

THE EFFECT OF HALAL LABEL ON FOOD PURCHASING DECISIONS IN LHOKSEUMAWE CITY

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Received : 31 October 2024

Published : 30 December 2024

Revised : 09 November 2024

DOI : <https://doi.org/10.59733/jishup.v2i4.118>

Accepted : 22 November 2024

Link Publish : <https://jishup.org/index.php/ojs>

Abstract

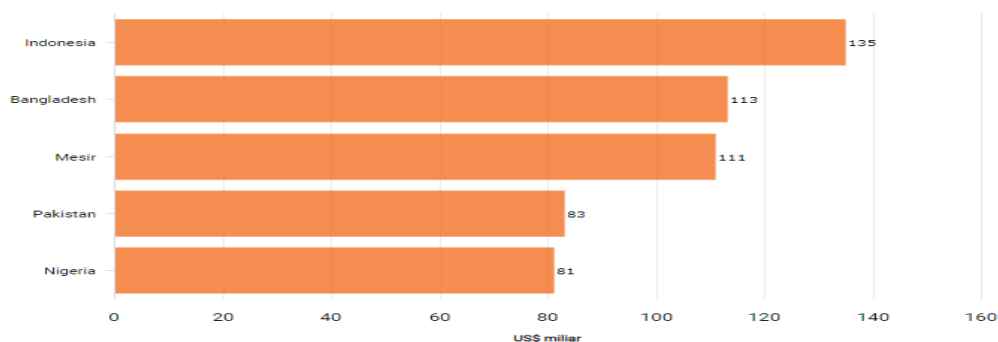
This research aims to examine the influence of the Halal Label on Siomay Purchasing Decisions in Public Understanding in Lhokseumawe City. The data used in this research is primary data from 50 respondents. The method used to analyze the relationship between variables is simple linear regression analysis using the Statistical Package for the Social Sciences (SPSS) software version 25. The results of the study show that the halal label does not have significant influence on the decision to purchase dumplings in Lhokseumawe City. This implies that consumers' understanding of the use of the halal label influences the decision to purchase dumplings, with a t value that is less than the t table, namely $1.091 < 1.677$, and a significance level of 0.281.

Keywords: *Halal label, Purchase Decision*

INTRODUCTION

The development in the field of trade at this time has increased quite rapidly, which can be seen from the various processed food products circulating in the community. Food consumption itself is a basic need for society, (Lestari, 2021). Furthermore, in Islam, it has also been regulated regarding the consumption of food that is recommended, a Muslim who believes in spending wealth should be for good, namely staying away from miserliness, not doing waste and being simple. The food consumed should be halal, holy and also clean, (Alinda et al., 2018).

The number of Muslim population in the world is expected to continue to increase. This makes the demand and expenditure for halal-based products and services also continue to grow, especially in the food and beverage sector. According to the State of the Global Islamic Economy 2022 report, the total expenditure of 1.9 billion Muslims on halal food and beverages will reach US\$1.27 trillion in 2021. The value increased by 7% compared to the same period the previous year. Spending on halal food is expected to continue to rise at a compound annual growth rate (CAGR) of 7% in 2022/2023 and 2023/2024. Halal food spending is also projected to rise another 7.2% to US\$1.67 trillion by 2025, (<https://dataindonesia.id>, 2023). Based on data from Dinar Standard (2023) Indonesia is the largest consumer of halal food and beverages in the world. The countries with the highest consumption of halal food and beverages in the world are as follows:



Sumber : Dinar Standar, (diakses 15 Mei 2023).

Dinar Standard calculates the value of halal food and beverage consumption in Indonesia to reach US\$135 billion by 2020. This makes Indonesia the largest consumer of halal food and beverages in the world. Indonesia's consumption of halal food and beverages beat Bangladesh whose consumption amounted to US\$113 billion. Furthermore, Egypt is ranked third with a consumption of US\$ 111 billion in halal food and beverages. Pakistan and Nigeria are ranked fourth and fifth on this list. Pakistan's consumption value was US\$83 billion and Nigeria's was US\$81 billion. Dinar Standard calculates the value of halal product consumption in the world to reach US\$1.19 trillion in 2020. The five largest countries account for around 16% of the consumption value. (Katadata.co.id)

In accordance with the recommendations in Islam, of course, people in buying food and beverage products will consider their halalness. Halal food is food that does not contain haram elements or is prohibited for consumption by Muslims and its management is certainly in accordance with Islamic law. However, halal assurance will be obtained through a halal certificate or label from the Indonesian Ulema Council in SJPH-LPPOM. While in Aceh the halal label will be issued by the Ulema Consultative Assembly. Halal labeling is a label that informs consumers of the labeled product, that the product is truly halal and the ingredients it contains do not contain elements that are prohibited by sharia so that the product can be consumed by consumers, thus products that do not include a halal label on their products are considered not to have received approval by the authorized institution (LPPOM-MUI) to be classified as halal products or are considered doubtful about their halalness, (Putri & Bulan, 2016).

