



Research article

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The Impact of halal awareness on trust and purchase decisions: A quantitative study of consumer behavior

Section:
Business management

Siti Julpa & Exsaudina Napitu

Sekolah Tinggi Ilmu Ekonomi Indonesia Jakarta, Jakarta, Indonesia

Abstract

In today's modern landscape, numerous companies are producing products labeled as halal to enhance their sales value and raise public awareness about the significance of purchasing them through religious laws. This research aims to assess the impact of Halal Awareness (HAW) on Trust (TRST) and Halal Purchase Decisions (HPD) while also highlighting the importance of Halal product usage within society. The study employs a quantitative approach with an explanatory research design, gathering data from 155 respondents who actively shop for halal products. The findings indicate a positive relationship between HAW and TRST, as well as between HAW and HPD. This suggests that a comprehensive understanding of halal product knowledge and trust can positively influence consumer perceptions of purchasing decisions. Consequently, promoting halal awareness emerges as an effective marketing strategy. At the same time, consumer trust plays a crucial role in shaping preferences for halal products.

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Corresponding author

Siti Julpa

Email: sjulpa14@gmail.com

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Abstrak

Dalam lanskap modern saat ini, banyak perusahaan yang memproduksi produk berlabel halal untuk meningkatkan nilai jual mereka dan meningkatkan kesadaran publik tentang pentingnya pembelian mereka melalui hukum agama. Penelitian ini bertujuan untuk menilai dampak Kesadaran Halal (HAW) terhadap Kepercayaan (TRST) dan Keputusan Pembelian Halal (HPD) sambil juga menyoroti pentingnya penggunaan produk Halal dalam masyarakat. Studi ini menggunakan pendekatan kuantitatif dengan desain penelitian penjelasan, mengumpulkan data dari 155 responden yang secara aktif berbelanja produk halal. Temuan menunjukkan hubungan positif antara HAW dan TRST, serta antara HAW dan HPD. Hal ini menunjukkan bahwa pemahaman yang komprehensif tentang pengetahuan dan kepercayaan produk halal dapat secara positif memengaruhi persepsi konsumen terhadap keputusan pembelian. Akibatnya, mempromosikan kesadaran halal muncul sebagai strategi pemasaran yang efektif. Pada saat yang sama, kepercayaan konsumen memainkan peran penting dalam membentuk preferensi untuk produk halal.

Kata Kunci: Halal awareness, trust, halal product, purchase decision

INTRODUCTION

The global trend of halal products has seen significant growth in recent years, with various stakeholders actively promoting the importance of buying and selling halal items. Halal products represent one of the fastest-growing consumer segments worldwide (S. Setiawan et al., 2019). Over the past five years, the halal industry in Indonesia has expanded by 40%, encompassing sectors such as clothing, food, hospitality, cosmetics, and sharia finance. With Islam being the religion of approximately 23% of the global population, Indonesia stands out as the country with the largest Muslim demographic, comprising about 87.18% of its 267 million residents. This substantial Muslim population necessitates assurances of safety, comfort, protection, and legal certainty regarding the halal status of consumed or utilized products. Clarity about a product's halalness is essential to eliminate any doubts Muslims may have when purchasing. As such, research into the influence of halal awareness on trust, halal purchasing decisions, and understanding of halal concepts is increasingly vital. In the realm of halal, consumer perceptions are shaped by their preferences and understanding of a product's halal attributes.

The halal status of a product is an essential consideration for all consumers, particularly those who follow the Muslim faith (Kurniawati & Savitri, 2019; Nurhayati & Hendar, 2020; Pratama et al., 2023; Shafariah & Gofur, 2024). Whether it is food, medicine, or other consumer goods, consumer awareness of halal products is significant. Consumers perceive halal products as healthier, contributing to increased interest in expanding their knowledge about them. The concept of halal is closely linked to individual values, which can influence a person's decision-making when choosing a product. These values may include religious values, as an individual's level of religiosity can serve as the basis for selecting or using a product, especially in the case of halal products. Religious commitment has the potential to influence a consumer's orientation towards consumption patterns and product use, as well as their behavior. Therefore, this study seeks to address this gap by examining the influence of halal awareness on consumer trust levels and purchasing decisions regarding halal product producers.

This study examines the relationship between halal awareness, trust, and purchasing decisions. According to Morgan and Hunt, *trust* is the desire to maintain an exchange based on reliability. Trust is rooted in belief and fostered by reliability, honesty, consistency, and competence (Tumbel, 2016). Dunn further describes trust as an intangible quality that enables customers to purchase goods or services with the assurance that promises will be fulfilled (Andini, 2014). This research investigates how awareness of a product's halal status influences trust and the decision to purchase halal products. It also identifies moderating and mediating variables affecting the

relationship between halal awareness, trust, and purchasing decisions. It aims to understand better the factors influencing this complex relationship.

