The Role of Brand Image, Food Safety, Awareness, Certification on Halal Food Purchase Intention: An Empirical Study on Indonesian Consumers

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ABSTRACT

The purpose of this study was to determine the factors that influence customer interest in buying halal processed food. The method of this research is quantitative by sampling method with 110 respondents of halal food customers in Indonesia. The data analysis was performed using the SEM-PLS method. The research was conducted for one month by distributing questionnaires directly to respondents. This study to analyze brand image, perceived quality, perceived value, halal certification, health, halal awareness, and halal marketing as factors that influence customers' halal purchase intentions. The results showed that halal awareness, brand image, halal certification, health reasons, and perceived value have a positive and significant effect on purchase intention.

Keywords: Brand Image, Food Safety, Awareness, Certificate , Marketing ,Purchase Intention

Introduction

Halal products refer to products that meet the syar'i requirements that prevent prohibition, both in terms of substance and non-substance (Burhanuddin 2011). According to Al-Ghazali (2007), which results in food (objects) becoming haram because of the types that are haram, such as alcohol, pork, and so on, including products from their derivatives (alcohol, gelatin, etc.), and haram because how to get it which includes the property to get it and the process of making it. According to data from PT Sofyan Hospitality International, in 2016, the level of Muslim consumption at the global level was US $ 1.8 trillion, while in Indonesia it reached US $ 225.7 billion. In the last five years, the growth of industries that carry the halal concept in Indonesia has reached 40%, which consists of clothing, food, hotols, cosmetics, and financial sharia (Mix 2017). The Institute for the Study of Food, Drugs and Cosmetics of the Indonesian Ulema Council (LPPOM MUI) as the only institution authorized to provide halal certificates until 2014

totaling 26 979 out of a total of 8636 companies with 53 383 products that have been certified halal 851 products in circulation (Ministry of Religion 2015).

According to the Central Statistics Agency (BPS), Indonesia's Muslim population reaches 207 million Muslims or 87.18% of Indonesia's population (BPS 2010). So that with such a large market share of halal products, of course the need for halal products in the market will be very large. Based on a survey conducted by the Indonesian Ulama Council (MUI) research team, it was revealed that the level of Indonesian people's awareness of halal products increased very significantly. If in 2009 the level of public awareness of halal products was only around 70%, by the end of 2010 that figure had jumped to around 92.2%, which means that this potential should make Indonesia a world-class halal producer (Syahruddin 2014). The increasing awareness of Muslims around the world on their obligation to consume foods that meet the requirements of Islamic consumption patterns has created a greater demand for halal food and products (Ambali and Bakar 2013).

Halal is no longer purely a religious issue, but also falls into the realm of business and trade (Borzooei and Asgari 2013). Halal can be a differentiating factor and by seeking, highlighting and communicating Halal certification it is possible to expand into the world market (Rajagopal et al 2011). The halal food trade has increased rapidly while more and more countries have adopted Islamic Finance in their banking systems (Ahmad 2014). The benefits of halal products affect the attitudes and behavior of consumers in terms of intention to buy products and they are willing to pay for halal products (Aziz and Chok 2013). On the other hand, companies that ignore this halal issue will be left behind by their consumers. Research on halal buying interest does cover a broad area of consideration: halal awareness (Qaradhawi 2013, Aziz and Chok 2013, Apriyantono 2005), perceived value (Apriyantono 2005), halal certification (Aziz and Chok 2013, Apriyantono 2005, Husain et al. 2016), food safety (Husain et al 2016), perceived value (Wang and Tsai 2014, Husain et al 2016), brand image (Wang and Tsai 2014), health (Husain et al 2016). Based on the research background above, the formulation of the problems in this study are: (1) How are the influences of factors including brand image, perceived quality, perceived value, halal certification, health, halal awareness, and halal marketing on buying interest in food products. halal? (2) How does the food safety variable affect health? (3) How do the variables of halal marketing and product halal certification affect the brand image of halal food products? (4) How does the product brand image influence the perceived quality and value perception of halal food products?

