

# THE INFLUENCE OF HALAL LABELS AND PRICES ON PURCHASE DECISIONS FOR MIXUE PRODUCTS: STUDY OF FEB UMSU STUDENTS

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**Abstract:** This research aims to find out how the halal label and price variables influence purchasing decisions, both partially and simultaneously, for Mixed products (case study of students at Muhammadiyah University, North Sumatra). This research approach is associative. The population is 100 users and the sample is 100 mixed consumers. Data collection techniques in this research used interview techniques, documentation studies, observations and questionnaires. The data analysis technique in this research uses Multiple Linear Regression Analysis Test, Hypothesis Test (t Test and F Test), and Coefficient of Determination. Data processing in this research used the SPSS (Statistical Package for the Social Sciences) software program version 29.00. It is partially known that the halal label has a significant influence on purchasing decisions for mix products. In particular, it is known that price has a significant influence on purchasing decisions for mix products. Simultaneously, it is known that the halal label and price have a significant influence on purchasing decisions for mix products.

**Keywords:** Halal Label, Price, Purchase Decision

## Introduction

In this modern era, Indonesia's economic development is very fast. It is proven that Indonesia's economic growth in the third quarter of 2022 again recorded impressive performance by being able to grow by 5.72% (yoy), continuing the solid growth trend since the beginning of 2022. Supported by strong domestic economic fundamentals, Indonesia's economic performance is still stable. awake . (Ministry of Finance, 2022)

On the other hand, the Muslim population in Indonesia reaches 90 percent of the population. This resulted in a flood of products from within and outside the country. The flood of these products will result in a dilemma for Indonesian people. On the one hand, there are many choices for the community and on the other hand, the community must be observant in paying attention to the halalness of products, especially food, and this influences purchasing decisions by the Islamic community because of the consideration of choosing halal products.

Food products in Indonesia are very varied. With a large market share, the company makes very varied products, especially for the lower middle class economy. Because the majority of Indonesian people have a lower middle class economy. On the other hand, the religious awareness of Muslims in various countries, including Indonesia, ends Lately, it has been growing and increasing. As a logical consequence, every time a problem, discovery or new activity arises as a product of this progress, Muslims always wonder what the position of this is in the view of Islamic teachings and law.

One of the quite urgent problems faced by the people is the flood of processed food and drink products, medicines and cosmetics. In line with Islamic teachings, Muslims want the

products they consume to be guaranteed to be halal and pure. According to Islamic teachings, consuming what is halal, holy and good is a religious command and is legally obligatory .

Apart from the halal label, the problem consumers have in choosing a product is the price itself. Price is also one of the consumer factors in determining product purchasing decisions. Where price is the amount of money charged for a product or service, or the amount of value exchanged by consumers for the benefits of owning or using the product or service. (Kotler & Armstrong, 2001) The influence of price on purchasing decisions is very important, because the price level set by the company can be a benchmark for demand for a product. Setting the wrong price for a product can result in the number of sales of a product not being maximized, resulting in decreased sales and reduced market share. Therefore, in setting prices, companies must be able to determine sales prices according to the target market share so that product sales and market share increase.

Apart from that, the halal label and price also influence purchasing decisions. This is because the halal label and price are things that consumers pay attention to to get certainty about the halalness of the product and the price is a consideration when buying a product. Therefore, the presence of a halal label on a product and the price set can influence consumers in their decision to purchase a product.

The purchasing decision process is not just about buying, there are several factors that will influence consumers' decisions in purchasing a product or service. However, it also functions to determine the role of consumers in making purchasing decisions. This can influence several purchasing decision factors, including halal label factors and product availability. A shortage in product availability and the absence of a halal label that complies with MUI standards will influence the increase in buying interest by consumers (Abdullah, T., & Tantri, 2012)

Apart from that, the halal label and price also influence purchasing decisions. This is because the halal label and price are things that consumers pay attention to to get certainty about the halalness of the product and the price is a consideration when buying a product. Therefore, the presence of a halal label on a product and the price set can influence consumers in their decision to purchase a product.

Halalness and product price have a big impact on purchasing decisions. For example, a food product that is currently viral in Indonesia is MIXUE. This product is a company that originates from the neighboring country, namely China. At the beginning of its appearance, mixue was still processing halal labels from authorized institutions. On the other hand, Mixue also has an affordable price. This is very feasible if Mixue is used as a research object. In this purchasing decision, students also participate in the sale of the Mixue product . Students at the Muhammadiyah University of North Sumatra, where the majority of students are Muslim, can become representatives of the Muslim community and consumers of mixue products. A critical community when viewed from the perspective of information obtained and its ability to digest information is a community that can sort the products they consume based on the information they obtain.

