

MILLENNIAL GENERATION SHOPPING BEHAVIOR IN BUYING IMPORTED HALAL LABELED FOOD PRODUCTS IN INDONESIA

Fitria Idham Chalid¹, Husnul Mirzal²

¹Universitas Airlangga, Surabaya; ²STIE Syariah Serambi Mekkah, Aceh Jaya
chalidfitria@gmail.com¹, husnulmirza96@gmail.com²

Abstrak: Penelitian ini bertujuan untuk menganalisis perilaku belanja generasi Milenial terhadap pembelian makanan impor berlabel halal. Penelitian ini menjadi penting mengingat maraknya produk multinasional yang mulai mendominasi pasar Indonesia, khususnya produk makanan halal. Metode yang digunakan adalah pendekatan kuantitatif dengan data primer dan sekunder. Teknik pengumpulan data yang digunakan adalah purposive sampling, sedangkan teknik analisis data yang digunakan adalah Structural Equation Modeling-Partial Least Square (SEM-PLS). Variabel yang digunakan dalam penelitian ini adalah citra merek, kesadaran halal, harga, niat beli, dan perilaku pembelian. Hasil penelitian menunjukkan bahwa citra merek berpengaruh terhadap perilaku pembelian, citra berpengaruh terhadap niat beli, kesadaran halal berpengaruh terhadap niat beli, harga berpengaruh terhadap perilaku beli, dan harga berpengaruh terhadap niat beli, sedangkan penelitian niat beli tidak berpengaruh terhadap perilaku beli. Hasil penelitian ini menunjukkan bahwa kesadaran halal, harga dan citra dapat mempengaruhi perilaku konsumen milenial dalam membeli produk penting berlabel halal. Selain itu, hasil ini akan memberikan kontribusi kepada pemerintah sebagai pembuat kebijakan untuk membatasi impor produk luar negeri yang masuk ke Indonesia, yang tentunya akan membuat produk dalam negeri kalah bersaing dengan produk impor.

Kata kunci: Generasi Milenial; Makanan Impor Berlabel Halal; SEM-PLS.

Abstract: This study aims to analyze the shopping behavior of the Millennial generation towards purchases imported food labeled halal. This research is important due to the increasment of multinational product which start to dominating Indonesian market, especially halal food products. The method used is quantitative approach with primary and secondary data. Purposive sampling is utilized for data collecting, and structural equation modeling-partial least squares is employed for data processing (SEM-PLS). Brand image, halal awareness, pricing, purchase intention, and purchasing behavior are the variables used in this study. The findings revealed that brand image affects purchase intention, image affects purchase behavior, halal knowledge affects purchase intention, pricing affects both buying behavior and purchase intention, and study on purchase intention has little impact on actual purchasing. The result of this study indicate that halal awareness, price and image can influence millennial customers behavior of buying important products labeled halal. In addition, this result will contribute to the government as the policy maker to limit imports of foreign products Entering Indonesia, which of course will make domestic products less competitive with imported products

Keywords: Millennial Generation; Imported Food Labelled Halal; SEM-PLS.

Introduction

The greatest Muslim population in the world is found in Indonesia. The percentage of Muslims in Indonesia will rise to 87% by 2020, or 229,620,000 people¹. As the number of Muslim population increases, the need for halal products will also continue to increase. Muslim consumers' needs for halal goods may be met by the halal market. Halal is viewed as a way of life by many Muslims. Expenditure of Indonesian Muslims for a halal lifestyle is US \$ 173 Billion for the halal food sector, US \$ 86 Billion for Islamic finance, US \$ 11 Billion for traveling, US \$ 21 billion for fashion, US\$ 10 Billion for media and recreation, US\$ 5 Billion for pharmaceuticals, and US\$ 4 Billion for cosmetics².

With a median age of just 25, the Muslim community is dominated by younger generations, and this presents a unique opportunity for the halal business³. Other studies refer to this group as the Millennial generation⁴. The Millennial generation is the generation born between 1982-2000⁵. Because they are three times as big as Generation X and have reached a productive age, millennials have developed into a lucrative consumer segment. The high levels of consumerism, noteworthy personalities, and technological prowess of millennials are well known⁶. They become highly reliant on technology as a result of living in a technologically advanced world, and they frequently exchange information rapidly⁷. This will also unwittingly influence their decision-making process. Therefore, Millennials are known as consumers who are fickle and brand loyal compared to the previous generation⁸.