METHOD

The object of this research is consumers who buy processed food products at supermarkets and minimarkets in the city / regency of Bogor. The sampling method used in this study is non-probability sampling using purposive sampling technique (Cooper and Emory 1997). Sampling based on certain criteria, where the respondents are consumers who buy processed food products marketed in the market. The research was conducted for one month using questionnaires to

respondents directly and distributing questionnaires directly to respondents and online through the google form application which is distributed through social media. In the questionnaire, the scale used is the Likert scale based on the respondent's level of agreement on each indicator (1-6).

The data analysis method used in this research is descriptive analysis to identify the characteristics and analysis method of Structural Equation Modeling (SEM) with SmartPLS 3.2.6 software. Structural Equation Modeling (SEM) is a second generation multivariate analysis technique that connects factor analysis and path analysis, allowing researchers to simultaneously test and estimate the relationship between multiple exogenous and endogenous variables with many factors (Latan 2013). The analysis in the SEM model can be divided into two stages, namely the measurement model and the structural analysis model. The purpose of conducting a measurement model is to find out how strong the manifest variable describes each exogenous and endogenous latent variable. Each latent variable has several manifest variables (indicators) that are reflective of each latent variable. These indicators are obtained from literature studies. The first step of the analysis using the SEM method is to make a path diagram analysis to interpret the relationship between latent variables and indicators in the PLS software. Then a measurement model analysis is carried out to see the value of the outer loading to evaluate the relationship between the construct variables and the manifest indicators. Then proceed with structural analysis (inner model) by looking at the bootstrapping value to assess the estimated results of the path coefficiency parameter and its level of significance.

Analysis of the measurement model or outer model is carried out through confirmatory analysis with the convergent validity test and composite reliability test (Mulyono 2016). According to Asyraf (2013), this indicator value can be accepted when the outer loading value is 0.50 or higher to maintain the measurement model. In addition to the outer loading value, the measurement model is also a convergent validity test and also sees the Avarage Variance Extracted (AVE) value. AVE values are acceptable when the value is greater than 0.50. AVE values of 0.50 and higher, indicate a sufficient degree of convergent validity, meaning that latent variables account for more than half of the indicator diversity. Furthermore, meanwhile, the level of measurement consistency (reliability) was tested by composite reliability. High reliability (value> 0.6) indicates that the indicators have high consistency in measuring the latent variables. To test the inner model, it is done by looking at the value of R2 in the dependent construct.

This research is a causality research in which this study seeks to find an explanation in the form of a causal relationship between several concepts or variables or several strategies developed in management (Ferdinand, 2006). The method of analysis used in this study is the Partial Least Square (PLS) method. PLS can be used on any type of data scale (nominal, ordinal, interval, ratio) as well as more flexible assumption requirements. PLS is also used to measure the relationship of each indicator with its construct. In addition, in PLS, a bootstrapping test can be carried out on the structural model that is the outer model and inner model. PLS can be used for confirmatory purposes, such as hypothesis testing and exploratory purposes.

The method used in this research is quantitative method, data collection methods by distributing questionnaires to consumers in Indonesia. The instrument used to measure all the variables of this study was adapted from (Bogler, 2001), with 5 items for each variable. Each closed question / statement item is given five answer options, namely: strongly agree (SS) score 5, agree (S) score 4,

disagree (KS) score 3, disagree (TS) score 2, and strongly disagree (STS)) score 1. The method for processing data is by using PLS and using the SmartPLS version 3.0 software as a tool.