## **Literature Review**

### **Buying Decision**

Buying Decision is the process where a customer chooses or determines a product/service option and then makes a purchase (Farisi, 2018)

Purchasing decisions are the selection of two or more alternative options. These decision-making actions include decisions about the type and benefits of the product, decisions about the form of the product, decisions about the brand, decisions about the number of products, decisions about the seller and decisions about when to purchase and how to pay (Nasution, AE, & Lesmana, 2018)

A purchasing decision is a final decision that a consumer has to purchase a good or service with various certain considerations. Purchasing decisions made by consumers describe how far marketers have gone in their efforts to market their products to consumers. A purchasing decision is an action taken after choosing one of the available alternatives to meet needs or solve

problems that occur as efficiently as possible (Nasution & Hendrawan, 2021)

Decision purchase very important to determine proceed or not something company in Century Which will come. Success company For influence consumer in decision purchase very in support through effort build communication with fulfil need Which consumer want, create various product varied as well as various product choice That Alone And create product Which previously Not yet Once needed by consumer. Process taking decision Which complicated often involve choice in between two or more alternative action (Astuti & Febriaty, 2017)

Purchasing decisions are the stage of the purchasing decision process where consumers determine whether or not to buy, and if yes, what to buy, where to buy and when to buy (Daulay, 2014)

### Halal Label

(Arianty, 2016) Halal and good food is a guide for those who are Muslim. Halal in terms of dhahiriyah and sources to get the food whether through halal methods. Eating halal and good food is proof of our devotion to Allah SWT, because eating halal and good food is one of the acts of worship, this is explained in the Qur'an in surah Al-Ma'idah: 88 :

يَا أَيُّهَا النَّاسُ كُلُوا مِمَّا فِي الْأَرْضِ حَلَالًا طَيِّبًا وَلَا تَتَّبِعُوا خُطُوتَ  
الشَّيْطَانِ إِنَّهُ لَكُمْ عَدُوٌّ مُبِينٌ

Meaning: "And eat food that is halal and good from what Allah has provided for you, and fear Allah in whom you believe in Him" (QS. Al-Ma'idah: 88).

Halal products are food products, medicines, cosmetics and other products that do not contain haram elements or goods in the manufacturing process and are prohibited for consumption by Muslims, both regarding raw materials, additional materials, other auxiliary materials, including production materials processed through genetic engineering processes and irradiation whose processing is carried out in accordance with Islamic law and provides benefits that are more than madharat (effect) (Department of Religion, 2003)

(Al-Bara & Nasution, 2018) said that the halal label is halal information written on the packaging which is issued on the basis of halal certification which is integrated into the product packaging as a valid guarantee, that the guarantee in question is, halal for use and consumption by the public, in accordance with the provisions of Islamic sharia and statutory regulations

### Price

Apart from the halal label, the problem consumers have in choosing a product is the price itself. Price is also one of the consumer factors in determining product purchasing decisions. Where price is the amount of money charged for a product or service, or the amount of value exchanged by consumers for the benefits of owning or using the product or service . (Kotler & Armstrong, 2001) .

The price set must be directly proportional to the product being offered, otherwise, if the price/tariff is too high and does not match the product, the market will move away. Before making a purchase, consumers will compare the prices offered by one brand with other brands. Prices that are considered reasonable will encourage consumers to make purchases (Nasution, SMA, & Febriansyah, 2022)

(Farisi, S., & Siregar, 2020) states that price in a narrow sense is the amount charged for a product or service. More broadly, price is the sum of all values provided by customers to gain benefits from owning or using a product or service.

The influence of price on purchasing decisions is very important, because the price level set by the company can be a benchmark for demand for a product. Setting the wrong price for a product can result in the number of sales of a product not being maximized, resulting in

decreased sales and reduced market share. Therefore, in setting prices, companies must be able to determine sales prices according to the target market share so that product sales and market share increase.

## Method

The Type of this study is surveys study, Because take sample from One population. This research uses an explanatory research approach, which aims to explain the causal relationship between research variables and testing hypotheses (Nasution, MI, Fahmii, M., Jufrizen, J., Muslih, & Prayogi, 2020) The approach in this research is by using an associative approach, the associative approach is an approach where to find out that there is a relationship or influence between the two variables (variables independent and dependent variables). The data collection technique used is using list statement (questionnaire). Population in study This is all over consumer Which shop in 212 mart, with sample amount 100 person. According to Sugiyono (2018) Probability sampling is a sampling technique that provides equal opportunities for each element (member) of the population to become a sample member. Data processing uses SPSS software version 29.00, with classical assumption testing, and analysis techniques data using analysis regression linear multiple .

