

## **CHAPTER II**

### **LITERATURE REVIEW**

#### **A. Theoretical Framework**

##### **1. Halal Food**

Halal means permitted or lawful follows as Islamic laws. Food defined as anything eaten or taken orally to the body as a source of energy (Mathew, et al., 2014). Halal foods are foods that are allowed under Islamic dietary guidelines. Halal foods not only limited ideas for Muslim but also provide to everyone because the main important of Halal food is foods are cleanness in every proves and follow from Halal standard which might differ in each country. Halal is a symbol of food allowed for Muslims and means cleanness follow from food production standard. Halal food is taken by Muslims that does not contain pork, an animal that was dead prior to slaughtering, animals not slaughtered properly or not slaughtered in the name of Allah, blood and blood by-products, carnivorous animals, land animals without external ears and alcohol (Ali & Wawang, 2012).

Basically, the concept of halal food products in Islam is eating foods that are good for humans and not consuming what can be bad for humans. Food and beverage that have good effects are ordered to be consumed by Muslims, whereas food and drinks that have bad effects are prohibited from being consumed. For Muslims, consuming halal and beverage product is an obligation as a form of obedience to their religion. Halal food and beverage are foods and beverages that

can eat or drink according to Islamic teachings, which is in accordance with the commandments of the Qur'an and Hadith.

Islamic laws govern what is lawful for a Muslim (*halal*) and what is forbidden (*haram*). It is stated in Al-Qur'an (Surah Al-A'raf 7: 157):

*“[Allah] allows them as lawful what is good (and pure) and prohibits them from what is bad (and impure)”*

The food consumed by Muslims are lawful or permitted, unless the food is categorized in Al-Qur'an and Hadith as *haram* or forbidden. The word *halal* mean permissible or lawful according to Islamic laws. According to Rehman and Shabbir (2010) in Machali, et al. (2013), *halal* products are those that are Shariah compliant, i.e. do not involve; the use of *haram* (prohibited) ingredients, exploitatin of labor or environment, and are not harmful or intended for harmful use.

This has been clearly stated in Al-Qur'an (in surah Al-Baqarah 2:172-173):

*“O ye who believe! Eat of the good things that We have provided for you, and be grateful to Allah, if it is Him ye worship. He hath only forbidden you dead meat, and blood, and the flesh of swine, and that on which any other name hath been invoked besides that of Allah. But if one is forced by necessity, without wilful disobedience, nor transgressing due limits,- then is he guiltless. For Allah is Oft-forgiving Most Merciful.”*

And again in (surah Al-Ma'ida 5:3):

*“Forbidden to you (for food) are: dead meat, blood, the flesh of swine, and that on which hath been invoked the name of other than Allah. That which hath been killed by strangling, or by a violent blow, or by a headlong fall, or by being gored to death; that which hath been (partly) eaten by a wild animal; unless ye are able to slaughter it (in due form); that which is sacrificed on stone (altars); (forbidden) also is the division (of meat) by raffling with arrows: that is impiety.”*

According to Wahab (2004) cited by (Machali, et al., 2013) states that the word Food for Muslim or Food Certified halal or halal or having similiar meanings can be defined as follows:

- a. Free of, and not made of, or containing any part or substance taken or extracted from animal which are forbidden (haram) to be consumed by Muslims, according to Islamic laws.
- b. Not containing any substances, which is declared as filth according to Islamic Laws.
- c. Not prepared, processed, produced or manufactured using utensils, equipment and/or machinery which are not free from filthy substances as directed by Islamic Laws, and
- d. During preparation, processing or storage, it should not come into contact or be in close proximity with any food which do not fulfil the requirements as stipulated in Paragraph (a), (b) or (c) or any substance declared as being filth according to Islamic Law

Motivations for special food consumption vary, but one important reason that consumers purchase foods is in an effort to be personally associated with doing what is “right” or moral (Ashraf, et al., 2017), with such products or behaviors contributing to one's moral self-image (Nizam, 2011). These actions exude characteristics of one's self fit with the research on value-expressive theory describing that moral values (e.g., those derived from religion) influence consumer behavior (Nurchahyo & Hudrasyah, 2017), inclusive of special food consumption.