Population and Sample

The population in this study are consumers in Indonesia whose numbers have not been identified with certainty. The questionnaire was distributed electronically using simple random sampling technique. The results of the questionnaire returned were 110 respondents.
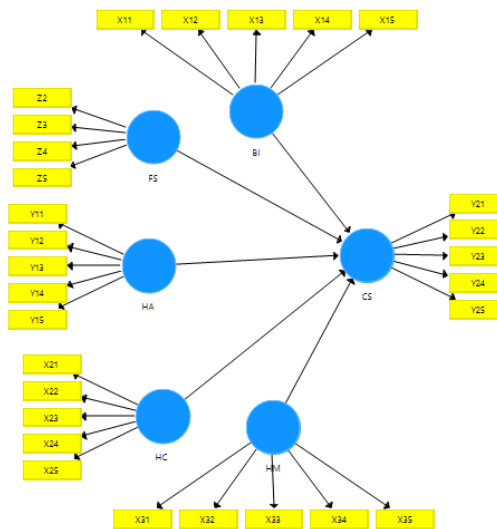

Fig 1. Research Model

Based on the theory and findings from previous research, this study combines various variables. The hypothesis developed in this study is as follows:

H1: Brand image affects purchase intention.

H2: Food safety affects purchase intention.

H3: Halal awareness affects purchase intention.

H4: Halal certificate affects purchase intention.

H5: Halal marketing affects purchase intention.

RESULT AND DISCUSION

The testing phase of the measurement model includes testing for convergent validity, discriminant validity and composite reliability. The results of the PLS analysis can be used to test the research hypothesis if all indicators in the PLS model have met the requirements of convergent validity, discriminant validity and reliability testing. Convergent validity test is done by looking at the loading factor value of each indicator against the construct. In most references, a factor weight of 0.5 or more is considered to have sufficiently strong validation to explain latent constructs (Chin, 1998; Hair et al, 2010; Ghozali, 2014). In this study, the minimum limit

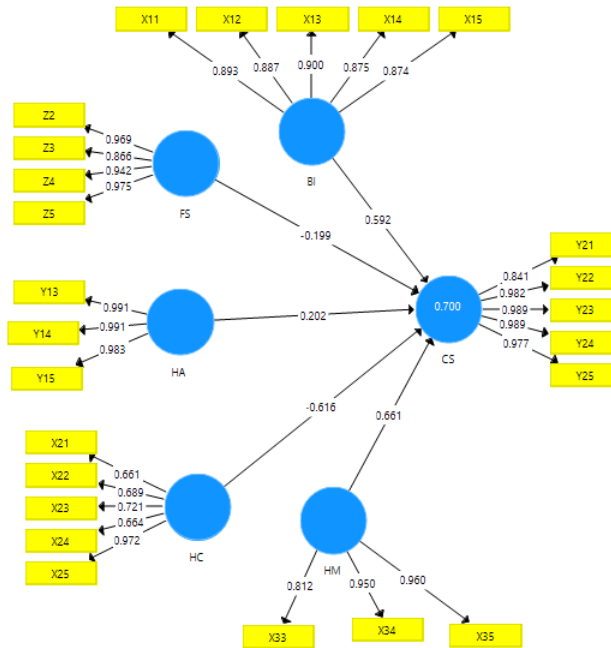for the accepted loading factor is 0.5, provided that the AVE value of each construct is> 0.5 (Ghozali, 2014).
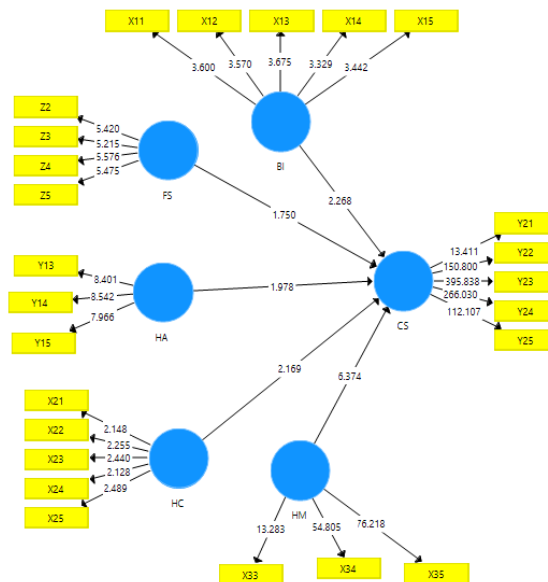