The desire of generation Y to buy halal cuisine in Malaysia is reinforced by the fact that modern business practices significantly rely on technology and allow all customers, particularly Millennials, to select alternative goods, both domestic and foreign goods. The results of his study show that, while attitudes have little bearing on Gen Y consumers' behavioral intentions to buy

¹ Pew Research Center, "Global Religious Futures," *Pewforum.Org*, last modified 2020, accessed September 27, 2020,

http://www.globalreligiousfutures.org/countries/indonesia/religious_demography#/?affiliations_religion_id=0&affiliations_year=2010.

² Dinar Standard, *State of the Global Islamic Economy Report* (Dubai, 2020).

³ Dinar Standard, *State of the Global Islamic Economy Report* (Dubai, 2018).

⁴ Fatya Alty Amalia, Adila Sosianika, and Dwi Suhartanto, "Indonesian Millennials' Halal Food Purchasing: Merely a Habit?," *British Food Journal* 122, no. 4 (2020): 1185–1198.

⁵ Yanuar Surya Putra, "THEORITICAL REVIEW : TEORI PERBEDAAN GENERASI," *Among Makarti* 9, no. 18 (2016): 123–134.

⁶ N. H. Marmaya, Za Zakaria, and Mohd Nasir Mohd Desa, "Gen Y Consumers' Intention to Purchase Halal Food in Malaysia: A PLS-SEM Approach," *Journal of Islamic Marketing* 10, no. 3 (2019): 1003–1014.

⁷ Bucic, Harris, and Arli, "Ethical Consumers Among the Millennials: A Cross-National Study."

⁸ Sabina Lissitsa and Ofrit Kol, "Generation X vs. Generation Y - A Decade of Online Shopping," *Journal of Retailing and Consumer Services* 31 (2016): 304–312, <http://dx.doi.org/10.1016/j.jretconser.2016.04.015>.

halal food, subjective norms and perceptions of control behavior can⁹. According to other studies, the habits of the millennial generation with regard to purchasing halal food in Indonesia reveal that beliefs, subjective norms, and control behavior all significantly influence this decision. There are discrepancies or gaps between the two studies¹⁰. This difference may be due to cultural differences between Indonesia and Malaysia that affect differences in the shopping behavior of Millennials in these two countries.

Based on the gaps above, this study tries to continue research from Amalia et al, by expanding the variables and research objects. As for this study, it tries to test whether the brand image variable, halal awareness, and prices affect the shopping behavior of the Millennial generation in buying imported food products labeled halal in Indonesia, considering that according to the National Islamic Finance Committee it states that multinational products are starting to dominate the Indonesian market share, especially for halal food products¹¹. Therefore, this research is expected to contribute to improving national products so they can compete with multinational products and can also provide policy recommendations to the government to make appropriate regulations so that they can control multinational products that enter Indonesia.

Literature Review

Brand Image

The consumer's view of a brand or a product is called its image. Brand image is one of the marketing tools used in the company. Companies will benefit greatly when the image of their products is good in the eyes of consumers, because indirectly consumers will recommend these products to others if they think the product is good according to their perception, and vice versa. When the image of the product is negative in the eyes of consumers, it will be very detrimental to the company. The factors that go into forming a brand image include the product itself, the packaging or label, the brand name, the logo, the colors used, retailers, advertising and all other sorts of promotion, price, the brand owner, the country of origin, even the target market and product consumers¹².

⁹ Marmaya, Zakaria, and Mohd Desa, "Gen Y Consumers' Intention to Purchase Halal Food in Malaysia: A PLS-SEM Approach."

¹⁰ Amalia, Sosianika, and Suhartanto, "Indonesian Millennials' Halal Food Purchasing: Merely a Habit?"

¹¹ Komite Nasional Keuangan Syariah, *Masterplan Ekonomi Syariah Indonesia 2019-2024*, Kementerian Perencanaan Pembangunan Nasional/ Badan Perencanaan Pembangunan Nasional, 2018, https://knks.go.id/storage/upload/1573459280-Masterplan_Eksyar_Preview.pdf.

