

THE EFFECT OF HALAL LABELING AND HALAL AWARENESS THROUGH PRODUCT QUALITY AS A MEDIATION VARIABLE ON PRODUCT PURCHASE DECISIONS FOR STUDENTS

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ABSTRACT

This study aims to investigate the influence of halal labeling and halal awareness on product purchase decisions, with product quality as a mediating variable, among students of Yogyakarta State University. The main objective of this research is to understand how these factors interact and influence consumer purchasing behavior. In recent years, the demand for halal products has increased significantly, especially among young and educated consumers. However, there is still a limited understanding of how halal labeling and halal awareness affect purchase decisions, as well as the role of product quality in this context. This research offers a new contribution by combining three important variables: halal labeling, halal awareness, and product quality, to analyze their influence on purchase decisions. The study also highlights the mediating role of product quality, which has not been extensively discussed in previous research. This study uses a quantitative approach with a survey method. Data were collected through questionnaires distributed to 142 randomly selected students of Yogyakarta State University. Data analysis was conducted using regression and path analysis techniques to examine the relationships between variables. The results of the study indicate that halal labeling and halal awareness have a positive and significant influence on product purchase decisions. Additionally, product quality is proven to be a mediating variable that strengthens the relationship between halal labeling and halal awareness with purchase decisions. These findings suggest that increasing halal labeling and halal awareness, as well as improving product quality, can drive better purchase decisions among students. This research provides a comprehensive understanding of how these variables interact with each other to influence customer behavior. It also offers stakeholders in the halal product market a useful guide. The practical implications of this research are the need for marketing strategies that focus more on enhancing halal labeling, halal awareness, and product quality to increase consumer appeal and trust in halal products.

Keyword : halal labeling, halal awareness, purchase decisions,

INTRODUCTION

The halal food industry continues to experience very rapid growth around the world, including in Indonesia. As a country with the largest Muslim population, the demand for halal products in Indonesia is increasing, in line with increasing public awareness of the importance of consuming products that are in accordance with Islamic law (Aslan, 2023) For a Muslim, consuming halal is an important part of life that needs to be considered (Salsabila, 2023) Therefore, this research will focus on halal labels and halal awareness in food and beverage products.

The phenomenon of awareness of halal products is clearly seen among the people of Indonesia, especially students. As part of the millennial generation and Gen Z who are aware of information, students are expected to have a high awareness of various issues including health, the environment, and the halalness of the products they consume. This awareness can influence student behavior in making purchase decisions (Apriany & Gendalasari, 2022) Although purchasing decisions are almost the same for everyone, there are several factors that cause differences in purchasing decisions, especially the purchase of halal products, including halal certification, halal awareness, and celebrity endorsement (Saputra & Jaharuddin, 2022) In addition, the influence of globalization has also caused many food and beverage products from abroad to enter Indonesia. This makes the people of Indonesia a dilemma in choosing halal-certified food (Salsabila, 2023)

Halal labeling is one of the important factors in making decisions to purchase a product for Muslim students, even non-Muslims (Nugraha et al., 2022) The meaning of "halal" is all products that have been given permission to be sold and have met halal laws in accordance with Islamic requirements (Lestari & Supriyanto, 2022) The existence of this halal label provides a sense of security and comfort for Muslim consumers in choosing products. Although the halal label is important, the level of halal awareness among students also plays a crucial role. Awareness is a knowledge and understanding of something so that it gets information for the future. Awareness gained from culture and religious norms can create a decision in purchasing (Salsabila, 2023) Halal awareness includes understanding and knowledge about the importance of consuming halal products, as well as their impact on health and spirituality. Students who have a high level of halal awareness tend to be more selective in choosing products and prioritize halal labels in their purchasing decisions.

Indonesia is the country that occupies the second position after Malaysia in the halal food sector category (Hanif & Prayoga, 2023) In terms of international trade, Indonesia recorded a fantastic value related to halal food exports to member countries of the Organization of Islamic Cooperation (OIC) or the Organization of Islamic Cooperation (OIC) with an amount of US\$ 13.38 billion. This confirms Indonesia's role as one of the leading halal food exporters in the world. In addition, Indonesia also shows its commitment to establishing global partnerships related to halal product assurance. This can be seen from FDI (Foreign Direct Investment) inflows. Indonesia occupies the second highest score among OCI/OIC countries regarding FDI.

