PURCHASE INTENTION ON HALAL CULINARY FAST FOOD IN YOGYAKARTA

Nafisah Arinilhaq
Fakultas Ekonomi, Universitas Islam Indonesia
Jalan Kaliurang KM. 14.5, Umbulmartani, Ngemplak, Sleman, Daerah Istimewa Yogyakarta 55584
Correspondence E-mail: arinilhaq.nafisah@gmail.com

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Abstract: The purpose of this research is to identify and determine the influence of halal factors on Purchase Intention through Subjective Norms. It also investigated which one factor among all variables that are investigated have the strongest influence. The study was taken from 139 respondents of Muslim consumers of halal culinary fast food, KFC. The collected data is measured by five-point Likert scale. Used Structural Equation Model (SEM) with IBM AMOS version 24 as analytical tool, this research was divided into 5 variables which are measured. The variables are Halal Awareness, Halal Certification, Halal Marketing Word of Mouth (WOM), Subjective Norms and Purchase Intention. The measurement is based on Theory Planned of Behavior by Ajzen (1991) with modification. Result shows that Subjective Norms has high connection with Purchase Intention. It caused by indirect effect from Halal Certification and Halal Marketing WOM. But direct effect from Halal Awareness and Halal Marketing WOM is not significant. Thereby, the study suggests that customers are influenced by Subjective Norms or Muslim consumers’ preference as they are being influenced by halal label or Halal Certification and also word of mouth marketing system. The study suggests KFC or food manufactures have to pay attention to halal marketing strategy. Based from the finding, it can be concluded that, consumer did not look for about halal by themselves, but pay attention to the halal label and WOM marketing strategy.

Keywords: Muslim consumers’ preference, halal culinary fast food, purchase intention
JEL Classification: Z12, P36


Kata kunci: pilihan konsumen Muslim, kuliner fastfood halal, minat membeli
Klasifikasi JEL: Z12, P36
INTRODUCTION

Business competition in the food industry has become a common thing for people in different parts of the world. Especially when globalization become a hot issue, as between one country to another countries is getting closer and be able to eliminate the boundaries. It is an opportunity for business enterprises to expand their market. One of the opportunity to expand the market is through food industry. One of the pattern of food industry is characterized by fast food culinary industry growth. As we know franchise has good reputation increase their business in worldwide. In 1990th, there are 350 franchises in America that has 31,000 outlet gotten abroad around the world. Their goal is to enhance quality, service and consumer satisfaction (Dong, 1992).

Besides, fast food key strategy is how to influence the market by examine habits, lifestyle, legal issues and tourism. It included Halal product (Presswire, 2014). Indonesia has large Muslim population compared with other faiths. According to Central Bureau of Statistics, BPS (2015), Indonesia has 237,641,326 people around Indonesia. It means there is big opportunity to expand market in Indonesia. Halal issue, is the main issue for Muslim consumer in Indonesia. According to Islamic legal standard (Shari’ah), especially in countries with majority Muslim population, halal information could be convey through Halal label (Samori et al., 2014).

Halal certification is a legal certainty for Muslim consumer. It means that consumer gets a guarantee that the products they consume already qualified as halal product (Hasan, 2014). Not only product value and benefits that could be used, but also the halal and haram. Goods must be showed the value of goodness, purity, beauty, and benefits both materially and spiritually. Halal authority becomes mandatory for Muslim countries (Fordobi, 2016). Furthermore, Halal certificate was born in Indonesia around 1992. The first legality developed by the Research Institute of food, drug, and cosmetics (LPPOm) and endorsed by Majelis Ulama Indonesia or MUI (Riaz, 2007). Halal certification process product based on Islamic Shari’ah (Cedomir, 2016). Consumers expect guaranteed by halal consumption of a product means that he has realized what he needed and wanted.

Halal awareness should be considered for entrepreneurs in the industry to identify how much consumers know the product is safety or not. Unfortunately, there is a lack of knowledge and understanding regarding Halal certification (Prabowo, 2015).