¹² Rita, "Brand Image," *Binus.Ac.Id*, last modified 2018, accessed September 27, 2020, <https://bbs.binus.ac.id/gbm/2018/03/27/brand-image/>.

Price

Price is also one of the marketing tools used in the company. Price is utilized as a proxy for quality in the construction of consumer judgments; the more expensive a product is, the better it is, and vice versa. Within the company itself, product prices are not set casually. Because if the price is set too high, it will result in the number of sales going down, but vice versa if the price is set too low it makes the company unable to cover the total costs incurred. Due to this, businesses must follow a certain strategy when deciding on product prices. This strategy starts with choosing pricing objectives, then estimates demand, costs, and offers from competitors before choosing a pricing technique and, eventually, a final price¹³.

Halal Awareness

A person's capacity to comprehend, feel, and become conscious of an event or thing is defined as awareness by the Big Indonesian Dictionary (KBBI). Meanwhile, etymologically, halal means things that are permissible, can be done freely and are not bound by provisions that prohibit it. Meanwhile, Halal awareness is a person's understanding of halal concepts, halal processes, and halal principles so that in the end they will decide and prioritize halal food for them to consume¹⁴.

Purchase Intention

Buy intention refers to a person's propensity to acquire a specific product, which is typically based on the fit between the product's traits and the buyer's motivations¹⁵. Purchase intention is a process where a consumer analyzes their knowledge of the product, compares the product with other similar products and makes a decision on the product to be purchased¹⁶. Purchase intention can be measured through three dimensions, among others likely namely consumer purchasing plans for a product, definitely would that refers to consumer satisfaction in a product, and probable that refers to the possibility of consumers buying a product¹⁷.

¹³ Mumuh Mulyana, "Strategi Penetapan Harga," *Universitas Terbuka*, last modified 2019, accessed September 27, 2020, https://www.researchgate.net/publication/333719147_Strategi_Penetapan_Harga.

¹⁴ Khairi Mohamed Omar et al., "The Direct Effects of Halal Product Actual Purchase Antecedents among the International Muslim Consumers," *American Journal of Economics* 2, no. 4 (2012): 87–92.

¹⁵ Elisabeth Stevina and Ritzky Karina M.R. Brahmana, "Pengaruh Brand Identity Terhadap Purchase Intention Melalui Trust Di UD. Makin Hasil Jember," *Jurnal Strategi Pemasaran* 3, no. 1 (2015): 1–8, http://publication.petra.ac.id/index.php/manajemen_pemasaran/article/view/3359.

¹⁶ Muhammad Rizwan et al., "Cons Umer ' s Purchase Intention towards Counterfeit Mobile Phones" (2009): 36–43.

¹⁷ Stevina and Brahmana, "Pengaruh Brand Identity Terhadap Purchase Intention Melalui Trust Di UD. Makin Hasil Jember."

Buying Behavior

Buying behavior is the process of decisions and actions of a person involved in buying and using a product that includes a social process¹⁸. Studying consumer purchasing behavior is crucial for anyone working in marketing for a business or organization, as doing so can help them better understand customers and win their loyalty. Because by looking at consumer shopping behavior, a company can find out what a company will produce and market, how many companies will produce these products, and so on. So that from the market demand, the company can get benefits and loyalty from consumers. Consumer buying behavior is the process of individuals, groups and organizations in selecting, purchasing, using and disposing of products, services, ideas or experiences to meet consumer demands¹⁹.

Relationship Among Variables and Hypothesis

Brand Image and Buying Behavior

Some literature, image interpreted as a person's impression based on perception and observed reality²⁰. Images are created by each person's ideals, beliefs, and understanding of magnificence, harmony, and other amazing forms²¹. In reality, when someone is impressed by anything, they are actually impressed by how closely their perceptions resemble the thing they are looking at. The image appears because of this resemblance in how the object seen is perceived²². Because customers can project specific images onto others, it is crucial for individuals or organizations to develop concepts, viewpoints, guidelines, products, and services that leave an impression²³. Researchers agree that a picture is an impression of a representation made by another party, notwithstanding differences in emphasis.