Fig 2. Model valid

Fig 3. Model valid

Based on the estimation results of the PLS model in the image above, all indicators have a loading factor value above 0.5 so that the model has met the convergent validity requirements. Apart from looking at the loading factor value of each indicator, convergent validity was also assessed from the AVE value of each construct. The AVE value for each construct of this study is more than 0.5. So the convergent validity of this research model has met the requirements. The value of loadings, cronbach's alpha, composite reliability and AVE for each complete construct can be seen in table 2 below:

Tabel 1. Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE)

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
BI	0.933	0.959	0.948	0.784
CS	0.976	0.982	0.982	0.916
FS	0.981	-0.136	0.967	0.882
HA	0.988	1.013	0.992	0.977
HC	0.949	3.071	0.863	0.563
HM	0.898	0.972	0.935	0.827

Construct reliability can be assessed from the Cronbach's alpha value and the composite reliability of each construct. The recommended composite reliability and cronbach's alpha value is more than 0.7. (Ghozali, 2014). The results of the reliability test in Table 2 above show that all constructs have composite reliability and Cronbach's alpha values are greater than 0.7 (> 0.7). In conclusion, all constructs have met the required reliability. Discriminant validity is done to ensure that each concept of each latent variable is different from other latent variables. The model has good discriminant validity if the AVE square value of each exogenous construct (the value on the diagonal) exceeds the correlation between this construct and other constructs (values below the diagonal) (Ghozali, 2014). The results of discriminant validity testing using the AVE square value, namely by looking at the Fornell-Larcker Criterion Value are obtained as follows:

Table 2. Descriminant Validity

	BI	CS	FS	HA	HC	HM
BI	0.886					
CS	0.138	0.957				
FS	0.519	0.095	0.939			
HA	-0.075	0.235	0.261	0.988		
HC	0.713	-0.196	0.401	0.111	0.750	
HM	0.157	0.709	0.274	0.299	0.083	0.910

The results of the discriminant validity test in Table 3 above show that all constructs have a square root value of AVE above the correlation value with other latent constructs (through the Fornell-Larcker criteria) so that it can be concluded that the model has met discriminant validity.

Hypothesis test

Hypothesis testing in PLS is also known as the inner model test. This test includes a significance test for direct and indirect effects as well as a measurement of the magnitude of the influence of exogenous variables on endogenous variables. To determine the effect between variables, a direct and indirect effect test is needed. The effect test was performed using the t-statistic test in the partial least squared (PLS) analysis model using the SmartPLS 3.0 software. With the boothstrapping technique, the R Square value and the significance test value are obtained as shown in the table below:

Table 3. *R Square*

	R Square	*R Square Adjusted*
CS	*0.700*	*0.682*

Based on Table 3 above, the R Square value is 0.700, which means that the purchase intention variable is influenced by food safety, halal awareness, halal certificate, halal marketing affects, brand image by 70%, while the remaining 30% is explained by other variables not discussed. in this research.

Table 4. Hypotheses Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
BI -> CS	0.592	0.334	0.261	2.268	0.024
FS -> CS	-0.199	-0.186	0.113	1.750	0.081
HA -> CS	0.202	0.115	0.102	1.978	0.048
HC -> CS	-0.616	-0.342	0.284	2.169	0.031
HM -> CS	0.661	0.724	0.104	6.374	0.000

Meanwhile, Table 4 shows the T Statistics and P-Values which show the influence between the research variables that have been mentioned.

The influence of brand image on purchase intention

Brand image has a positive effect on perceived quality, with a t value of 2.268. These results are in accordance with the findings of Wang and Tsai (2014) which show that brand image has a significant influence on purchase intention. This shows that halal food products with brands and those that have been widely recognized and considered good after purchase are a very strong factor reflecting the image of brand. The better the brand image of a halal food product, the better the consumer's perception of the quality of the product.

