

## THE RELATIONSHIP OF HALAL CERTIFICATION, ONLINE REVIEW TOWARD RE-PURCHASE INTENTION AND RELIGION BELIEF AS AN INTERVENING VARIABLE ON YOUNG MUSLIM CONSUMER

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**Abstract** – Indonesia is the largest Muslim population in the world, and having halal certification is mandatory in Indonesia since 17 October 2019 based on Law Number 33 of 2014 Concerning on halal product guarantee. The purpose of this paper is to analyze the relationship of halal certification and online review that can affecting chatime young Muslim consumer to repurchase the product. The paper uses causal research that aims to know about The Relationship of Halal Certification, Online Review toward Re-purchase Intention and Religion Belief as Intervening Variable. Evidence supports by collecting the data with questionnaire and take Indonesian consumer (Chatime consumer) as a population and the number population is unknown. The sample method that uses for this paper is purposive sampling technique and using Lemeshow calculation to determine the number of samples and the result need 100 samples or respondent in order to obtain more representative data. The PLS method to analyze and describing the data. The result of the study indicates that Halal Certification has positive and significant effect to Re-purchase Intention, Religion Belief and Online Review has positive and significant effect to Re-purchase Intention, Online Review has positive and not significant result to Religion Belief, Religion Belief has positive and not significant result to Re-purchase Intention.

**Keywords:** Halal Certification, Online Review, Re-purchase Intention, Religion Belief, Chatime.

### INTRODUCTION:

Indonesia has the largest Muslim population in the world, and halal product becomes the priority for this country. The government of BPJH (*Badan Penyelenggara Jaminan Produk Halal*) gave a statement that it is mandatory to have halal certification for every product in Indonesia started since 17 October 2019. It is regulated based on Law Number 33 of 2014 concerning on Halal Product Guarantee. Fatwa Committee of MUI is the authorizing body to issue a fatwa (include fatwa halal) in Indonesia and operates across the three structural state of Indonesia including national, provincial and regencial level (Hudaefi & Jaswir, 2019). If looking at the reality that Indonesia is a country with the largest Muslim population in the world, where every Muslim should avoid products that are still being doubtful or syubhat. Syubhat in term of Islam is a vague circumstance about the halal or haram of something. Rasulullah shallallahu alayhi wasallam said: "The halal (lawful) is clear and haram (prohibited) is clear, while between the two there are cases that are disguised (doubtful) and many people do not know. Then who does avoid doubtful matters, he has also cleared his honor and his religion. But, one who engages in the doubtful, falls in the haram" (Hakim, 2014).

Businesses gaining Muslim attention with competing to get halal certification in the non-food or beverage sector, it will take so much advantage especially in gaining much consumer because the product has value to convince the consumer when the product has been labeled as a halal. It is confirmed by the previous research that food quality has significant effect toward customer satisfaction, and customers who have perceived Halal Foods of high quality are most satisfied and more willing to re-purchase and recommend the product (Suhartanto & Muflih, 2019).

In 2020, Chatime has officially got halal-certified and the evidence can be access through the website of MUI. Intention to re-purchase the halal product is one of the reasons to do repeated purchase. A person who has religion belief will affecting on their consumption criteria. An individual decision about food consumption within a religious context is determined by a religion itself and the degree to which people interpret and respect the commands of the religion (Ali et al, 2017). According to Sudarti, (2019), re-purchase intention is purchase based on purchasing experience which had been done in the past,

re-purchase intention reflects the level of satisfaction from consumers is high in consuming a product. Repurchase intention is significantly influenced by brand image and halal label perception (Soleha et al, 2017). Repurchase intention is significantly influenced by religion belief, brand image (Sudarti, 2019). E-WOM (Electronic Word of Mouth) can also affect to the re-purchase intention. According to Hariono (2019), E-WOM is created because of customer satisfaction with a product and the service it receives and product quality that is maintained keeps consumers from not want to move to another product. Online review plays a major role in consumer decision about whether or not to purchase a product or services, and Word of Mouth is still the number one influencer in the electronic purchases (Wei & Lu, 2013).