Images are present in the context of purchasing behavior because of personal sensations, both real and abstract, that are connected to their purchase objectives²⁴. Images are present in the

¹⁸ Armstrong Kotler, "Prinsip-Prinsip Pemasaran, Edisi Keduabelas, Jilid 1," *Erlangga*, last modified 2001, accessed September 28, 2020, <http://kundang.weblog.esaunggul.ac.id/wp-content/uploads/sites/99/2016/03/MATERI-4-KUL-ONLINE2016.pdf>.

¹⁹ Ibid.

²⁰ Jihyun Lee and Yuri Lee, "Effects of Multi-Brand Company's CSR Activities on Purchase Intention through a Mediating Role of Corporate Image and Brand Image," *Journal of Fashion Marketing and Management* 22, no. 3 (2018): 387–403.

²¹ Mamoun N. Akroush et al., "Tourism Service Quality and Destination Loyalty – the Mediating Role of Destination Image from International Tourists' Perspectives," *Tourism Review* 71, no. 1 (2016): 18–44.

²² Norazah Mohd Suki and Abang Sulaiman Abang Salleh, "Does Halal Image Strengthen Consumer Intention to Patronize Halal Stores?: Some Insights from Malaysia," *Journal of Islamic Marketing* 7, no. 1 (2016): 120–132.

²³ Lee and Lee, "Effects of Multi-Brand Company's CSR Activities on Purchase Intention through a Mediating Role of Corporate Image and Brand Image."

²⁴ Mohd Suki and Abang Salleh, "Does Halal Image Strengthen Consumer Intention to Patronize Halal Stores?: Some Insights from Malaysia."

context of purchasing behavior because of personal sensations, both real and abstract, that are connected to their purchase objectives. Regarding halal shopping behavior, several researchers such as Mohd Suki & Abang Salleh, stated that there is a relationship between image and halal shopping behavior²⁵.

H1: Brand Image has an effect on Buying Behavior

Brand Image and Purchase Intention

Consumers use brand perception to determine whether or not they will purchase a product.²⁶ Concerning the case of environmentally friendly products which shows that environmentally friendly brand images influence consumer attitudes and decision making²⁷. Also, earlier studies have discovered a strong connection between brand image and consumer purchase intentions. As is the case with other research which examines perceived brand quality and consumer purchase intentions and the results show that by increasing brand quality, it will help increase consumer purchase intentions²⁸. So from the explanation above, it can be hypothesized that:

H2: Brand Image has an effect on Purchase Intention

Halal Awareness and Purchase Intention

Being aware is crucial in defining one's intention to select a specific product²⁹. The first stage of the purchasing process is awareness, during which buyers who are unfamiliar with the good or service will get acquainted with it. In other terms, awareness refers to knowledge or comprehension of a specific topic or circumstance. Purchase decisions by consumers are influenced by their knowledge of halal foods³⁰. Consumer intents to purchase halal food are

²⁵ Ibid.

²⁶ Xuemei Bian and Luiz Moutinho, "The Role of Brand Image, Product Involvement, and Knowledge in Explaining Consumer Purchase Behaviour of Counterfeits: Direct and Indirect Effects," *European Journal of Marketing* 45, no. 1 (2011): 191–216.

²⁷ Eun Ha Jeong et al., "The Impact of Eco-Friendly Practices on Green Image and Customer Attitudes: An Investigation in a Café Setting," *International Journal of Hospitality Management* 41 (2014): 10–20, <http://dx.doi.org/10.1016/j.ijhm.2014.03.002>.

²⁸ Nor Hazlin Nor Asshidin, Nurazariah Abidin, and Hafizzah Bashira Borhan, "Perceived Quality and Emotional Value That Influence Consumer's Purchase Intention towards American and Local Products," *Procedia Economics and Finance* 35, no. October 2015 (2016): 639–643, [http://dx.doi.org/10.1016/S2212-5671\(16\)00078-2](http://dx.doi.org/10.1016/S2212-5671(16)00078-2).

²⁹ Yuhanis Abdul Aziz and Nyen Vui Chok, "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," *Journal of International Food and Agribusiness Marketing* 25, no. 1 (2013): 1–23.