The effect of food safety on purchase intention

Food safety has a positive effect on health of 0.323. The resulting statistical t value is 1,750, indicating that food safety has no significant effect on health, so the hypothesis decision is rejected. Food safety represented by expiration date, safety assurance label, product content, and product origin are indicators of food safety variables. Food safety is a factor that encourages consumer arguments about health in choosing halal food. The more consumers believe that halal food products purchased are safe for consumption, consumers will be convinced that consumption of halal food products is healthy.

The effect of halal awareness on purchase intention

The relationship between halal awareness and purchase intention shows a significant positive effect with the t-statistic value of 1.979, so that the hypothesis decision is accepted. Research shows that the awareness of the Muslim community to buy halal processed food products is high. This is in line with previous research conducted by Hamdan et al (2013) and Aziz and Chok (2013), although it is different from the results shown by Awan et al (2015) which states that halal awareness does not have a significant effect.

Effect of halal certificates on purchase intention

Halal certificate has a significant and positive effect on brand image with a t value of 2.169 so that the hypothesis decision is accepted. Processed food products that have halal certification will be able to improve the brand image of the product itself. This is because most consumers think that a food brand that is good and safe for consumption is one that has halal certification. Muslim consumers reject product brands that are not certified halal.

The Effect of Halal Marketing on Purchase Intention

The test results show that halal marketing has a significant negative effect on halal marketing, with a t-statistic value of 6,374. This finding is inconsistent with the findings of Awan et al (2015). This shows that people buying halal food products do not see advertising stars that promote and price which is an indicator of marketing variables to influence them in buying halal food. Halal food is in demand to buy because it is halal, not because of the marketing process it offers. So this research shows that in the marketing process of halal food products, it should prioritize promoting the halalness of the product rather than relying on promotions with advertising stars and prices.

Food safety, halal certificates, brand image and quality perception do not have a direct influence on purchase intention. Food safety variables have an indirect effect on buying interest through health. This means that the food safety factor increases health reasons for consumers in choosing halal food products, even though many consumers do not directly pay attention to food safety in determining purchases.Halal certificate also has an indirect effect on purchase intention through the brand image variable. Although halal certification does not directly influence consumer buying interest, halal certification can improve the brand image of food products. With the existence of halal certification, the brand image of food products will be better, especially among Muslim consumers. This is in accordance with previous findings (Wang and Tsai 2014) where even though brand image does not have a direct influence on purchase intention significantly, it still has an indirect effect on purchase intention. Based on research conducted by Wang and Tsai (2014), brand image has a positive influence on perceived value. This is increasingly convincing that the better the brand image of halal food products will increase the perception of the value of the product that is good in the eyes of consumers. In previous research conducted by Husain et al (2016), it was shown that health was not a factor affecting buying interest. However, in this study, the results show that the health variable shows a positive and significant value effect on buying interest. This shows that people buy halal food because they believe that consuming halal food can prevent disease, have a better and healthier consumption pattern. So that this reason can encourage them to purchase halal processed food products.

Based on research conducted by Wang and Tsai (2014), perceived quality has a positive influence on perceived value. Consumers' perceptions of the quality of halal food products are directly proportional to their perceptions of the value of these halal food products. So that the better perceived quality, the better the perception of value will be. Wang and Tsai (2014) who show similar results. In this case, a good perceived value can encourage consumers to make purchases. The perceived value is that halal food is a favorite purchase, the price of food is in accordance with its value, and has a quality that matches its value.

Conclusion

The results showed that the variables of halal awareness, health, and perceived value showed a significant and positive influence on purchase intention. This shows the increasing awareness of consumers about the halalness of products, health and perceived value, which increasingly encourages consumer interest to buy halal food products. As for halal marketing, it has a significant but negative effect, indicating that the marketing process is necessary but does not need to highlight elements of advertising and price ambassadors. Halal marketing also has a significant and positive effect on brand image. Meanwhile, the variables of food safety, halal certificates, brand image, and perceived quality do not have a direct influence on purchase intention. Food safety has an indirect effect on buying interest through health. Halal certificate has an indirect effect on purchase intention through the brand image variable. Meanwhile, brand

image and perceived quality have an indirect effect through perceived value variables on purchase intention.

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