Halal Marketing is the product information. The information can be positive or negative things. In this case people called Word-of-Mouth (WOM). Word-of-Mouth (WOM) is the communication process from one person to another through verbal communication. WOM concept becomes important things in the marketing activity. WOM is consisting of negative and positive value. WOM can influence others about product by persuasive and credible story (Sweeney et al., 2014) There are factors shaped WOM, those are expertise, homophile, previous usage and brand Equity (Sweeney et al., 2014). WOM divided into direct and indirect (Lang, 2013). Besides, subjective norm as intervening variable is affected purchase intention. Subjective norm theory and purchase has explained by Theory of Planned Behavior (Ajzen, 2005).

RESEARCH METHOD

Data and Source

This research was conducted in Yogyakarta, Indonesia. This study focused on Muslim students in Yogyakarta. The object of this study is the fast food restaurant that is, Kentucky Fried Chicken (KFC).

Sampling Technique
Population and Sample The population is a combination of all the elements that have similar characteristics which include a series of rules to marketing research problem (Maholta, 2005). The population can also be regarded as the number of individuals all of which are taken from the sample (Kartono, 1996). While the sample is a sub group of the population elements are selected to participate in the study (Maholta, 2005).

In this study, population is student in Special Region of Yogyakarta devided Islamic University of Indonesia, Gadjah Mada University, University of Muhamadiyah Yogyakarta and State Yogyakarta University. The technique based from Ferdinand Augusty Theory (2006) in 27 questions measurement:

- **Minimal Sample**
  - 5 x Indicator Questions
  - 5 x 27 = 135 minimum respondent

- **Maximal Respondent**
  - 10 x Indicator Questions
  - 10 x 27 = 270 maximal respondent

**Operational Definition of Variables**

Measurement is using five types of scale do not agree to disagree. The higher the points then it will show a positive value. At the end of all items rated on a scale of five points from points (1) who has no sense is not very amenable to points (5), which means there is very amenable. Likert scale use 5 response categories ranging from strongly agree to strongly setju which requires respondents determine their degree of agreement or disagreement to each of a series of statements about the object (Maholta, 2005).

*Halal awareness* is consumer awareness of a product kosher. The variables measured were as follows: • Muslim Halal food consumed • Muslim avoid halal food • Muslims do not know the food they consume contaminated illicit goods • The ingredients are Halal • The product is not in doubt • The product is not contaminated • Halal Label authorities

*Halal Certification* Halal certification is a formal certificate issued by a particular legal institution, in Indonesia is issued by Majelis Ulama Indonesia (MUI). The variables are measured as follow, • Own label kosher products • Label installed in every outlet • Label Halal into information • Not hesitate to buy products

*Halal WOM marketing* is a marketing technique to promote halal products through WOM. The variables measured based on previous research (Cloud, 2015) with the modification of the author is as follows: • Consider or pay attention to the recommendations given friend • Consider or pay attention to the recommendations given family • Consider or pay attention to the recommendations given social media • Consider or pay attention to the recommendations given promotional sales • Consider or pay attention to the recommendations given label Halal • Products are familiar or known others

*Subjective Norms* is a person's perception of something as pengarh influences around him. The variables are measured as follow, • Recommendations from friend is more trustworthy • Recommendations of the family is more trustworthy • Recommendations from social media more credible • Follow the advice.

*Purchase intention* is the individual interest of a thing. The variables measured based on previous research (Tarkiainen and Sundqvist, 2005; Ajzen, 1975) are as follow, • Planning to buy a product • Buying back products • Recommend products • Always buy products • Prioritize the product • Not interested.