³⁰ Zakaria et al., "Influence of Halal Certification on Customers' Purchase Intention," *Journal of Fundamental and Applied Sciences* 9, no. 5S (2018): 772.

positively and significantly impacted by halal awareness³¹. Also, a consumer's decision to buy halal food products is influenced by their knowledge about halal³². Muslim consumers' decision to purchase halal food is largely influenced by their awareness of halal practices³³. According to a different study, consumer awareness of halal cuisine positively influences customer intentions to purchase it³⁴.

H3: Halal Awareness effect on Purchase Intention

Price and Purchase Intention

Price is the next element that matters to consumers when deciding whether or not to purchase food products. The perception of the cost to acquire a specific good or brand is known as the price³⁵. The price is the estimation of the cost to purchase a particular commodity or brand. When a brand is expensive, it typically denotes that the brand's quality is also expensive. In earlier studies, there have been a number of premises about price. One is that the idea of honesty and price are intimately intertwined. Honesty is always taken into consideration while setting prices. Sincerity in all endeavors to express goods at the appropriate price and profit margin³⁶. Price is considered favorably associated to purchasing decisions in the behavioral process³⁷. The intention to buy increases when price fairness increases³⁸.

H4: Prices affect Purchase Intention

Prices and Buying Behavior

³¹ Lu'liyatul Mutmainah, "The Role of Religiosity, Halal Awareness, Halal Certification, and Food Ingredients on Purchase Intention of Halal Food," *Ihtifaz: Journal of Islamic Economics, Finance, and Banking* 1, no. 1 (2018): 33.

³² Zakaria et al., "Influence of Halal Certification on Customers' Purchase Intention."

³³ Devon DelVecchio, H. Shanker Krishnan, and Daniel C. Smith, "Cents or Percent? The Effects of Promotion Framing on Price Expectations and Choice," *Journal of Marketing* 71, no. 3 (2007): 158–170.

³⁴ Abdalla M. Bashir et al., "Factors Affecting Consumers' Intention towards Purchasing Halal Food in South Africa: A Structural Equation Modelling," *Journal of Food Products Marketing* 25, no. 1 (2019): 26–48, <https://doi.org/10.1080/10454446.2018.1452813>.

³⁵ Celso Augusto De Matos, Cristiana Trindade Ituassu, and Carlos Alberto Vargas Rossi, "Consumer Attitudes toward Counterfeits: A Review and Extension," *Journal of Consumer Marketing* 24, no. 1 (2007): 36–47.

³⁶ Ian Ayres and Barry Nalebuff, "MIT Sloan Management Review In Praise of Honest Pricing," *Contraria*, last modified 2003, accessed September 30, 2020, http://spinup-000d1a-wp-offload-media.s3.amazonaws.com/faculty/wp-content/uploads/sites/8/2019/06/InPraiseHonestPricing_Sloan2003.pdf.

³⁷ Lan Xia et al., *The Price Is Unfair! A Conceptual Framework of Price Fairness Perceptions, Price Fairness Perceptions / 1 Journal of Marketing*, vol. 68, 2004.

³⁸ J Beneke et al., "The Influence of Perceived Product Quality, Relative Price and Risk on Customer Value and Willingness to Buy: A Study of Private Label Merchandise," *emerald.com* (n.d.), accessed January 24, 2021, https://www.emerald.com/insight/content/doi/10.1108/JPBm-02-2013-0262/full/html?casa_token=4Mdw4zWwL88AAAAA:X1YWK-Y-1t_dFOgB0X3xaeVqNISR00IkYzvfLlGmaGmHstAtLVYgtyCLmM4j1Nedy5owHiEayDkHxsr-dk2HoxHyUtCGKg797N3e5umrj_754Om0Ow.

The aspect of exchange or agreement between a buyer and a seller that is referred to as "price". The impact of price behavior in a purchase can influence consumer decision choices for a product, for example, promotional techniques in sales. Promotional techniques in sales can influence a consumer before deciding to buy, consumers will also consider whether there is a promotion for the product and also decide which product to buy when the two products are equally attractive³⁹. as well as research from Al-Salamin & Al-Hassan ⁴⁰; Huck and Wallace⁴¹ which proves that prices affect consumer buying behavior.