Driven by these conceptual research gaps, the aim of this study is examining the relationship of halal certification, online review toward re-purchase intention and religion belief is an intervening variable on young Muslim consumer. Following parts of the study cover as follows: Section 2 discusses about the underlying theoretical background and past empirical works. The research methodology and results are explained in Section 3 followed by empirical findings in Section 4. Concluding remarks and policy implications from the study are presented in Section 5.

## LITERATURE REVIEW

### Theory of Planned Behavior

Religiosity is affecting the attitude and human behavior, and the perception behavioral of control in religiosity based on experience and knowledge. Theory of planned behavior has a various aspect, there are attitudes, subjective norms, and perceived behavioral control are shown to be related to appropriate sets of salient behavioral, normative, and control beliefs about the behavior, but the exact nature of these relations is still uncertain (Khalek, 2014). Perceived behavioral control deals with the amount of influence an individual experiences to perform or not to perform a behavior (Iriobe & Abiola-Oke, 2019). Perceived behavioral control consists of situational factors and the availability of opportunities, resources such as time, money, and knowledge (Riptiono, 2019).

### Theory of Reasoned Action

Theory reasoned action must be measured by the subjective norms that influence a person's intention to act before gauging the level of intention. Subjective norms are related to person's feelings as to what relevant others (e.g., family, friends, roommates, co-workers) think of the action the person contemplates. There are two factors underlie subjective norms, normative beliefs that the individual attributes to relevant others, and the individual's motivation to comply with the preferences of the relevant others (Schiffman & Wisenblit, 2015). Subjective norms are the perceived social pressure that influences consumer decision to purchase halal food (predicting). Subjective norm in Indonesia is playing an important role such family, friends could be a strong influential point in choosing halal product.

### Halal Certification

The halal certification is the requirement to get permission to put halal label on the package products from authorized government (Pambudi, 2018). The official of halal certification is only from MUI. The issuance and control of halal certification on every halal product is processes by *Majelis Ulama Indonesia*. Based on the law No 3-year 2014 regarding to halal product guarantees, about the products offer and trade in Indonesia are required to have a halal certificate, except for non-halal or haram products. The scope of halal certification encompasses on seven areas, there are, Product or Services related to the food or drink, Medicine, Make up or cosmetics, Pharmaceutical, Biological Products, Manipulation genetic product, and useful things (halalmui.org, 2019).

### Online Review

Online review is part of E-WOM development which has an important concept of online credibility in the development of the e-commerce sector (Agustina et al., 2018). Trust is an issue that really important in E-WOM as an interpersonal relationship or relational exchange of communication content. According to reviewer is one of the reason for consumers to have doubts about the trustworthiness of these messages and about the creators basic motivations (Weitzl, 2017).

### Religion Belief

Religion is a multidimensional construct that includes beliefs, behaviors, rituals, and ceremonies that may be held or practiced in private or public settings, but are in some way derived from established traditions that developed over time within a community (Koenig, 2018). Religion is defined as the extent

to which an individual is committed to his/her religion and to which that religion is reflected in the individual's attitudes and behavior (Briliana & Mursito, 2017).

#### Re-purchase Intention

Re-purchase intention is a purchase intention based on past purchase experience (Soleha et al., 2017). Researchers have characterized repurchase intention as an intention to over and again use items later on, in light of past encounters, what's more, desires for the future (Santoso, 2018). Presumed that customers do the repurchase is affected by two principle factors, the first is customer 'satisfaction which had a solid direct impact on repurchase intention, and the second is trust which had minimal constructive outcome on it (Zhang et al., 2011).

## METHODOLOGY

### Hypothesis

This research is conducted from March until December 2020. The research design is used causal research. The population in this research is young Muslim consumer of chatime. The sample were chosen by non-probability technique. The researcher used purposive sampling in data collecting process from total respondent, which is the total respondents are 100.

### Hypothesis Statement

Based on the extensive study of previous research, the following hypotheses are proposed:

H1: Halal certification has positive effect toward repurchases intention.