**Analysis Tool**

The ananlytical used Structural Equation Model (SEM) Analysis to analyze data testing, measurement model, structural model, and hypothesis test with IBM AMOS version 24. Thus, validity and reability model used IBM SPSS 2.0.
RESULT AND DISCUSSION

The result examined by Structural Equality Model (SEM) with AMOS version 24. The result shows: Measurement Model is a model of measurement for conformance testing or Picture. SEM Model confirming indicators or manifest of a latent variable to two or more variables of the study (Sumadi, 2016). The measurement model shows that Chi-square = 392.548, Probability = 0.00 RMSEA = 0.068, GFI = 0.811, AGFI = 0.762, TLI = 0.900 and CFI = 0.913. The criteria fit so that the whole model can be accepted. In other hand, measurement model from each variable show:

![SEM Model](image)

The next test is a normality test, that is a test that is conducted simultaneously whether a variable is normally distributed or not to limit the significant value of 1% is ± 2.58. Testing normality of the figures obtained skewness of A3-E5 -0.065 to 2.18. It is eligible for normality which does not exceed ± 2.58. But there are abnormal data is A1 with -5.618.

<table>
<thead>
<tr>
<th>Name</th>
<th>X²</th>
<th>P</th>
<th>CMIN (DF≤2)</th>
<th>RMSEA ≤0.08</th>
<th>GFI ≥0.90</th>
<th>TLI ≥0.95</th>
<th>CFI ≥0.95</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halal Awareness</td>
<td>5,295</td>
<td>0,726</td>
<td>0,662</td>
<td>0,00</td>
<td>0,988</td>
<td>1,013</td>
<td>1</td>
</tr>
<tr>
<td>Halal Certification</td>
<td>0,889</td>
<td>0,346</td>
<td>1,036</td>
<td>0</td>
<td>0,997</td>
<td>1,007</td>
<td>1</td>
</tr>
<tr>
<td>Halal Marketing-WOM</td>
<td>10,283</td>
<td>0,029</td>
<td>2,706</td>
<td>0,111</td>
<td>0,969</td>
<td>0,948</td>
<td>0,979</td>
</tr>
<tr>
<td>Subjective Norms</td>
<td>5,352</td>
<td>0,069</td>
<td>2,676</td>
<td>0,110</td>
<td>0,983</td>
<td>0,950</td>
<td>0,983</td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0,973</td>
<td>0,404</td>
<td>2,920</td>
<td>0,000</td>
<td>0,991</td>
<td>1,001</td>
<td>1</td>
</tr>
</tbody>
</table>

While testing outliers showed the value mahalonis distance (distance X2) from the lowest and highest 14.947 80.252. This value is still below the critical value X2 = X2α (139-27-1); 0.05 is 124.34 and stated no outliers in the data. The results of hypothesis testing find that there are five hypotheses where 3 of them are have positive and significant effects, while 2 others are insignificant.

<table>
<thead>
<tr>
<th>Pengaruh Variabel</th>
<th>Standar Koefisien Regresi</th>
<th>P</th>
<th>Kesimpulan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norms &lt;- Certification</td>
<td>0,097</td>
<td>0,002</td>
<td>Signifikan</td>
</tr>
<tr>
<td>Norms &lt;- WOM</td>
<td>4,320</td>
<td>***</td>
<td>Signifikan</td>
</tr>
<tr>
<td>Intention &lt;- Norms</td>
<td>3,539</td>
<td>***</td>
<td>Signifikan</td>
</tr>
<tr>
<td>Intention &lt;- Awareness</td>
<td>1,840</td>
<td>0,066</td>
<td>Tidak Signifikan</td>
</tr>
<tr>
<td>Intention &lt;- WOM</td>
<td>0,948</td>
<td>0,948</td>
<td>Tidak Signifikan</td>
</tr>
</tbody>
</table>

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a. **Halal Awareness** has positive and significant impact on Purchase Intention. The result shows that, the study of Ayyub (2015), Umar (2002) and Cedemir (2016) that said that the Halal Awareness have a positive and significant effect on purchase intention is not justified. However, research by Awan et al. (2015) that argues that the Halal Awareness has no influence on Purchase Intention is proved. Even though, the average consumer judging about his interest in the culinary fast food KFC has a high value that is equal to 4.068.