H5: Prices have an effect on Buying Behavior

Purchase Intention and Buying Behavior

Purchase intention refers to the possibility that consumers in certain situations may choose certain product groups in the future⁴². In other words, customers have a buy intention when they see a need that must be met⁴³. The intention to purchase halal products leads to a process prior to the actual purchase, as intention reflects future consumer behavior⁴⁴. Buying intention is a crucial indicator of subsequent purchasing behavior⁴⁵. Research from Bashir et al found that consumer purchase intentions have a significant influence on purchasing behavior on halal food products⁴⁶. This is due to consumers' increased propensity to acquire halal food goods when they have strong purchase intents. Also, his research discovered a favorable correlation between customer purchase intentions and the practice of purchasing halal food items. Moreover, consumers' intents to make purchases can affect whether they decide to buy halal food goods.

H6: Purchase Intention effect on Buying Behavior

³⁹ Begoa Alvarez Alvarez and Rodolfo Vázquez Casielles, "Consumer Evaluations of Sales Promotion: The Effect on Brand Choice," *European Journal of Marketing* 39, no. 1–2 (2005): 54–70.

⁴⁰ H Al-Salamin, E Al-Hassan - *European Journal of Business and Management* 2016, "The Impact of Pricing on Consumer Buying Behavior in Saudi Arabia: Al-Hassa Case Study," *researchgate.net* (n.d.), accessed January 24, 2021, https://www.researchgate.net/profile/Hussain_Al-Salamin/publication/301753990_The_Impact_of_Pricing_on_Consumer_Buying_Behavior_in_Saudi_Arabia_Al-Hassa_Case_Study/links/5725bf9308aee491cb3aa505.pdf.

⁴¹ Steffen Huck and Brian Wallace, *The Impact of Price Frames on Consumer Decision Making: Experimental Evidence*, *Ucl.Ac.Uk*, 2015, accessed January 24, 2021, <https://www.ucl.ac.uk/~uctpbwa/papers/price-framing.pdf>.

⁴² & Skinner Crosno, Freling, "Understanding the Acceptance of Mobile SMS Advertising among Young Chinese Consumers," *Psychology & Marketing* 30, no. 6 (2010): 461–469, <http://eprints.lancs.ac.uk/23431/>.

⁴³ Mohamed Omar et al., "The Direct Effects of Halal Product Actual Purchase Antecedents among the International Muslim Consumers."

⁴⁴ İnci Varinli et al., "Exploring the Factors Affecting Purchase Intention of Halal Certified Foods in Turkey: A PLS-Path Modeling Study," *European Journal of Business and Management* 8, no. 4 (2016): 2222–2839, https://www.researchgate.net/publication/296700568_Exploring_the_Factors_Affecting_Purchase_Intention_of_Halal_Certified_Foods_in_Turkey_A_PLS-Path_...

⁴⁵ Beverley A. Sparks and Victoria Browning, "The Impact of Online Reviews on Hotel Booking Intentions and Perception of Trust," *Tourism Management* 32, no. 6 (December 1, 2011): 1310–1323.

⁴⁶ Bashir et al., "Factors Affecting Consumers' Intention towards Purchasing Halal Food in South Africa: A Structural Equation Modelling."

Research Method

This research was conducted in Indonesia. The research location was chosen purposively (purposive sampling) based on certain criteria adapted to the objectives or formulation of the problem in this study. The considerations chosen by the researchers are that Indonesia is a country with the largest Muslim population in the world, reaching 229,620,000 people⁴⁷. Meanwhile, the criteria for the sample chosen were the Millennial Generation (born 1982-2000), were Muslim, and had bought imported food labeled Halal. The number of samples used in this study were 98 respondents. This is supported by Chin who stated that the minimum sample used in the SEM-PLS study was 30-100 samples⁴⁸. When the research itself took place in October-December 2020. This study used primary data as main data and secondary data as supporting data. Primary data sources were obtained from distributing online questionnaires to respondents, while secondary data were obtained from relevant literature such as journals, books, websites, reports and other sources. The method in this study uses Structural Equation Modeling - Partial Least Square (SEM-PLS) to analyze the data.