## Result and Discussion

### Result

With multiple linear regression, there are several classic assumptions of multiple regression . Testing assumption classic in a way simple aims to identify whether regression is a good model or not No. There is a number of testing assumption classic the, ie :

### Test Normality

Normality test data aims to test whether in the regression model, the dependent variable and the independent variable are both has a normal distribution or not. A good regression model has a normal or close to normal data distribution (Ghozali, 2001)

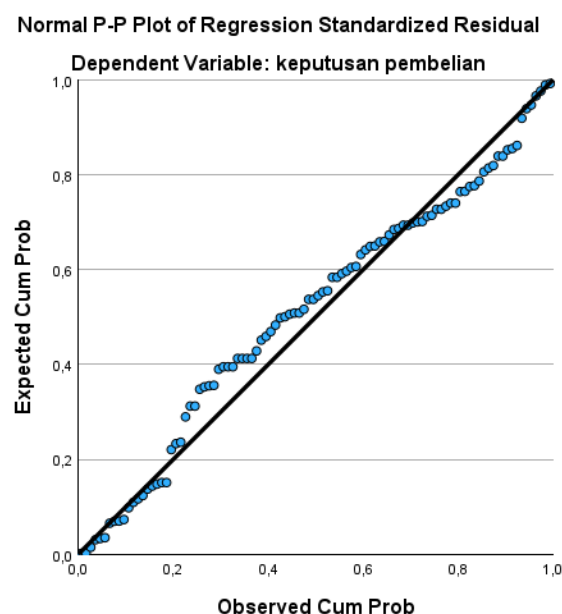


Figure 1. Results Test Normality

The image above identifies that the regression model has met the assumptions stated previously, so that the data in the regression model of this research tends to be normal .

### Multicollinearity

The multicollinearity test aims to test whether in the regression a strong/high correlation

is found between the independent variables. In a good regression model there should be no correlation between independent variables because of the high correlation between the independent variables in a multiple linear regression model. If there is high correlation between the independent variables then the relationship between the independent variables and the dependent variable will be disturbed.

Multicollinearity testing is carried out by looking at the VIF between the independent variables. If the VIF shows a number  $<10$ , it indicates that there are no symptoms of multicollinearity. Besides that, a model is said to have symptoms of multicollinearity if the VIF value between the independent variables is  $>10$ .

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1							
	(Constant)	10,872	4,351	2,499	,014		
	label halal	,375	,117	3,204	,002	,965	1,037
	harga	,304	,069	4,422	<,001	,965	1,037

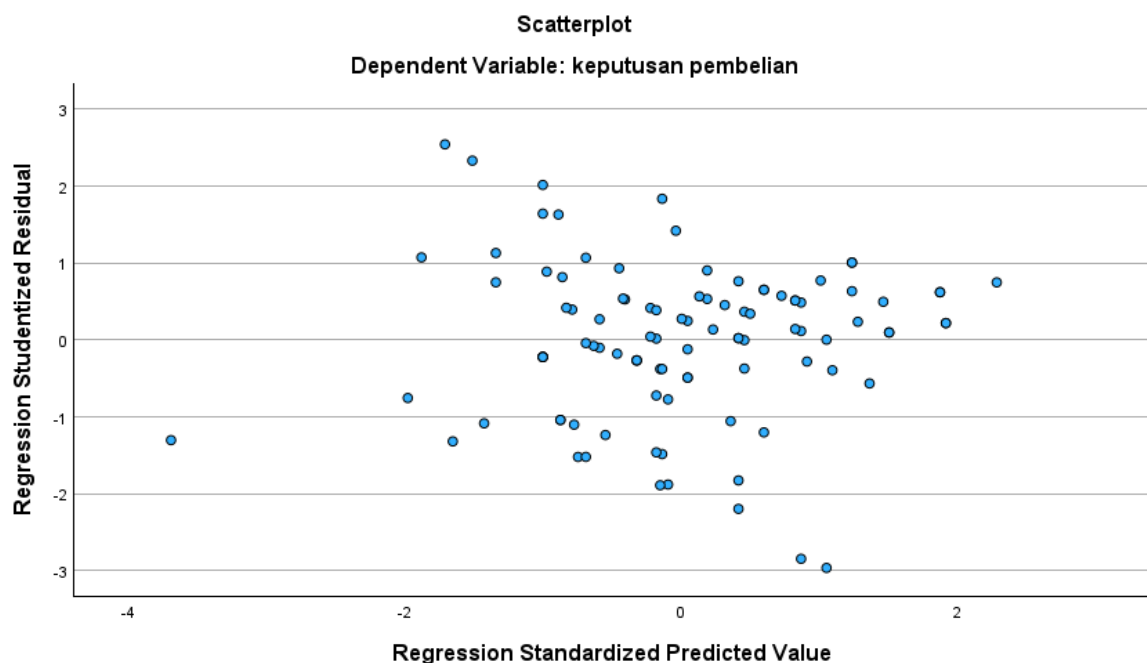
a. Dependent Variable: keputusan pembelian