The Halal Product Guarantee Agency (BPJPH) of the Ministry of Religion determines the halal label that applies nationally. The determination of the halal label is outlined in the Decree of the Head of BPJPH Number 40 of 2022 concerning Determination of the Halal Label. Determination of the halal label, carried out to implement the provisions of Article 37 of Law Number 33 of 2014 (JPH). The existence of a halal label on food will protect consumers. If there is food that does not include a halal label, it cannot be proven that it is halal. The decision to buy food is also very dependent on the halal label. It can be seen that the inclusion of halal labels on packaged food products greatly influences them in buying packaged food products. Halal labels on food products provide a sense of security and confidence in buying these food products. In the absence of a halal label listed on food products, canceling consumers' intention to buy these food products.

However, at this time there are also many types of home industry category businesses carried out by the lower middle class. In Aceh, the certification of halal product guarantees is regulated in Aceh Qanun Number 8 of 2016 concerning the Halal Product Guarantee System. In consuming various foods, it should be considered whether the food is good and bad for health where good food is halal food, meaning food that is permitted for consumption according to Islam. In Islam, not only healthy, nutritious, and good, the food consumed must also be halal, both the substance and the way it is obtained.

One of the areas that practices home industry activities for food products without a halal label from the Aceh Ulama Consultative Assembly (MPU) is the residents of Lhokseumawe City such as dumplings. Siomay is one of the foods that is favored by every group ranging from teenagers, adults and even children where they do not know the process of making siomay whether it is in accordance with sharia rules or not.

Siomay is one of the processed chicken and beef products that is very popular with the public. Siomay is a protein-rich fast food sourced from animal food, influencing the consumption patterns of today's society. The number of people who like siomay has encouraged the emergence of business actors who produce and sell siomay and similar products such as naget, tofu meatballs, batagor, dimsum, and others, (Yul et al., 2019).

The rise of siomay production without halal labeling in Lhokseumawe city, consumers without seeing the process of making siomay they still consume these foods without halal, good and healthy products. In fact, the actors should look at ingredients that are sterile, halal, hygienic, clean and holy and not use harmful ingredients such as borax, preservatives. Because that can make consumers sick. Therefore, if producers want the business of selling food products to be more in demand and advanced, they must prioritize halal ingredients, cleanliness and keep away from the use of hazardous goods. Siomay entrepreneurs who sell in Lhokseumawe say the level of merchandise sold to consumers does not have a halal label, but the composition of the ingredients used is halal and far from using harmful substances. It can be seen from the shape of the food if the food is still fresh, does not smell and does not change shape it is a sign that the food does not use haram goods.

METHOD

This research uses quantitative methods. This research was conducted on people in Lhokseumawe City who made purchases of Siomay. The object of this research is all the people of Lhokseumawe City. The population referred to in this study are all people of Lhokseumawe City, totaling 191,396 people. The sampling technique in

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this study uses accidental sampling, namely sampling by chance or sampling based on spontaneity, meaning that anyone who happens to meet the researcher can be used as a sample, if it is deemed that the person encountered is suitable as a data source and is willing to be used as a respondent when distributing questionnaires. In addition, it also uses purposive sampling, namely only those who buy Siomay are used as samples. According to Hair et al (2010) the minimum sample size is 5 times the number of indicators. The number of indicators in this study as a whole amounted to 10 so that the number of samples taken amounted to 50 respondents. The data analysis method uses simple linear regression analysis.

RESULTS AND DISCUSSION

The results of the study using simple linear regression analysis are as follows:

Table 1. Simple Linear Regression

Coefficients ^a					
	Model	B	t _{hitung}	t _{table}	Sig.
1	(Constant)	3,794	7.520	1,677	.000
	Label halal	.133	1.091		.281

a. Dependent Variable: Keputusan Pembelian

$Y = 3.794 + 0.133 (X)$. Constanta of 3.794 means that if the consumer understanding of the halal label is fixed, the decision to purchase siomay has a value of 3.794. The variable regression coefficient of consumer understanding of halal label labeling is positive at 0.133, meaning that an increase in consumer understanding of the halal label will increase the purchase decision of siomay by 0.133.

Hypothesis Testing

In this study, the truth was tested with a partial test, the test was carried out with a significant level (p value), if $t_{count} > t_{table}$ then the hypothesis is accepted. Conversely, if $t_{table} < t_{count}$, the hypothesis is rejected. The results of testing the variable Consumer understanding of halal label labeling (X) on purchasing decisions for siomay by looking at the comparison of the t_{count} value with the t_{table} where the t_{table} can be obtained by the formula $df = n - k = 50 - 2 = 48$ so that the t_{table} value is 1.677, while the t_{count} value on the halal label variable is 1.091. Thus the value of $t_{count} > t_{table}$ is $1.091 < 1.677$ with a significant level of 0.281. So it can be concluded that the halal label variable has no effect on the decision to purchase siomay in Lhokseumawe City, so it can be concluded that H_a is accepted.

