good and safe according to sharia are products that include a halal label from the MUI on their packaging. All combinations of images and writing as well as MUI labels regarding halal products that appear on product packaging are able to give consumers confidence that the halal products they buy are truly halal.

The results of this research are consistent with research findings from [8] and [10] who found that a halal lifestyle has a significant influence on purchasing decisions. The results of this research are also in line with the opinions of [11] and [12] who say that a halal lifestyle requires the inclusion of a halal label on a product because it will give consumers confidence in the product and feel safer in consuming and using the product purchased.

Hypothesis testing 4: The influence of halal awareness on purchasing decisions through halal lifestyle variables

The results of testing hypothesis 4 (H4) prove that there is a significant positive influence of halal awareness on culinary purchasing decisions through the halal lifestyle variable with a coefficient value of 0.120 and a t-count value of 2.412, which means it is greater than the t-table value of 1.6607 with p-value is 0.016.

These results indicate that the halal lifestyle variable is a partial mediating variable between halal awareness and purchasing decisions. This is because without the existence of the halal lifestyle variable, the influence of halal awareness on the decision to purchase halal products still exists (coefficient 0.521). So the existence of the halal lifestyle variable does not completely replace the role of halal awareness but rather enriches the channel of influence on the purchasing decision variable, where either directly or indirectly through the halal lifestyle, the halal awareness variable is able to encourage consumers to make purchasing decisions about halal products. In fact, in total, based on Table 4.14, the influence of halal awareness (KH) on purchasing decisions can increase from a coefficient of 0.521 with a p-value of 0.000 and a t-statistic value of 6.305, to a coefficient value of 0.640 with a p-value of 0.000 and a t-statistic value of 7.597

The results of this research are further able to show the role of halal lifestyle variables with the indicators: activities, interests and opinions being able to become mediating variables for halal awareness of halal products in influencing purchasing decisions even though they are not yet optimal. Halal awareness with indicators includes: the existence of a halal certification process, the existence of halal certification, seller notification about product halalness, official MUI halal certificate, product halal logo, opportunity to research and observe the halal composition of ingredients. All of these indicators can be improved in their ability to influence purchasing decisions with the help of halal lifestyle variables [12]

All indicators of halal lifestyle variables contribute to helping halal awareness in influencing decisions to purchase halal products. Indicators include activities or activities that support lifestyle, such as: purchasing halal products for work purposes, purchasing halal products because the quality is good, purchasing halal products because the packaging model is attractive and purchasing halal products to join the community.

Furthermore, indicators in the form of interest or enthusiasm in living a lifestyle such as: Purchasing halal products for community needs, purchasing halal products to be used at family events, purchasing halal products to follow trends and purchasing halal products because of product promotions

The next indicators that contribute to the halal lifestyle variable in influencing purchasing decisions are indicators in the form of opinions or responses to the lifestyle that is carried out, such as: purchasing halal products for one's own needs, purchasing halal products to follow current culture, purchasing halal products adjusted to financial conditions and purchases Halal products because you like the product. For consumers who have halal awareness, products that fulfill a halal lifestyle are halal products that are good and safe according to sharia. All products that meet halal are able to provide confidence to consumers so that they can strengthen their purchasing decisions

The result of this research is not consistent with research findings of [7] who found that a halal awareness has no significant influence on purchasing decisions via religion belief or halal lifestyle.

V. Conclusion

The results of the research can be concluded that: the halal awareness variable influences the purchasing decision variable, the halal awareness variable influences the halal lifestyle variable, the halal lifestyle variable influences the purchasing decision variable and the halal awareness variable influences the purchasing decision variable through the halal lifestyle as partial mediating variable

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