In sum, this study aims to investigate the impact of halal awareness on consumer decisions to purchase halal products, as well as the level of consumer trust in the producers or providers of these products. By gaining a deeper understanding of this, we aim to provide valuable insights for players in the halal industry, researchers, and government bodies, allowing for developing more effective strategies for the halal industry. The findings of this study have significant implications for consumers' understanding of marketing strategies and the social value of halal products. The researchers found a positive and significant relationship between halal awareness and the decision to purchase halal products. This suggests that enhancing halal awareness can serve as an effective marketing strategy. Consequently, companies and marketers should prioritize halal awareness in their marketing efforts for halal products.

THEORETICAL FRAMEWORK AND HYPOTHESIS

The process of making a purchase decision involves choosing between different alternatives. Without alternatives, there is no decision to be made. Consumers have different levels of involvement in decision-making when seeking information. According to Kotler and Armstrong, purchasing decisions are how individuals, groups, and organizations select, buy, and utilize goods, services, ideas, or experiences to fulfill their needs and desires (Adabi, 2020). The indicators of purchasing decisions include 1) selecting a product, 2) choosing a brand, 3) determining the purchase channel, 4) deciding the timing of purchase, and 5) the quantity purchased.

Halal awareness is based on a Muslim's understanding of Halal, knowledge of the correct slaughtering process, and prioritizing the consumption of Halal food. Ambali and Bakar (2013) define halal awareness as the comprehension and recognition of halal products, which encompasses knowledge of what is permissible (halal) and what is prohibited (haram) about food, beverages, and other items. This awareness also entails keen interest and access to current information about halal products. In marketing, halal awareness refers to the extent of consumer familiarity with halal products, which can significantly impact their purchasing behavior. This concept includes understanding halal certification and selecting products that align with religious values (Wilson & Liu, 2011). It is crucial for a consumer who follows the rules and provisions of their religion to be aware of buying and consuming a halal, safe, clean, healthy product that does not violate Islamic law in its production process. For Muslim consumers, halal is deeply rooted in religious beliefs and practices. Awareness of what constitutes halal products—those that comply with Islamic law—directly affects their willingness to purchase. Certified halal products are more likely to be chosen over non-halal alternatives as they align with the consumers' religious obligations and values (May 2017). Many Muslim consumers believe halal products are of higher quality and offer health benefits. Understanding halal standards can lead to the perception that these products are healthier and produced more ethically. This perception can increase their appeal and influence purchasing decisions (Ambali & Bakar, 2013; Bashir, 2019; Jaiyeoba et al., 2019; Muslichah M. et al., 2019; Suhartanto et al., 2018; Wilson & Liu, 2011; Yulianto et al., 2022)

H1: Halal awareness positively related to purchase decision

Consumer trust indicators include the belief that consuming halal products is mandatory for Muslims, understanding or knowledge of the halalness of the product, belief in halal products, and the decision to use halal products. According to Dunn, trust is an intangible quality that allows customers to buy goods or services with the certainty that what is promised will be fulfilled (Andini et al., 2014). The indicators of consumer trust are the best product, consistency, completeness, value, and keeping promises. For Muslim consumers, trusting a product's halal status is crucial. They require assurance that the products they buy adhere to Islamic law. Consumers are more inclined to purchase when they trust that a brand or product is genuinely halal. This trust is usually established through reliable halal certification and transparent sourcing practices (Andini et al., 2014). Moreover, trust can establish an emotional connection between consumers and brands. When Muslim consumers believe a brand comprehends and respects their values and beliefs, they are more inclined to trust it. This emotional connection can result in a greater likelihood of purchasing from that brand, as consumers feel connected with its mission and values (Suhartanto et al., 2018).

According to Jaiyeoba et al. (2019), halal awareness refers to consumers' knowledge of the existence and characteristics of halal products, which in turn influences their purchasing decisions. This awareness encompasses understanding the halal certification process and having trust in products labeled as halal. Consumers with a high level of halal awareness can better make informed choices about their products. This knowledge involves understanding the halal certification procedures and the criteria products must meet to be considered halal. As consumers become more knowledgeable, their confidence in halal products increases, leading to greater trust.