## **2. Halal food Awareness**

Awareness comprises a human's perception and cognitive reaction to a condition or event. Awareness does not necessarily imply understanding, just an ability to be conscious of, feel or perceive. According to Ambar and Bakar (2013) cited by (Machali, et al., 2013), the literal meaning of the word “awareness” in the halal context is to have special interest in or experience of something and/or being well informed of what is happening at the present time on halal food, drinks and products.

The use of halal logos to provide awareness and enable consumers identify foods which are halal, are common around the world. Despite the specific injunctions in Islam, there are still some unresolved issues with regards to certification and standardization. This affects public understanding and awareness of what is permissible. Furthermore, in some cases halal logos are abused, which makes it increasingly difficult for the discerning Muslim consumer.

As halal covers many parts of life, it is important for consumers to understand the concept of “*Halalan Thoiyyiban*” where halal is not only permissible but also wholesome. Which has found to be still lacking in awareness and understand. It is hypothesized that if respondents are aware of these initiatives, coupled with their understanding on the benefits of the principle of halal; and provide that the visited restaurant has what it takes to be a halal restaurant, they will be more confident to choose that restaurant.

In many countries, there are authorities which inspect and provide certification or logos for halal foods. However, these authorities are sometimes in disagreement regarding what constitutes foods which are halal, and what does not. Wilson & Liu (2010) provides a useful recent review of the current literature and practices regarding the usage and consumption of halal, within the marketing and branding context.

Some countries have found it useful to have one designated authority to inspect and regulate the availability and provision of halal foods such as JAKIM in Malaysia and MUIB in Brunei. Even then however, the implementation of halal certification is not without its challenges, most particularly regarding the adulteration of food products as well as the enforcement by halal food authorities (Shahidan and Md Nor, 2006). Food production has increasingly been based on the advancement of science and technology, which has led to increasingly complex methods for detection of non-permissible ingredients such as pork, lard and alcohol (Nurrulhidayah et al., 2011). Furthermore, although relatively still in

its infancy, technological advancements have also been mooted to assist the enforcement of halal logo usage (Mohd. et al., 2011).

In response to certification issues described above, the Brunei Halal Brand was launched in 2009 to gain sustainable competitive advantage. (Sateemae, et al., 2015) notes that Brunei is the first country to introduce both halal certification and halal brand logos. The objective is to gain the consumer trust towards the Brunei Halal logo, which is automatically associated with a high halal compliant standard. However, it is acknowledged that the process to bring about this global awareness and recognition will take time and high costs.

Halal food awareness is the level of understanding of Muslims in knowing the issues related concept of Halal. Such knowledge includes understanding what is lawful and how the production process of a food product according to Islamic halal standards (Nurcahyo & Hudrasyah, 2017). The word “awareness” means the knowledge or understanding of subject or situation. The word “awareness” in the context of *halal* literally means having a special interest in or experience of something and being well informed of what is happening at the present time on *halal* foods, drinks and products (Ambali & Bakar, 2012). Awareness provides the raw material to develop subjective ideas about one’s experience related to something (Nizam, 2011). Awareness about something is, therefore, a basic part of human existence. Awareness means one exists as an individual with private thoughts about the state of something. Therefore, different people have a different level of awareness about something. In other words, awareness is the processes of informing the general population or increasing levels of consciousness about risk

related to anything that could endanger human life and how people can act to reduce their exposure to it. So, awareness in the context of halal can be conceptualized as the informing process to increase the levels of consciousness toward what is permitted for Muslims to eat, drinks, and use.