In an academic environment such as Yogyakarta State University, the influence of halal labeling, halal awareness, and product quality on students' decisions in purchasing products is an interesting topic to research. Remembering, students are not only critical consumers, but also prospective leaders and entrepreneurs who have the potential to shape the future of the halal industry in Indonesia in the future. In addition to students, a better understanding of the influence of halal labeling, halal awareness, and product quality can help manufacturers and marketers develop effective marketing strategies. By knowing the preferences and needs of consumers, they can develop a more targeted marketing strategy and increase the attractiveness of halal products among the younger generation. With this, it is hoped that it will be able to support the growth of the halal industry and strengthen Indonesia's position as one of the

world's halal economic centers. As such, the research is not only relevant from an academic perspective, but also has significant practical implications for industry and policymakers. The results of this research are expected to make a meaningful contribution to the development of a more effective halal product marketing strategy, as well as increase student and public awareness of the importance of consuming quality halal products.

METHOD, DATA, AND ANALYSIS

This study uses a quantitative approach used to examine the influence of halal labeling and halal awareness through product quality as a mediating variable on product purchase decisions for students. The quantitative method was chosen because it will show the accuracy of the data in terms of numbers and percentages, so that it can show results that can be measured in clarity. Quantitative data were obtained from a closed questionnaire filled out using a Likert scale of 1-5. The population in this study is all students of Yogyakarta State University. The determination of the number of samples taken as respondents was by using SEM PLS and obtained as many as 142 respondents. The data collection technique uses a list of questionnaire questions (questioner), and the data analysis technique in this study uses statistics including descriptive analysis, outer and inner model testing and hypothesis testing.

RESULT AND DISCUSSION

The decision of students to purchase halal products can be seen from the instruments that have been tested for validity. According to experts, this is done to ensure that the instrument can be used (Nurrahman et al., 2023). The results of Aiken's calculations are presented in Table 1

Tabel 1. Content Validity Test Result

No.	V-Value	Kriteria	No.	V-Value	Kriteria
1	0.84	Valid	11	0.81	Valid
2	0.79	Valid	12	0.89	Valid
3	0.72	Valid	13	0.79	Valid
4	0.82	Valid	14	0.83	Valid
5	0.86	Valid	15	0.82	Valid
6	0.89	Valid	16	0.76	Valid
7	0.91	Valid	17	0.85	Valid
8	0.91	Valid	18	0.74	Valid
9	0.94	Valid	19	0.84	Valid
10	0.70	Valid	20	0.87	Valid

Table 1 represents the results of the content validity test which shows that the 20 instruments used are all valid. This is because the *v-value* has a value ranging from 0.70 – 0.94 > 0.6. Subsequently, any instrument is used for data collection. The results of the data analysis used a structural equation with the partial least squares model (SEM-PLS). This is used to present the relationship between the variables of Halal Labeling (LH), *Halal Awareness* (HA), and Product Quality (K) as seen from students' perceptions of the Purchase Decision (KP) of halal products. To find out that a good structural model can be seen from the results of the validity of discrimination and the reliability of variables. The results of the discrimination validity test are presented in Table 2

Tabel 2. Discriminant Validity

No.	Fornell-Larcker Criterion	1	2	3	4
1.	Labelisasi Halal (LH)	0.818			
2.	<i>Halal Awareness</i> (HA)	0.806	0.878		
3.	Kualitas (K)	0.645	0.604	0.834	

4.	Keputusan Pembelian (KP)	0.733	0.762	0.728	0.819
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Table 2 illustrates the results of the discriminatory validity test from the comparison of the square root AVE value with the correlation between latent variables. The square root value in the variable column is fulfilled (smaller than the number below it) or it can be interpreted that all variables in this study are valid. This is because it exceeds the correlation value of construction antra by >0.7 so that it meets the criteria for the validity of discrimination (Hair et al., 2021). With the results of the validity of the discrimination that are declared valid, then an analysis of reliability criteria and a construction validity test is carried out with reference to the value of the Alpha Cronbach coefficient, the Composite Reliability Coefficient, and the Removed Average Variant. The results of the construction reliability are shown in the Table 3.