H2: Halal awareness positively related to trust

METHODS

This study uses a quantitative approach and measurement method to comprehensively understand the impact of halal awareness on trust (TRST) and halal purchasing decisions (HPD). The study aims to explore the potential causal relationship between these variables using an explanatory research design. The quantitative method was selected for its ability to provide an objective framework for measuring the variables under study. This approach enables the production of statistically measurable data, ensuring the accuracy and validity necessary to address the research questions rigorously. Additionally, using an explanatory research design allows for a deeper understanding of how social values can directly impact halal purchasing decisions, trust, and awareness (Hendryadi et al., 2019). The study seeks to identify key factors influencing consumer decision-making regarding halal products by focusing on causal explanations.

Sample and procedures

The study used a purposive sampling method to gather data from consumers who shop for halal products. This approach ensured that the respondents had relevant experience and were willing to participate, which is crucial for obtaining meaningful insights. A total of 155 respondents were included in the study, reflecting a targeted sample size that aligns with the research objectives.

Data collection was conducted over a four-week period through the distribution of questionnaires via the WhatsApp application. This efficient method allowed for comprehensive outreach and engagement with participants, facilitating a higher response rate. The online questionnaires were created using Google Forms, a widely used tool for conducting surveys due to its user-friendly interface and accessibility, further ensuring the study's thoroughness. To ensure the quality and reliability of the data collected, the questionnaire was developed based on existing

literature and rigorously validated by experts in the field. This thorough validation process is essential for establishing the reliability and validity of the research instrument, ensuring that the questions accurately measure the constructs of interest related to halal shopping behavior.

The descriptive analysis of the characteristics of the respondents reveals an interesting insight for this study. Most respondents were women (59.4%), while around 40.6% were men. Regarding age, the highest percentage of respondents fell in the category of less than 25 years old, making up 81.3% of the total. A small portion of respondents were between 25 and 30 (14.2%), and an even smaller percentage were over 30 (4.5%). Regarding education, most respondents were students (51.6%), followed by those with a bachelor's degree (25.8%), high school education (21.9%), and a small percentage with a master's degree (0.7%). As for marital status, most respondents were single (88.4%), while 11.6% were married. In conclusion, most respondents were women under 25 years old, students, and most were single.

Table 1
Respondent Characteristics

	Freq.	Percent
<i>Gender</i>		
Men	63	40.6
Woman	92	59.4
<i>Age</i>		
< 25 yrs	126	81.3
25 - 30 yrs	22	14.2
More than 30 yrs	7	4.5
<i>Education</i>		
High school	34	21.9
Undergraduate student	80	51.6
Bachlelor degree	40	25.8
Master degree	1	0.7
<i>Marital status</i>		
Married	18	11.6
Single	137	88.4

Source: field data (processed)

Measures

Halal awareness, trust, and purchase decisions are measured using specific scales developed by Kurniawati and Savitri (2019) and Ali et al. (2021). The Halal awareness scale consists of 7 question items, the trust scale comprises three question items, and the Halal purchase decision scale includes three questions.

RESULTS AND DISCUSSION

Measurement Model Evaluation

The results of the goodness-of-fit analysis for this structural equation modeling (SEM) model provide insight into how well the model fits the observed data. The chi-square test (χ^2) shows a significant value at a confidence level of less than 0.001. While a low chi-square value is preferable, its sensitivity to large sample sizes necessitates consideration of more specific fit index values. The Standardized Root Mean Square Residual (SRMR) has a value of exactly 0.05, which meets the cutoff value and indicates an acceptable small residual deviation. The Root Mean Square Error of Approximation (RMSEA) has a value of 0.10, slightly exceeding the desired cutoff value of 0.08. However, further examination of the Comparative Fit Index (CFI), Tucker-Lewis Index (TLI), Bentler-Bonett Non-normed Fit Index (NNFI), Relative Noncentrality Index (RNI), and Bollen's Incremental Fit Index (IFI) shows that all values exceed the cutoff value of 0.90, indicating that this model can be considered a good fit.

Table 2.
Goodness of Fit

Parameter	Value	Cut-Off Value
χ^2	< .001	> 0.05
SRMR	0.05	< 0.06
RMSEA	0.10	< 0.08
Comparative Fit Index (CFI)	0.94	> 0.90
Tucker-Lewis Index (TLI)	0.92	> 0.90
Bentler-Bonett Non-normed Fit Index (NNFI)	0.92	> 0.90
Relative Noncentrality Index (RNI)	0.94	> 0.90
Bollen's Incremental Fit Index (IFI)	0.94	> 0.90

Source: JAMOV

Table 3.
Confirmatory Factor Analysis

Latent	Indicator	Loading Factor	CA	AVE
HAW	HAW2	0.74	0.87	0.60
	HAW3	0.84		
	HAW4	0.80		
	HAW5	0.85		
	HAW6	0.55		
HPD	HPD1	0.75	0.77	0.53
	HPD2	0.70		
	HPD3	0.75		
TRST	TRS1	0.86	0.91	0.78
	TRS2	0.90		
	TRS3	0.88		