### **3. Purchase Decision**

The purchase decision is the selection of two alternative choices or more consumers on purchase (Schiffman & Kanuk, 2010). The purchase decision-making is the stage where the consumer purchase product. For measuring the purchase decision, mentioned that the purchase decision process consists of five stages: introduction needs, information search, evaluation of alternatives, purchase decision, and behavior after purchase (Armstrong, 2012).

The purchasing decision process refers to the consistent and prudent measures taken to meet the needs (Engle, et al., 1995). According to (Kotler, 1995) argued that a purchasing decision mainly determined by the customers' personal trait and evaluation process, along with stimuli from the external environment. According to (Armstrong, 2012), consumer purchase decisions are to buy the most preferred brand of various alternatives, but two factors can lie between purchase intention and purchase decision.

According to (Machali, et al., 2013) the decision to purchase a product typically goes through a complicated process. The analysis of purchasing decisions will reveal consumer preferences, behavior, attitude and perception towards particular products. Several empirical studies have recently been

conducted to understand the purchasing intention or purchasing decision of halal products.

Amirullah (2002), argues that purchasing decisions are the process by which consumers evaluate alternative alternatives and choose one or more alternative options and choose one or more of the necessary alternatives based on certain considerations. Peter and Oslon (2013), argue that purchasing decisions are an evaluation process undertaken by potential customers to combine their knowledge of the choice of two or more product alternatives and choose one of them.

According to Kotler and Keller (2007) purchasing decisions are a stage in the buyer decision-making process where the consumer will actually buy. The process is a settlement of price problem consisting of five stages. The five stages of the purchase decision process are:

- a. Problem recognition
- b. Information search
- c. An alternative assessment
- d. Purchase decision
- e. Post purchase behavior

According to Kotler and Armstrong (2014), the stages in the purchase decision making process are divided into 5 stages, which are as shown in figure 2.1 below.





**Figure 2.1 Five Stages of Purchase Decision Making Process**

*Source: Kotler and Armstrong (2014)*

a. Need Recognition

The buying process starts when the buyer recognizes a problem or need. These needs can be triggered by internal or external stimuli. This stimulus then turns into an urge to look for objects that can satisfy that urge.

b. Information Search

If the consumer starts to get interested and find what he needs, then he will try to find more information about that need. A strong push or need will make consumers try to find more information.

c. Evaluation of Alternatives

The evaluation process usually does not only occur once. Consumers must have several alternatives before making a choice. Some basic concepts of the consumer evaluation process, which are consumers try to meet needs, consumers seek certain benefits from product solutions, and consumers view each product as a collection of attributes with different abilities in providing benefits to satisfy those needs.

d. Purchase Decision

Consumers form preferences for brands in a collection of choices.

Consumers can also form an intention to buy a preferred brand. There are two factors that influence purchase decision, which are:

- 1) The attitude of others, the extent to which the attitudes of others reduce a person's preferred alternative will depend on two things, such as the intensity of the negative attitude of people towards alternatives that are preferred by consumers and the motivation of consumers to comply with the wishes of others.
- 2) Unanticipated situation factors that can arise and change purchase decision. These factors include income, family, price and benefits of the product.

e. Post-purchase Behavior

After purchasing products, consumers will experience a certain level of satisfaction or dissatisfaction. Consumers who experience doubts regarding the accuracy of a purchase decision or fell dissatisfied will tend to switch to other brands. This will certainly harm the company because it will get complaints from customers, decrease sales, and even decrease brand image. While satisfied consumers have a high probability of repurchasing repeatedly and recommend the product to other people.

According to Kotler and Armstrong (2014), there are four types of consumer buying behavior based on the level of buyer involvement and the level of difference between brands as shown in figure 2.2 below.