**Table 1. Results Test Multicollinearity**

Second variable independent i.e. X1, X2 have VIF value in limit tolerance that has specified (no exceeds 10), so No happen multicollinearity in variable independent This .

### Heteroscedasticity

This test has the aim of finding out whether in the regression model there is an inequality in the variance of the residuals of one observation and other observations remain constant, so it is called homoscedasticity, whereas if the variances are different it is called heteroscedasticity .



**Figure 2. Results Test Heteroscedasticity**

The image above shows that the points are spread randomly, do not form a clear pattern even though they appear to be close together at certain points and are scattered at the top and slightly gathered on the Y axis, thus "heteroscedasticity does not occur" in this regression model.

### Analysis Regression Multiple

Analysis is used to determine the influence of the independent variable on the dependent variable.

**Table 2. Multiple Linear Regression**

Coefficients <sup>a</sup>				
		Unstandardized Coefficients		Standardized Coefficients
Model		B	Std. Error	Beta
1	(Constant)	10,872	4,351	
	label halal	,375	,117	,282
	harga	,304	,069	,390

a. Dependent Variable: keputusan pembelian

From calculations using the SPSS (Statistical Program) computer program For Social Schedule), so regression equation linear multiple is as follows:

$$Y = 10.872 + 0.375 X_1 + 0.304 X_2$$

Interpretation models:

- Mark constant as big as 10,872 show The halal label and price are in a fixed state where they do not change or are the samewith zero, so buying decision own mark 10,872 .
- The coefficient value for the halal label is 0.375 in a positive direction, indicating that halal label experience increase so will followed by purchase decision 0.375 with assumption variable independent others are considered still.
- Mark coefficient satisfaction consumer as big as 0 .304 with direction negative indicates that the price has decreased then it will followed by decline buying decision as big as 0 .304 with assumptionvariable independent other considered permanent.

### Testing Hypothesis

#### Testing By Partial (test t)

Testing influence variables free (X) to variable bound (Y) canseen on table following This:

**Table 3. t Test**

Coefficients <sup>a</sup>					
		Unstandardized Coefficients		Standardized Coefficients	
Model		B	Std. Error	Beta	t
1	(Constant)	10,872	4,351		2,499
	label halal	,375	,117	,282	3,204
	harga	,304	,069	,390	4,422

a. Dependent Variable: keputusan pembelian

Influence label halal to decision purchase From table 2, obtained results significant t influence variable label halal (X1) to decision purchase (Y) as big as tcount 3 , 20 4 > ttable 1.98 5 (sig 0.00 2 ), where is significant t smaller from  $\alpha = 0.05$ . Matter the means that label halal (X1) in a way Partial have influence positive Which significant to decision purchase (Y). Influence price against purchasing decisions from table 2, obtained significant results t influence the availability variable product (X2) on purchasing decisions (Y) amounting to tcount 4.4 22 > ttable 1.984 (sig 0.00 1 ),where the significant t is smaller than  $\alpha = 0.05$ . This means that the price (X2) partially has a significant positive influence on purchasing decisions



(Y).

### Testing By Simultaneously (test F)

This test is based on previously determined hypotheses and criteria. Based on this, the test of the influence of halal labeling and price simultaneously (simultaneously) has a significant influence on purchasing decisions as follows:

**Table 4. F Test**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	270,636	2	135,318	18,227	<,001 <sup>b</sup>
	Residual	720,114	97	7,424		
	Total	990,750	99			

a. Dependent Variable: keputusan pembelian

b. Predictors: (Constant), harga, label halal

Based on the results of the F statistical test above using analysis of variance or ANOVA, it can be seen that the significance value is ( $0.000 < 0.05$ ), which means it is significant, it can be concluded that the halal label (X1) and price (X2) variables are simultaneously (simultaneous) has a significant influence on the product purchasing decision variable (Y).