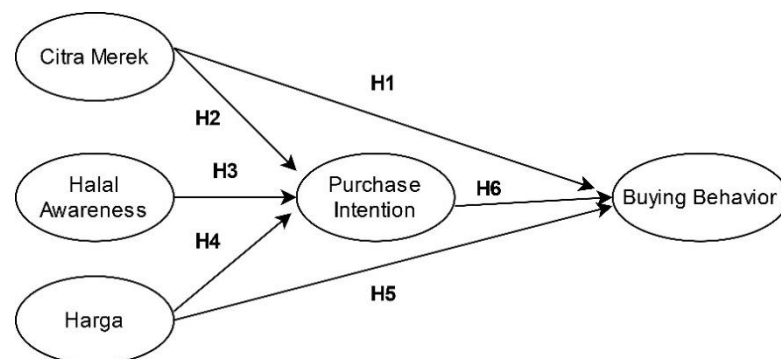


Figure 1
Research Design (Authors, 2023)

Results And Discussion

Model Analysis

The measurement model must first be assessed in order to confirm indicators and latent variables. In this case a *reliability indicator* is used to see how many latent variables can explain

⁴⁷ Pew Research Center, "Global Religious Futures," *Pewforum.Org*, last modified 2020, accessed September 27, 2020,

http://www.globalreligiousfutures.org/countries/indonesia/religious_demography#/?affiliations_religion_id=0&affiliations_year=2010.

⁴⁸ Z. ZUHDI, B. SUHARJO, and H. SUMARNO, "Perbandingan Pendugaan Parameter Koefisien Struktural Model Melalui Sem Dan Pls-Sem," *Journal of Mathematics and Its Applications* 15, no. 2 (2016): 11–22.

the variance of the indicators. On *reliability indicators*, a reflective indicator should be removed from the model if the *loading value* (λ) is less than 0.4. Based on diagram 2 it can be seen that all indicators have *loading value* (λ) is more than 0.4 so that all indicators can be used for further modeling.

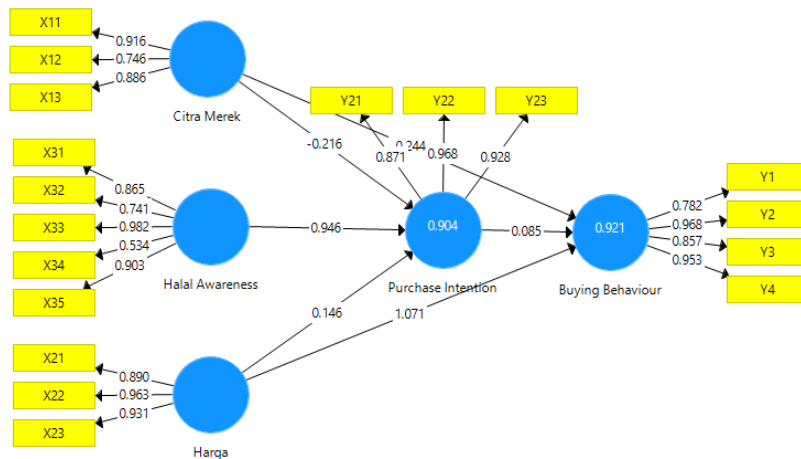


Figure 2
Final Path Diagram with Loading Factor Indicator Value (Authors, 2023)

Based on diagram 2 it can be seen that the brand image latent variable can explain the variant of the indicator, namely X1.1; X1.2; X1.3 each is more than 70%, Price latent variable can explain the variance of X2.1 indicator; X2.2 and X2.3 each more than 80%, halal awareness can explain the variant of the indicator X3.1; X3.2; X3.3; X3.4 and X3.5 are each more than 50%, while the variable *purchase intention* can explain the variant of the indicator, namely Z1.1; Z1.2 and Z1.3 are more than 80% each, and variable *buying behavior* can explain the variance of the indicators Y1, Y2, Y3 and Y4, each of more than 70%. Therefore it can be concluded that overall all latent variables have been able to explain each variant indicator by more than 50%. So that it can proceed to the next stage, which is to see the value of *composite reliability* and *convergent validity (AVE)*.