The Effect of Halal Label on Purchasing Decisions for Siomay on Public Understanding in Lhokseumawe City

The results showed that the halal label had no effect on purchasing decisions for siomay in the understanding of the community in Lhokseumawe City. This shows that the decision to buy siomay made by the public is not caused by the existence of a halal label on siomay products in Lhokseumawe City. The results of the study based on the respondents' answers that many people know that siomay does not have a halal label, but the community believes that in Lhokseumawe City the production process and the ingredients used are halal. The results of research interviews with several siomay producers also show that siomay in Lhokseumawe City uses a lot of chicken meat. As is known that the halal label is a sign issued by MUI or MPU regarding the halalness of a product for consumption. The existence of a halal label is actually very important to be included in a food and beverage product, this is done to provide confidence to Muslims when they consume the food. With the halal label, of course, it will provide convenience related to information on the halalness of a product.

The Ministry of Religion's Halal Product Guarantee Agency (BPJPH) together with the Aceh Ulama Consultative Assembly (MPU), and the Aceh MPU Food, Drug and Cosmetics Assessment Institute (LPPOM) agreed to synchronize the implementation of halal certification by issuing regulations based on Aceh Qanun Number 8 of 2016 concerning the Halal Product Guarantee System. In order to strengthen the commitment to halal product assurance, several synchronizations are carried out so that they are in line with the spirit and provisions of the JPH Law, the Job Creation Law, Government Regulation number 39 of 2021, and other JPH regulations.

The absence of the influence of the halal label on the purchase of dumplings is due to the fact that in general Lhokseumawe City is still a Muslim community and the community is confident in the production of dumplings products. The results of the study based on the respondents' answers that many people know that siomay does not

have a halal label but the community believes that in Lhokseumawe City the production process and the ingredients used are halal. The results of research with several siomay producers also show that siomay in Lhokseumawe City uses a lot of chicken meat. Siomay is a business that is run by many consumers in the form of homemade, therefore many entrepreneurs do not use the halal label because they consider administration difficult and requires a large fee. Especially in Indonesia, Muslim consumers are protected by an institution that is specifically tasked with auditing products consumed by Muslim consumers in Indonesia. This institution is the Institute for the Supervision and Distribution of Food and Drugs-Majelis Ulama Indonesia (LPPOM-MUI). This institution supervises products circulating in the community by providing halal certificates so that products that already have halal certificates can label their products halal. The product in its process and content has passed the inspection and is free from elements prohibited by Islamic teachings, or the product has become a halal product category and does not contain haram elements and can be consumed safely by Muslim consumers. According to MUI, in this era, people in consuming food products pay less attention to halal labeling. The condition of most Indonesian people who are unfamiliar with halal and haram in food tends to be ignorant in consuming various kinds of products on the market. This condition is very concerning, considering that Indonesia is a country with the majority of its population embracing Islam, even the largest in the world, but apparently not so important the halal status of the food to be consumed.

Likewise with the condition of producers in Indonesia, the awareness of producers in Indonesia in ensuring the halalness of their products is still very low. This can be seen from the number of products in circulation that are not halal certified. LPPOM-MUI Friday (28/02/2014) afternoon released data on halal-certified products circulating in Indonesia. Currently, of the 175,157 products registered with the Food and Drug Administration (BPOM), only about 103,382 products (59.01%) have been MUI halal certified. Understanding is a person's ability to interpret, interpret, translate, or state something in his own way about the knowledge he has received. Comprehension is also how a person defends, distinguishes, estimates, explains, expands, concludes, generalizes, gives examples, rewrites, and estimates.

Based on interviews conducted with several siomay owners, researchers obtained information that as siomay owners, they want to emphasize that they are committed to serving siomay products that are in accordance with the principles of halalness in Islam. The halalness of the product is conveyed from several aspects, including that they use halal chicken in the production of siomay, and every cutting is done by mentioning the name of Allah (bismillah) as a form of compliance with the principle of halalness. Although they use milling services from a third party, they ensure that the milling place understands sharia rules and carries out the milling process in accordance with halal principles. Furthermore, they only use flour that has halal certification. This guarantees that the flour production, processing and packaging processes meet the halal standards set out in Islam. They strictly monitor the entire production process, including keeping the production facilities clean and ensuring compliance with the sanitation principles required in Islam. We do this to ensure that every siomay we produce is in line with the halal standards desired by customers who are mindful of the religious aspects of their food choices.

CONCLUSION

Based on the discussion in the chapters above, it can be concluded that the halal label has no effect on purchasing decisions for Siomay in Lhokseumawe City with a significance level of 0.281 greater than 0.05, it can be concluded that H_0 is rejected. For the government, it is expected to provide socialization related to the importance of the halal label in running a business, besides that it is expected to increase regulations related to the halal label on a product of goods sold so that it will make it easier for consumers or the public to determine whether or not the available products are halal. Society, in order to pay attention to the halal label listed on a product that will be consumed so that the goods used are halal in accordance with Islamic teachings. For further researchers, it is hoped that they can continue research to add other variables that are thought to influence purchasing decisions for siomay such as the raw materials used, as well as price and religiosity (religious factors).

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