	High Involvement	Low Involvement
Significant differences between brands	Complex Buying Behavior	Variety Seeking Behavior
Few differences between brands	Dissonance Reducing Buying Behavior	Habitual Buying Behavior

**Figure 2.2 Type of Consumer Buying Behavior**

*Source: Kotler and Armstrong (2014)*

a. Complex Buying Behavior

The most complex types of buying behavior in situations that are determined by high involvement in purchases. Usually occur in the purchase of expensive goods and generally items that are rarely purchased by consumers and there are many differences between brands.

b. Dissonance Reducing Buying Behavior

The type of buying behavior where the situation is determined by high involvement in purchases, but consumers does not see much difference in the brand.

c. Habitual Buying Behavior

Types of buying behavior where the situation occurs is caused by low involvement in purchases and no significant brand differences, usually found in the purchase of inexpensive products and products that are often purchased by consumers.

d. Variety Seeking Behavior

The type of buying behavior where the situation is determined by low involvement but the presumption of significant brand differences. In this case, consumers usually make brand shifts because they feel bored or because they want to try different tastes.

According to Swastha and Handoko (2012), the structure of purchase decisions consists of 7 components, namely.

- a. Decisions about the type of product
- b. Decisions about product form
- c. Decisions about the brand
- d. Decisions about the place of sale
- e. Decisions about the number of products
- f. Decisions about the time of purchase
- g. Decision on method or method of payment

#### **4. Religiosity**

The role of religiosity in human life is undeniably important, and its relation to happiness and life satisfaction is still an open question that has lost none of its relevance. One concept of religiosity was introduced by Allport who

distinguished intrinsic and extrinsic religiosity. This distinction was a result of an attempt to answer the question of how to explain the fact that, on the one hand, as studies show, religious people are more prejudiced against people of other religions, races, beliefs, etc., less humane, and less tolerant than less religious people (Teimourpour, et al., 2011), while on the other hand religions demand that their faithful live according to the ideas of mercy,

Religiosity is something very important in human life. Religiosity embodied in various sides of human life. Religious activity not only occurs when someone performs ritual behavior (worship), but also when doing any other activity that is driven by supernatural forces. Not only with respect to the activities that looked and could see the eyes, but also activities that do not appear to occur in one's heart. People with a higher level of religiosity were significantly more likely to feel a greater connection with the universe than their counterparts with lower lever religiosity (Momtaz, et al., 2011).

According to (Fam, et al., 2004) religiosity define it in terms of values, holy objects, beliefs, rituals, prayers, norms, do's and don'ts. Although difficult to define, but religiosity can influence several and diverse functions of life. Religion can make a significant contribution to the lives of individuals. It can shape one's life by bestowing the feelings of contentment, satisfaction, self-actualization and accomplishment, assurance and guidance regarding access to social contacts and to engage in interpersonal relationships (Ashraf, et al., 2017). The similarity in their research (Lau, et al., 2013) that religiosity is a belief in God accompanied by a commitment to follow principles believed to be set by God.

Religiosity has been selected as moderating variable for this research in order to examine its moderating effects on halal food awareness and purchase decision. Religiosity in this research differentiates between intrinsic and extrinsic religiousness (Ashraf, et al., 2017). Both intrinsic and extrinsic religiousness is due to a different level of motivation. The difference between the two can explain the trend of any society. Through this impact, the religious level of society will be established that will eventually help in knowing the foundation of Islamic marketing. Religiosity is chosen as a moderator as it is one of the critically significant cultural factors which are regarded as among the most universal and influential social institutions which can make a strong impact on people's attitudes, values, and behavior at the individual as well as societal levels (Teimourpour, et al., 2011). Likewise, past research has also revealed that higher levels of religiosity increase the relationship between halal food awareness and purchase decision (Machali, et al., 2013).

According to Machali et al (2013) The link between religion and consumer behavior is noted. However, there exists relatively few papers which explore religion as a predictor of consumption patterns. One of the main reasons for this is due to the difficulty of measuring religion as a variable for consumer research. Nevertheless, the influence of religion has been operationalized in the context of research in terms of religious affiliation and religiosity.