b. **Subjective Norms** has positive and significant influence on Purchase Intention. The result is given by Sumadi (2016) and Alam et al. (2011) that reveals that Subjective Norms has a positive and significant effect is justified. The judging of consumers regarding how Subjective Norms impact on Purchase Intentions is about 3,856 which shows a high level influence. Subjective norm that also consider as preference, also in research Fishbein and Ajzen (1975) regard as the perception, that is, how other people shaping other’s people behavior and setting someone as a role model as a benchmark for consumers to buy Halal products. The attributes that support preferences or Subjective Norms are Halal Certification and Halal Marketing WOM. It also indicates that consumers are much more listening to the perception of the nearest and tangible evidence than to seek knowledge about Halal concept from their own;

c. **Halal Certification** has positive and significant impact on Subjective Norms. The studies of Prabowo (2015) and Cedemir (2016) regarding Halal certification have strong impact on Purchase Intention is justified. Awan et al. (2015) argues that, the purchase intention of consumer rise if a product has a halal label and certificate is also proved. Halal for Muslims is obligatory. The law of halal as affirmed in the Qur’an, Surah al-Baqarah (2): verse 168, "O mankind, eat of the lawful and good from what is contained in the earth, and do not follow the steps of Satan; because the real devil is a clear enemy." From the discussion above indicates that the Halal Certification Halal certification become mandatory for every business to ensure the protection and get halal label. Because in essence halal certificate is obtained from the physical form of official procedures issued by MUI that shows wether a product is halal or not.

From these studies show that the Halal certificate strongly influence consumer preferences before they are interested in a product;

d. **Halal Marketing WOM** has insignificant impact on Subjective Norms, this result based on the study of Malik (2015) and Awan et al. (2015), that shows that Halal Marketing WOM has no significant influence on the subjective norm. There are four constructs in WOM Marketing Halal variable with the average consumer ratings regarding his interest in the culinary fast food KFC has a high value. This indicates that the most dominant factor in driving consumer purchase interest is influenced by marketing Halal according to Awan et al. (2011).

e. **Halal Marketing WOM** has insignificant influence on Purchase Intention. This result against the study of Siala (2012) and Nature (2011) that shows that, Halal Marketing WOM affect the purchase intention as evidenced by the judging of 4,072 consumers that included in a high category of consumer. From this finding, it indicates that someone would be interested in purchasing of a product with the effect of word-of-mouth particularly in the surrounding areas. Therefore, the word of mouth marketing methods is still need to be
considered as one factor to boost the purchase intention of customers.

CONCLUSION

From the result, it can be concluded that, almost all variables are significant to purchase intention except awareness variable. Awareness also no additional point on another calculate estimation which make awareness is not important thing. There are two variables that have the strongest effect and give positive effects, they are halal certification and halal marketing WOM system. Therefore, manager or businessman, they have to pay more attention to Halal Certification and WOM if they want to expand their market especially for Muslim consumers. Based on the goodness of fit in the model, the study has met the criteria, although with a low probability of that value Chi-Square = 392.548, Probability = 0.00 RMSEA = 0.068, GFI = 0.811, AGFI = 0.762, TLI = 0.900 and CFI = 0.913. From the goodness of SSR assessment fit can be concluded the research model is accepted or included in the requirements. The hypothesis testing finds that, from five hypotheses are tested, they show that 3 of them are proved significant or have positive effects, while 2 of them are not significant. In summary: [1] the research model is received and fit. [2] Halal Awareness has no significant effect on Purchase Intention. It was in line with result by Alam et al. (2011). [3] Subjective Norms have significant impact on Purchase Intention. It is indicated that, if Subjective Norms increases, Purchase Intention for a halal product will increase. [4] Halal Certification has significant impact on the Subjective Norms. This indicates when the Halal Certification increases, Subjective Norms for a product increases. [5] Halal Marketing WOM has significant influence on the Subjective Norms. This indicates that, if Halal Marketing WOM increases, Subjective Norms for a product increases. Finally, [6] Halal Marketing WOM has a significant influence on Purchase Intention. This indicates if Subjective Norms increases, Purchase Intention for a product increases. For further research, the author suggests to use LISREL as analytical tool and focus on one variable only to obtain the comprehensive analysis.

REFERENCES


M2 Presswire (2014) “Consumer Foodservice by Location in Indonesia,” Bharat Book Bureau: Canada, USA.