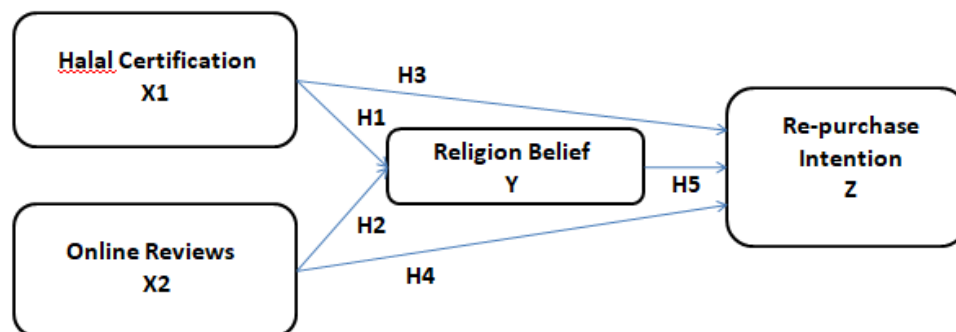
H2: Halal certification has positive effect toward Religion Belief.

H3: Online review or E-WOM has positive effect toward Re-purchase Intention.

H4: Online Review has positive effect toward Religion Belief.

H5: Religious belief has positive effect toward repurchase intention.

Figure 1 Research Framework



## RESULTS

### Respondent's Profile

This questionnaire was filled by 100 respondents. Based on gender from the total characteristics of the number of respondents, women form the majority of respondents from this study at 93%. Based on age gave the result the respondents are dominated at the range 17-23 years at 93%. Based on domicile characteristics the majority of respondents from consumer in Chatime mostly are from Pulau Jawa at 95%. Based on job characteristics it shows that the majority of respondents are students at 86%.

### RELIABILITY AND VALIDITY TEST

Validity test is conducted to determine the ability of research instruments to measure the level of eligibility of the actual implementation. According to Anuraga et al., (2017) an indicator is said to have good valid if it is greater than 0.70, while a loading factor of 0.50 to 0.60 is considered sufficient. So, if the loading factor is below 0,50 it should be deleted from the model. From the result it shows the indicators have fulfilled the convergent validity or all of the data are valid, means the value of factor loading is above ,50 as shown in the table.

Composite reliability is measure scale of reliability for research, and it is also quite similar like have a value > 0,70 and it's called as a good reliability. It's shown from the result of composite reliability and cronbach's alpha for all constructs is above 0.70 which means it has a high reliability. The highest result hold by Re-purchase Intention of 0,908 for cronbach's alpha dan 0,926 for composite reliability

**R<sup>2</sup> (R-square)**

**Table 1 The Result of R-square**

	<b>R Square</b>	<b>R Square Adjusted</b>
Re-purchase Intention (Z)	0,59	0,577
Religion Belief (Y)	0,326	0,312

R-square value (R<sup>2</sup>) or coefficient determination in this study in the variable Z is at range of 0.590 or 59%. R-square value (R<sup>2</sup>) or coefficient determination in this study in the variable Y is at range of 0,326 or 32,6%.

**Q<sup>2</sup> (Q-Square)**

Q<sup>2</sup> value of structural testing in this study, carried out by looking at the Q<sup>2</sup> value that is predictive relevance. Q<sup>2</sup> test results by performing a blindfolding procedure on Partial Least Square (PLS), which uses the number of omission distance that is 7. The resulting Q<sup>2</sup> value > 0 indicates that exogenous constructs have predictive relevance for endogenous constructs. Furthermore, the results obtained in total for respondents are as follows:

**Table 2 Total Construct Cross validated Redundancy**

	<b>SSO</b>	<b>SSE</b>	<b>Q<sup>2</sup> (=1-SSE/SSO)</b>
<b>X1</b>	600.000	600.000	
<b>X2</b>	400.000	400.000	
<b>Z</b>	800.000	525.577	0.343
<b>Y</b>	800.000	663.308	0.171

**Table 3 Total Construct Cross validated Communality**

	<b>SSO</b>	<b>SSE</b>	<b>Q<sup>2</sup> (=1-SSE/SSO)</b>
<b>X1</b>	600.000	391.189	0.348
<b>X2</b>	400.000	302.621	0.243
<b>Z</b>	800.000	399.184	0.501
<b>Y</b>	800.000	421.547	0.473