On the other hand, religiosity is a continuous construct that measures the level of religious commitment or adherence. Worthington et al. (2003, p. 85) describes religiosity as "the degree to which a person adheres to his or her

religious values, beliefs and uses them in daily living.” Furthermore, they posit that the “supposition is that a highly religious person will evaluate the world through religious schemas and thus will integrate his or her religion into much of his or her life.” Early work relied on single indices or uni-dimensional indicators to measure religiosity, such as religious attendance. Although there is some disagreement in the literature regarding the precise number of dimensions to employ in measuring religiosity, most researchers agree that it should be multidimensional in nature. Thus, the concept of religiosity allows a richer understanding of the relationship between religion and consumer behavior.

Worthington et al. (2003) developed a general of measure of religiosity known as the Religious Commitment Inventory (RCI-10) which has been validated across different samples. The RCI-10 is made up of statements which express intrapersonal religiosity and intrapersonal religiosity, which measure cognitive and behavioral dimensions of religion. Based on this measurement scale, Mokhlis (2009) for example, finds significant differences in shopping orientation (quality consciousness, impulsive shopping and price consciousness) between Muslims, Buddhists, Hindus and Christians. Using both religious affiliation and religious commitment, he finds that differences in shopping orientation were much more profound for religious commitment than religious affiliation, which implies that religiosity may serve to be a powerful predictor and determinant of consumer behavior. Nazlida and Mizerski (2010) however, contend that the commitment of consumers to their religion need to be measured

based upon each religions' perception of religious commitment rather than a single generic measure.

Khraim (2010) found that three dimensions (i.e. seeking religious education, Islamic current issues and sensitive products) yielded the best combination of dimensions for the measurement of Muslim religiosity. This measure however was noted to be directed more on practical behavior by Abdul Shukor and Jamal (2013), and argued that it did not reflect the true meaning of Islam. They argued that the measurement of a Muslim's religiosity should include two important aspects: relationship with Allah (*hablum minallah*) and relationship with other people (*hablum minannas*).

It can be concluded that to date, huge strides have been made in the measurement of religiosity in the context of consumer research. Researchers appear to agree that religiosity cannot be measured in generic terms, but should be defined for each specific setting. Nevertheless, it is important to gather a holistic measure of religiosity incorporating both cognitive and behavioral dimensions in an Islamic perspective.

Religiosity value is a personal commitment to religion as reflected in two aspects, cognitive and behavioral (Khraim et al., 2011). Mokhlis (2008) stated that religiosity would affect goals in life and personal responsibility to god, self, and others. personal responsibility to god, self, and others. The effects of religiosity on consumer behavior depends on personal level of religious commitment, or how important the values of religion in someone's life. Religiosity may influence a person either cognitive or behavior. Study of Jamal and Sharifuddin (2014)



concluded that religiosity have a positive relationship with intentions. Religiosity moderates the relationships between horizontal collectivism and intentions. Perceived value associates positively only with intentions to patronize stores and religiosity moderates this link.

Kahle et al., (2005) stated that the research on the value of religiosity was not widely raised in consumer research. However, some research raised religiosity to explain consumer behavior. It is caused by the assumption that religion and religiosity are the basis of social values in the society. Religiosity can be measured as a cognitive attitude of a person where the value of an individual religiosity may vary in accordance with their interests. Several studies have reported that religiosity is a factor that affected personality and behavior. Religiosity is also part of the strategy to adjust in certain circumstances. To measure the dimensions of religiosity, there are two approaches, i.e., internal religiosity and external religiosity.