Source: JAMOV

Hair et al. (2019) stated that each indicator should ideally have a loading factor value of more than 0.5 to be considered acceptable. The statistical analysis of the measurement model indicated that all standardized loading factors for each item fall within this acceptable range. Strong and statistically significant loading factors for each indicator suggest that the constructs being measured in this study exhibit sufficient validity. In other words, the indicators utilized are reliable and effectively capture the variables under study. These findings collectively offer a comprehensive assessment of the construct's validity and reliability, establishing a solid foundation for interpreting the results and drawing reliable conclusions within the scope of this study.

Table 4 presents findings with significant implications. Hypothesis 1, which suggests that halal awareness influences trust ($p < 0.05$), is supported and proven significant, with potential implications for consumer behavior. Similarly, another hypothesis, indicating that halal purchase decisions significantly affect social value ($p < 0.05$), is also supported, with implications for marketing strategies.

Structural model evaluation and hypothesis testing

The analysis results reveal significant beta coefficient (β) estimates for each dependent variable (Dep) about the predictor variable (Pred). Specifically, the effect of Halal Awareness (HAW) on Trust (TRST) is indicated by a β coefficient estimate of 0.741, with a 95% confidence interval ranging from 0.558 to 0.924. This means that a one-unit increase in Halal Awareness correlates with a Trust increase of about 0.741 units, with the actual value likely falling between 0.558 and 0.924. The effect of HAW on HPD is also significant, with a β coefficient estimate of 1.062, suggesting a strong positive impact of HAW on HPD. These findings support the hypothesis that halal awareness significantly influences trust and halal purchase decisions.

Table 4.
Parameters estimates

Dep	Pred	Estimate	SE	95% Confidence Intervals		β	z	p
				Lower	Upper			
HPD	HAW	1.062	0.141	0.786	1.338	0.808	7.53	< .001
TRST	HAW	0.741	0.093	0.558	0.924	0.762	7.95	< .001

Source: JAMOVl

Based on the calculated values in Table 4, it is evident that the variable in the main effect, namely HPD, is significant with a coefficient value of $\beta = 0.808$ and a p-value < 0.001 . This indicates that the higher the Halal Awareness of the product the respondents feel, the more likely they are to purchase halal products. Therefore, Hypothesis 1, which states that Halal Awareness is positively related to halal purchase decision, can be accepted (H1 is accepted). Furthermore, examining the role of trust reveals a regression coefficient value of $\beta = 0.762$ and a p-value < 0.001 . The analysis results demonstrate that the effect of trust on Halal Awareness is significant, with a p-value < 0.05 . With a positive regression coefficient (β), this finding indicates that respondent trust influences their

assessment of awareness and compliance with product halalness. Thus, H2 is also supported and proven to be significant.

Limitations

While this study offers valuable insights, some limitations should be considered. Firstly, the data was collected from respondents who shop for halal products, so the results may not directly apply to a broader population. Future research can expand the sample and involve respondents from diverse backgrounds to obtain more representative results. Additionally, this study used a quantitative method. Future research could use a qualitative approach to understand better the psychological and social factors influencing the relationship between halal awareness, trust, and halal purchase decisions. Several suggestions for further research can be proposed in light of the limitations identified in this study. First, future research should broaden the sample scope by including respondents from various backgrounds, including those not actively shopping for halal products. This can enhance the generalizability of the results and provide a more comprehensive understanding of consumer behavior related to halal products. Furthermore, it is recommended that future research incorporates a qualitative approach to deepen the understanding of the psychological and social factors that may influence the relationship between halal awareness, trust, and halal purchase decisions. Using in-depth interviews, case studies, or participant observation can provide additional, deeper, and contextual insights into consumer dynamics in the context of halal products."

CONCLUSION

In this study, we assessed how halal awareness influences consumer trust and purchase decisions for halal products. Results revealed that increased halal awareness significantly boosts trust and halal purchase decisions. This suggests that as consumer awareness of halal products grows, so does their trust in them, increasing the likelihood of making halal product purchase decisions. Based on the results, it is clear that increased awareness of halal significantly enhances consumer trust and purchase decisions for halal products. This has several practical implications: Firstly, businesses and organizations should invest in educational initiatives, including courses, webinars, and certifications. This could involve organizing workshops, taking proactive roles, and creating informational content to clarify halal practices and improve consumer understanding. Secondly, companies should implement transparent marketing strategies that effectively convey the halal status of their products. This entails providing comprehensive information about sourcing, production processes, and certification to cultivate consumer trust.

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