**F<sup>2</sup> (F-Square)**

**Table 4 The Result of F-Square**

	<b>X1</b>	<b>X2</b>	<b>Z</b>	<b>Y</b>
<b>X1</b>			<b>0.292</b>	<b>0.346</b>
<b>X2</b>			<b>0.347</b>	<b>0.008</b>
<b>Z</b>				
<b>Y</b>			<b>0.010</b>	

Effect Size (f<sup>2</sup>) is done to determine the goodness of the model, for the Halal Certification variable to the Re-purchase Intention, it is stated to has an effect size at 0.292. Furthermore, the relationship between the variables Halal Certification and Religion Belief has effect size of 0.746. Next is the effect size of Online Review to the Re-purchase Intention it has the effect size at 0.347 which considered as the large relationship. But, the effect size between Online Review to Religion Belief has a weak relationship at 0.008. Religion Belief also seen to have a weak relationship to Re-purchase Intention at 0.010.

**HYPOTHESIS TESTING RESULT**

The estimated value for the path relationship in the structural model must be significant. This significance value can be obtained by bootstrapping procedure. See the significance of the hypothesis by looking at the value of the parameter coefficient and the significance value of the t-statistics on the bootstrapping report algorithm. To find out significant or insignificant seen from the t-table at alpha 0.05 (5%) = 1.96. Then, t-tables are compared by t-counts (t-statistics).

**Table 5 Hypothesis Result**

	<b>Original Sample (O)</b>	<b>Sample Mean (M)</b>	<b>Standard Deviation (STDEV)</b>	<b>T Statistics ( O/STDEV )</b>	<b>P Values</b>
Halal Certification > Re-purchase Intention	0,442	0,442	0,103	4,312	0.000
Halal Certification > Religion Belief	0,532	0,554	0,082	6,464	0.000
Online Review > Re-purchase Intention	0,417	0,426	0,076	5,488	0.000
Online Review > Religion Belief	0,081	0,086	0,088	0,918	0,359
Religion Belief > Re-purchase Intention	0,079	0,068	0,096	0,823	0,411

## DISCUSSION

The main objective of this research is to analyze the relationship of halal certification, online review toward re-purchase intention and religion belief as an intervening variable on young Muslim consumer. In the conclusion, the result show halal certification has positive and significant result to re-purchase intention. This is in line with researcher that conducted by Hidayat & Resticha (2019), which says that Halal Certification is has significant effect on Re-purchase Intention, explained halal certification is one of the reasons to satisfy the consumer, and affecting the consumer to re-purchase the product. Halal certification also have positive and significant result toward religion belief. It's in line with researcher conducted by Aji (2018), which says knowledge about halal give positive and significant result on religion belief because, many consumers already know the knowledge of consuming halal and the religiosity of a Muslim is determined by the level of knowledge he or she acquired. Online Review has positive and significant result to re-purchase intention. This is in line with researcher conducted by Arif (2019), which says Online Review give a positive and significant result on Re-purchase Intention because, mostly the respondents of the research are 18-20 years old same as like this research, because on this range of age, people are already supported with a gadget to encourage their productivity. Online review has positive but not significant result. From the result of the respondent of this study is dominated by Y generation (born in 1997-2012) who raised in digital era. Based on the previous research, Generation Y consumers choose and use products that can represent their identity, what is important in their lives, what they value in life, and where they aim to express their personality or self-image aspects. In Generation Y, used social influencer as a role model and the halalness is not always as priority (Adiba, 2019). Religion belief has positive and not significant result. In the respondent result, young consumer is dominated. Young consumer mainly looks hedonistic in value, over time the hedonistic feeling give way to rational approach, which is simply reflected in the fact that with age the importance of taste among (Bubel, 2018). Past research suggested halal label is not only the guarantee of food to be succeed in the market, but in order to make customer loyalty the food also expect to have a high quality (Suhartanto et al., 2019). So, it means that young consumer know halalness of the food is a must, but they expect a higher quality rather than a meagre quality of halal food.

## CONCLUSION

It is evident from the result having halal label on chatime gave an advantage for chatime to gain more customer and loyal customer, where Islam is also the biggest population in Indonesia, so halal product does really matter in Indonesia. Online Review is proofing have a good reputation in online is important, because communication in technologies already a normal life and people will create a good review that help chatime to make customers trust to their product.

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