By religiosity, we mean the extent to which one believes in the tenets of, engages in the rituals of, and identifies as being affiliated with a particular religious belief system. gious belief system (e.g., Christianity, Islam, Judaism). Our research examines this relationship between religiosity and special food consumption, and in doing so, has three main purposes: (1) examine religiosity's association with diet-minded (e.g., fat free) versus sustainably-minded (e.g., organic) foods; (2) test the moral priorities of Purity and Harm/Care as being differentially associated with diet-minded and sustainably-minded food consumption, respectively; and (3) understand the mediating role of moral

priorities in the relationship between religiosity and diet-minded food preferences (if any)

## **B. Previous Study**

Based on (Machali, et al., 2013) entitled “The effect of halal foods awareness on purchase decision with religiosity as a moderating variable: a study at higher education institutions in Brunei Darussalam” explain that the decision to purchase a food product starts with information, information about whether a food product can be considered halal or not. This study examines the effects religiosity on the relationship between awareness and purchase decision. This research has generated three interesting findings. First, the research found that the awareness of Muslim Students in Brunei concerning halal foods was considerably high. Looking at the above demographic information, it can be seen that majority of respondents of this study is largely dominated by students who has completed primary six religious education so they are very cautious related to halal foods. This means that the higher an individual’s religious education, the more will be their concern to ensure that the food they eat conforms to halal requirements. This study also suggests that the internalization of Islamic values related to halal foods can be enhanced through the education process. The influence of Islamic values related to halal foods on individuals’ values is not immediate and that individual may need time to be learned that certain values are correct.

Second, the results of this research show that Muslims students studying in higher institutions have a very positive awareness towards halal foods that positively influences their purchase decision to those foods. Halal foods makes

customers to be aware with a product and then build an intension of purchase. This means that awareness is a key factor for Muslim students when assessing foods. Third, the higher the degree of religiosity, the stronger the effect of awareness on purchase decision. Religiosity is very important because it determines individual cognition and behaviour. In another words the extent to which religion affects one's beliefs and behaviour depends on the individual's level of religiosity. It is highly likely that religiosity will govern an individual's behaviour, including behaviour as a halal food consumer. The greater the intensity of ones' religious affiliation, the higher will be the chances that he will strive to conform to his religious obligations in the consumption world.

According to (Momtaz, et al., 2011) entitled "moderating effect of religiosity on the relationship between social isolation and psychological well-being" Based on the findings from this study and gerotranscendence theory, it can be concluded that effect of social isolation on the psychological well-being is significantly reduced by religiosity. With regards to crucial role of religiosity obtained from this study, the following educational and therapeutic implications are offered. First, counsellors and other mental health professionals working with older Muslims should integrate religiosity as an important resource into their therapeutic work for the development and maintenance of psychological well-being of older Muslims facing to some aging-related problems. Second, the fact that religiosity was found as a strong resource of psychological well-being in later life demands that religious leaders as well as families should design and implement educational programmes to strengthen religious belief from childhood.

In other words, religious instructions should be started in the dawn of childhood. Lastly, we also suggest professionals involved in providing gerontological services encourage their clients to use religiosity as an important resource for enhancing psychological well-being and quality of life.

According to (Lau, et al., 2013) entitled “the moderating effect of religiosity in the relationship between Money ethics and tax evasion”. The primary data for this research were collected through a structured questionnaire to answer the research hypotheses. The questionnaires were administered to about 400 undergraduate business students in a large private university in Malaysia through convenience sampling method. There are several limitations in this research. This study utilizes a cross-sectional methodology. Caution must be taken when making interpretations regarding the causality of the relationships reported. Using longitudinal method would increase the capacity to make causal inference. As for second limitation, the sample consisted of students from one university in Malaysia. Thus, generalization cannot be made in regards to the other section of the Malaysian population. It would be useful for future researchers to conduct comparable studies to include a more representative section of the Malaysian population instead of just student population. Third, the study was limited to examining the moderating influence of intrinsic and extrinsic religiosity on tax evasion. Future researchers might consider exploring other variables that have the potential to enhance or suppress the effects of money ethics on tax evasion such as materialism, attachment to possessions, belief in material growth or one’s attitude towards business. This study contributed to the existing literature on tax evasion,

despite the various limitations highlighted. It examined the linkage between money ethics and tax evasion using student sample from an emerging economy, such as Malaysia. Furthermore, the research also seeks to discover the role of intrinsic and extrinsic religiosity as moderators in the proposed relationship. This will be an addition and thus contribution to the limited number of research on the antecedents of tax evasion especially in the Asian context. This further expands the empirical base of research findings on the area of tax evasion.