Table 3. Construct Reliability Result

No	Constructs	Cronbach Alpha	Composite Reliability	Average Variance Extracted
1.	Labelisasi Halal (LH)	0.877	0.910	0.670
2.	Halal Awareness (HA)	0.923	0.944	0.772
3.	Kualitas (K)	0.891	0.919	0.695
4.	Keputusan Pembelian (KP)	0.876	0.911	0.671

Based on Table 3, it shows that the variable meets the reliability coefficient criteria with a Cronbach Alpha value of $(0.876-0.923 > 0.6)$ and a Partial Component Reliability value $(0.910-0.944 > 0.6)$ and an Average Variance Extracted value of $(0.670-0.772 > 0.5)$. Based on the amount of this value, it can be seen that all variables meet the criteria that can be relied on. This is because it has a variable value of more than 0.6 (Hair, 2022). Furthermore, a test was carried out to calculate the influence or the relationship between variables regarding the structural model and the results of the interactive effect presented in Table 4 and the approximate structural model of the path in Figure 1.

Table 4. Strucural Model and Interactive Effect Result

Hypothesized paths	β	T Statistics	p-value	Conclusion
LH \rightarrow KP	0.168	4.585	0.000	H ₁ diterima
LH \rightarrow K	0.451	1.577	0.116	H ₂ ditolak
HA \rightarrow KP	0.398	2.731	0.007	H ₃ diterima
HA \rightarrow K	0.240	2.871	0.004	H ₄ diterima
K \rightarrow KP	0.380	5.646	0.000	H ₅ diterima

Table 4 presents the results of the interactive effects of hypothesis testing by representing the path coefficients and significance values listed in the structural model estimates contained in Figure 1. Based on these results, it can be seen that all hypotheses are accepted except H2 regarding the effect of halal labeling on the quality of unsupported products. The effect of halal labeling on product quality is not statistically significant. There are various possible reasons why the findings are not significant. There are things that need to be considered, namely consumer perception in accordance with their religion. Muslim consumers generally believe more in products with halal labels because they feel safer and more comfortable when using or consuming these products. This results in halal labeling not directly affecting product quality, but is a motivation for producers to improve the quality of their products. The relationship between halal labeling and product quality, when examined further, tends to be marketing and psychological rather than a direct causal relationship.

The results of SEMP-PLS show that *Halal awareness* influences purchasing decisions with a significant result with a standard coefficient of 0.398 (significant at $\alpha 0.001 < 0.05$), and has a positive effect on product quality of 0.240 (significant at $\alpha 0.000 < 0.05$) which means that H3 and H4 are supported. This happens because basically if consumers already understand the concept of halal products, consumers will be willing to buy the product (Purnomo et al., 2024). In addition, *halal awareness* is proof of obedience to Islam. This is explained in QS. Al-Baqarah verse 168 which means "O man, eat from the halal and good (food) found on earth, and do not follow the steps of Satan, for indeed Satan is a real enemy to you". In the surah implies that every individual should consume halal and good quality food. With this awareness, it also spurs producers to improve the quality of their products. Every individual who is Muslim has an awareness of halal products so that they have a tendency to ensure that the products consumed are halal.