### Coefficient Determination

With see R-Square will can seen How Actually mark contribution second variable free to variable bound:

**Table 5. Coefficient Determination**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,523 <sup>a</sup>	,273	,258	2,72468

a. Predictors: (Constant), harga, label halal

Results calculation regression can is known that coefficient determination ( R square ) obtained of 0.258 , results This own meaning that 25 , 8 % variable Decision Purchase can explained by variable halal label and Price whereas the rest as big as 74 , 2 % explained by other variables do not researched .

### Discussion

Study This disclose about The Influence of Halal Labels and Prices Regarding purchasing decisions , with a hypothesis has set. Following explanation regarding each variable

### Influence Label Halal To Decision Purchase

From table -t test above can understood that influence Halal Label (X1) against Decision

Purchase obtained mark  $t_{count}$  as big as 3,204 while  $t_{table}$  1.98 5 And have number significant as big as  $0.002 < 0.05$  or  $t_{count} 3,204 > t_{table} 1.98 5$  . based on criteria taking decision , yes concluded that  $H_0$  rejected ( $H_a$  accepted ), p This show that There is significant influence variable Halal label on decision internal purchases make purchases of Mixue products.

The influence of the halal label on purchasing decisions, the halal label is a statement on a product that guarantees the product's halal status, where this information is included in the form of images, symbols or a combination of the two on the product packaging. When making a decision to purchase a halal label, it is one of the factors that consumers consider. Consumers will choose products that are clear about the halal status of the product by looking at the halal label on the product packaging.

Research results (Al-Bara & Nasution, 2018) (Astuti & Hakim, 2021) that the Halal Label Variable can influence consumer decisions in deciding to buy a product .

#### **Influence Price Against Decision Purchase**

From table -t test above can understood that influence Price ( $X_2$ ) against Decision Purchase obtained mark  $t_{count}$  as big as 4,422 while  $t_{table}$  1.98 5 And have number significant as big as  $0.001 < 0.05$  or  $t_{count} 4.422 > t_{table} 1.98 5$  . based on criteria taking decision , yes concluded that  $H_0$  rejected ( $H_a$  accepted ), p This show that There is significant influence variable Price against decision internal purchases make purchases of Mixue products.

The influence of price on purchasing decisions, price is a number of values given to consumers to obtain benefits on product And service. In taking decision purchase price become WrongOne factor to consider, consumers will be attracted by the price relatively cheap Which in line with quality product Which expected (Nasution, AE, & Lesmana, 2018) . Price Which considered reasonable will encourage consumers to make purchases (Nasution, SMA, & Febriansyah, 2022) . In his research, it is stated that there is a partial significant influence of price on purchasing decisions (Nasution & Hendrawan, 2021)

#### **Influence Label Halal And Price Against Decision Purchase**

Based on table data on F test above can understood that significance value ( $0.000 < 0.05$ ), which means significant, it can be concluded that the halal label ( $X_1$ ) and price ( $X_2$ ) variables simultaneously (simultaneously) have a significant influence on the Mixue product purchasing decision variable.

The relationship between the halal label and price can be seen from consumer assessments of the product. The purchasing decision to determine which product to choose depends on the product being clear about the halalness of the product by looking at the halal label on the product packaging. Then, consumers will also adjust the price offered based on the product they have chosen. Therefore, the halal label and price are one of the triggers for consumers to decide to buy this product. The relationship between the halal label and price which has an impact on consumer purchasing decisions can also be seen from the research results (Widodo, 2015) (Rozjiqin & Ridlwan, 2022) (Sahir et al., 2016) (Alfian & Marpaung, 2017) that halal labeling and price have a relationship and simultaneously (simultaneously) have a significant influence on purchasing decisions

#### **Conclusion**

Based on the results of the research and discussion presented in the previous chapter , conclusions can be drawn from this research regarding the influence of the Halal Label and Price on the Purchase Decision of Mixue products among Muhammadiyah University of North Sumatra Students, namely:

1. The Halal label has an effect significant to Decision Purchase product Mixue (Case Study of Economics Faculty Students And Business UMSU )
2. Price influential significant to Decision Purchase product Mixue (Case Study of Economics Faculty Students And Business UMSU )
3. By simultaneous Halal Label and Price influential significant to Decision Purchase product Mixue . (Case Study of Economics Faculty Students And Business UMSU) .



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