According to (Aziz & Chock, 2013) entitled “the role of halal awareness, halal certification and marketing components in determining halal purchase intention Among non-Muslims in Malaysia “a Structural Equation Modeling Approach”. The data used in this study were collected via self-administered questionnaires from customers and the study was conducted in Lembah Kelang, Selangor, Malaysia. Respondents were approached randomly on streets and around shopping malls to participate in the survey. Malaysia as a multiracial country with over 38% of non-Muslim population has provided a landscape for this study. Empirical research using survey was carried out to examine the proposed structural model and suggested hypotheses. Each of these constructs was measured using established, close-ended questions, which were conveniently distributed to non-Muslim respondents. Descriptive statistics, reliabilities, and correlations using SPSS 18 were computed for each construct to obtain the results and to identify the relationships. The structural equation modeling approach using a two-step process was applied in this research. This research used the Theory of Planned Behavioral to explain consumer’s behavior in purchase intentions. This

research found that halal awareness, halal certification and marketing component had a positive and significant effect on purchase intention.

According to (Nurchahyo and Hudrasyah, 2017) entitled “The influence of halal awareness, halal certification, and personal societal perception toward purchase intention: a study of instant noodle consumption of college student in Bandung”. The data used was obtained through online survey with 108 valid respondents. Sampling technique was used purposive method. Respondent must be muslim, student college in Bandung with range age 18-years old who ever consume instant noodle. Multiple linear regression analysis was applied to determine the interrelation of different variables in purchase intention. As the requirements to use it, the data gathered was test by Classic Assumption Test before hand. Results: The Results shows that there are significant relationship between two independent variables (Halal certification and personal societal perception) toward dependent variable (purchase intention toward Halal product). Conclusion: In this research, Halal awareness has not significant relationship toward purchase intention. This study is important to the product.

According to (Fam, et al., 2004) entitled “The influence of religion on attitudes towards the advertising of controversial products” using a questionnaire that was distributed to 1,393 people in six different countries. The result indicates some statistically significant differences between the groups, which can have important implications for global marketers.

According to (Othman, et al., 2016) entitled “the effect of halal requirement practices on organization performance among food manufacturers in

Malaysia”. The result showed that halal requirement practices have a positive relation to the dependent variables. On the other hand, internal process, halal assurance and staff do not have an impact on organizational performance. The implication of the study found that the internal assessment by the internal halal committee through an instrument created based on the act, standard, and guidelines on halal standards which have been adopted by the authority in halal certification affects the improvement of organizational performance.

According to (Ambali & Bakar, 2012) entitled “people’s awareness of halal foods and products: potential issues for policy-makers”. The awareness of the Muslim and non-Muslim consumers describes their perception and cognitive reaction to products or foods in the market. As such, their awareness is an internal state or a visceral feeling by way of sensory perception toward the products/foods they used or consumed. The findings of the study show that the growing demands for ḥalāl consumptions are aided by a number of potential factors that are identified, which include religious belief, exposures, role played by ḥalāl certification via ḥalāl logo/label and health related reasons which have been established by modelling between these factors and the level of awareness. The paper also highlights some potential issues for future direction of food and product policies in Malaysia. This study found the lack of global standard for ḥalāl logo, and monitoring of the processing stages after certification has been issued to a company. The policy-makers need to readdress the motivations of the different actors within the ḥalāl chain, technical constraints, and economic necessities. This study draws the attention of the policy-makers that actors such as

breeders, slaughterhouses, certifying agencies, retailers, consumers, and religious representatives in most cases have different viewpoints on ḥalāl production and processing, which may jeopardise the economic potential of the ḥalāl market in the future. Hence, some policy actions are needed to tackle the ḥalāl issues in Malaysia. Finally, although the laws made by the government would eliminate the problem of fake ḥalāl certificates, new policy measures are still needed to secure the confidence of Muslims in the certified products.