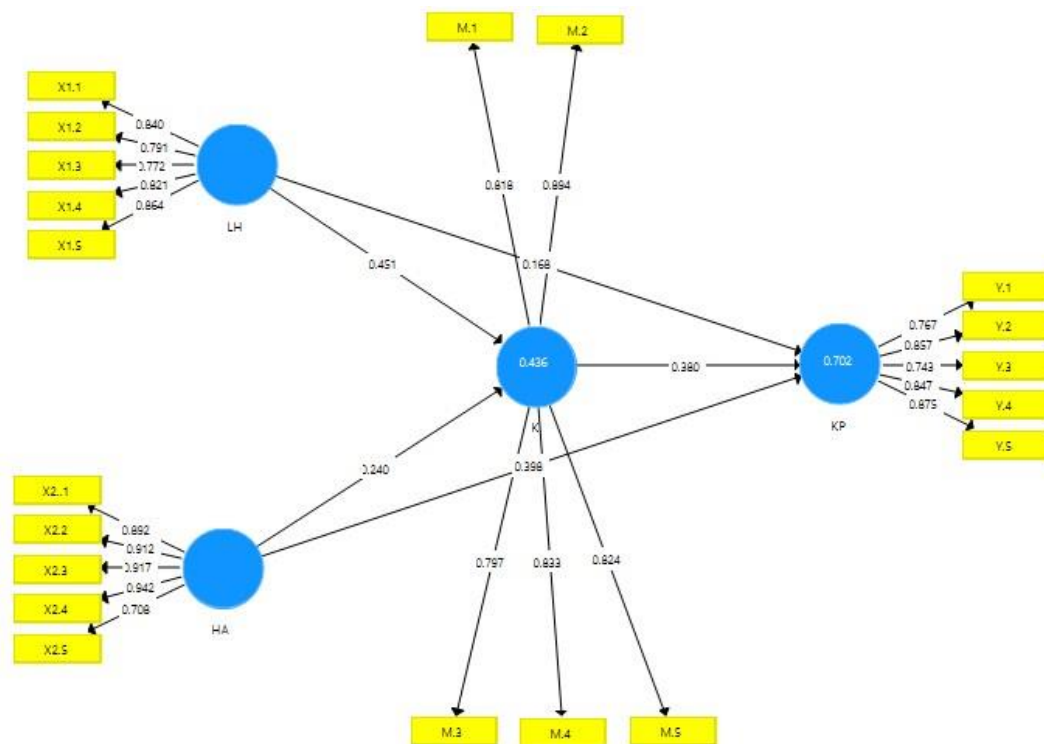


Figure 1. Structural Model Estimates

Halal labeling has a positive effect on product purchase decisions with a standard coefficient of 0.168, (significant at $0.000 < 0.05$). Students know that halal labeling describes that the product is guaranteed to be halal. This is because halal labeling is a guarantee provided by the Institute for the Assessment of Food, Drugs and Cosmetics of the Indonesia Ulema Council (LPPOM MUI) as an authorized institution in testing the halalness of products in accordance with Islamic law. As a country with the largest Muslim population in the world, of course, halal labeling is closely related to product marketing (Hadi & Mukhsin, 2024)

Furthermore, an analysis was carried out to determine the role of product quality in carrying out its role as a variable mediator between the influence of halal labeling and *halal awareness* on the decision to purchase halal products for students. The results of the product quality mediation effect test are presented in Table 5.

Tabel 5 Result of Testing The Mediating Effect of Kualitas Produk

No.	Structural paths	β	T Statistics	p-value	Conclusion
1	LH \rightarrow K \rightarrow KP	0.173	3.860	0.000	Signifikan

2	HA → K → KP	0.094	2.310	0.021	Signifikan
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Based on the results of the test of the effect of product quality mediation (K) on Table 5, it is known that the results of the test of the indirect influence of halal labeling on the purchase decision of halal products through product quality of 0.173 with a p-value of 0.000 <significance level of 0.005, then halal labeling indirectly significantly affects the purchase decision of halal products through product quality, in other words product quality is able to mediate halal labeling on purchase decisions consumer halal products.

On the other hand, the results of testing the indirect influence of *halal awareness* on halal product purchase decisions of 0.094 with a p-value of 0.021 significance < a significance level of 0.05, then *halal awareness* indirectly affects the decision to purchase halal products through product quality, in other words product quality is able to mediate halal labeling on consumers' halal product purchase decisions.

CONCLUSION

The study concludes that all measurement instruments used to assess students' purchasing decisions for halal products are valid and reliable, based on rigorous validity and reliability tests. Using SEM-PLS, the research identifies significant relationships between Halal Labeling (LH), Halal Awareness (HA), Product Quality (K), and Purchasing Decisions (KP). **Halal labeling** positively influences purchasing decisions but does not significantly affect product quality, suggesting a psychological and marketing role. In contrast, **halal awareness** significantly impacts both purchasing decisions and **product quality**, with the latter acting as a key mediator. This highlights the critical role of **halal awareness and product quality** in shaping consumer behavior, especially in predominantly Muslim markets. Consequently, producers should enhance both halal labeling and product quality to better align with consumer expectations and drive purchasing decisions.

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