According to (Arinilhaq, 2017) entitled “purchase intention on halal culinary fast food in Yogyakarta”. The variables are Halal Awareness, Halal Certification, Halal Marketing Word of Mouth (WOM), Subjective Norms and Purchase Intention. The result shows that Subjective Norms has a 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 the halal label or Halal Certification and word of the mouth marketing system. The study suggests KFC or food manufacturers must pay attention to halal marketing strategy. Based on the finding, it can be concluded that, the consumer did not look for about halal by themselves, but pay attention to the halal label and WOM marketing strategy.

According to (Nora & Minarti, 2016) entitled “the role of religiosity, lifestyle, attitude as determinant purchase intention”. The variables are religiosity, lifestyle, attitude and purchase intention. The analysis is done using Structural



Equation Modeling with WrapPLS 4.0 software. The findings of this study show that religiosity may increase purchase intention. Lifestyle showed to have an influence on purchase intention with attitude as mediation. The different results show that lifestyle and attitude is not as decisive influence religiosity on purchase intention. Another result is the attitude as the determinant influence of lifestyle on purchase intention. This study was done only to reveal empirically consumer perception about fashion hijab. For further research could use some hijab fashionbrand as an object of further research.

According to (Golnaz, et al., 2010) entitled “Non-Muslims’ awareness of Halal principle and related food product in Malaysia”. The results of this study suggest that non-Muslim consumers are aware of the existence of Halal food, Halal principles and the advantages of Halal way in slaughtering the animals. This can be shown by their significant awareness that Halal is not only the way Muslim slaughter their animals but also relates to environmental, sustainability, animal welfare and food safety. In general, various socio-economic/demographic factors such as education level, the older generation, those who are more religious and the urban dweller seem to more likely to be aware of the advantages of Halal principles.

According to Ali and Wanwang (2012) entitled “Halal Food, Thai halal food products and international market”. This paper analyzed the importance of Halal Food for the Muslims and explained the growth of Halal food in French markets. The study focuses attention on the identification of key areas in Halal food export and channel strategy. The Thai food industry is amongst dynamic and

diverse and we investigated the entering process into the new market. Thai food product is selected to compare and find the competitive advantage.

In all previous study above, this research is a difference with all previous study. This research wants to analyze the relationship between halal food awareness and purchase decision on Muslim consumers in Indonesia. This research used religiosity as a moderating variable because to see whether religiosity will strengthen or weaken the relationship between halal food awareness and purchase decision.

### **C. Hypothesis**

Based on this research the researcher can determine the hypothesis of Halal Food Awareness to Purchase Decision with Religiosity as moderating variable.

H<sub>1</sub>: Respondents have a high-level awareness of halal foods

H<sub>2</sub>: Halal foods awareness has a positive and significant impact on purchase decision for Muslims living in Indonesia

H<sub>3</sub>: Halal foods awareness has a positive and significant impact on purchase decision for Muslims living in Thailand

H<sub>4</sub>: The higher the degree of religiosity, the stronger the effect of awareness on the purchase decision.

### **D. Conceptual Framework**

The research framework is the most important in a research report. The research framework describes the conceptual model of research, as well as a general overview of the research process. The research framework is a model

conceptual as to how theory relates to the important issues (Sekaran, 2017). Something that conceptually provides a temporary explanation for the symptoms that are the problems or object research.

Based on some description regarding the concept on this research, the conceptual framework from this research can be formulated as son below, where the independent variable (X) is Halal Food Awareness, then dependent variable (Y) is Purchase Decision and Religiosity as mediating variable (Z). The schematic relationship image can look at the figure based on the problems and research framework behind this.