Table 1
Composite Reliability Value and AVE Measurement Model

Variable	Composite Reliability	AVE
Buying Intention	0,940	0,798
Brand Image	0,880	0,727
Variable	Composite Reliability	AVE
Halal Awareness	0,980	0,673
Price	0,949	0,862
Purchase Intention	0,945	0,853

(Authors, 2023)

Based on table 1 it can be seen that there are five latent variables that have the value of *composite reliability* more than 0.6. The entire model can be stated to be reliable based on the measurements that have been taken because all the indicators that have been established can accurately measure and explain each latent variable (construct). *Convergent Validity (AVE)* is have high correlation between indicators in compiling all the construct variables. Based on table 1, all latent variables have an AVE value above 0.5 so that it can be said that the *convergent validity* is good or can be declared to have met the criteria. The next step is *discriminant validity*. As for viewing *discriminant validity* namely by comparing the correlation between constructs with the AVE roots which will be presented in the table below:

Table 2
Correlation Between Latent Variables

	Buying Behavior	Brand Image	Halal Awareness	Price	Purchase Intention
Buying Behavior	0,893				
Brand Image	0,622	0,853			
Halal Awareness	0,781	0,543	0,820		
Price	0,942	0,775	0,763	0,929	
Purchase Intention	0,737	0,411	0,941	0,702	0,923

(Authors, 2023)

Table 3
AVE Root Value and Discriminant Validity for Each Latent Variable

Variable	Akar AVE
Buying Intention	0,893
Brand Image	0,853
Halal Awareness	0,820
Price	0,928
Purchase Intention	0,924

(Authors, 2023)

It may be concluded that the model in this study satisfies the criteria for discriminant validity based on the evaluation of correlations between the aforementioned constructs and AVE roots. This can be seen from each construct which is greater than the correlation value. This may be observed via the t-statistical value in addition to evaluating the correlation between the constructs and AVE roots. The t-statistic requirement that must be met is that it must be greater than the critical t-statistic value of 1.65 (*2-tailed*) with a significance level of 5%. Results of *loading* along with the t-statistic values obtained from the *bootstrapping* process by using the number of *resampling* samples by 98.

Table 4
T-Statistics Results of Measurement Model Loading Value

	Standard Deviation	<i>T-Statistic</i>	<i>P-value</i>
Brand Image			
X1.1	0,020	45,144	0,000*
X1.2	0,071	10,457	0,000*
X1.3	0,041	21,527	0,000*
Price			
X2.1	0,020	45,183	0,000*
X2.2	0,006	160,680	0,000*
X2.3	0,010	97,091	0,000*
Halal Awareness			
X3.1	0,020	43,829	0,000*
X3.2	0,036	20,348	0,000*
X3.3	0,005	200,230	0,000*
X3.4	0,084	6,386	0,000*
X3.5	0,014	65,748	0,000*
Buying Behavior			
Y1.1	0,047	16,760	0,000*
Y1.2	0,003	308,481	0,000*
Y1.3	0,025	34,360	0,000*

Y1.4	0,006	147,554	0,000*
Purchase Intention			
Y2.1	0,022	40,083	0,000*
Y2.2	0,005	183,575	0,000*
Y2.3	0,019	49,786	0,000*

(Authors, 2023)

Inner Model Testing (Structural Model)

After carrying out outer testing by fulfilling the criteria set out above, then it can proceed to the next stage, namely testing the structural model (*inner model*). The structural model can be evaluated using the t-statistical value of the path coefficient test and the r-square value (reliability indicator) for the dependent construct.

The model will predict data from the proposed research model more accurately the higher the r-square value. The analysis of variation or determination test is used to examine the impact of exogenous variables on endogenous variables, whereas the path coefficient is used to evaluate the level of significance in hypothesis testing. The table below will show the coefficient of determination's value:

Table 5
R-Square value

Variable	R-Square
Buying Behavior	0,921
Purchase Intention	0,904

(Authors, 2023)

Based on table 5 it can be seen that brand image, halal awareness and price can explain buying behavior 92.1% and the rest is influenced by other factors as much as 7.9% outside this study. While purchase intention is able to explain the brand image, halal awareness and price of 90.4% while the rest is influenced by other factors of 9.6% outside of this study. Also, to determine whether the hypothesis may be accepted or rejected, t-statistics, p-value, and the significance value between constructs should be considered. The value of the hypothesis in the study will be presented in the table below:

Table 6
Path Coefficient Results

Hypotesis	Original Simple	Sample Mean	Standard Deviation	T Statistics	P-value	Explanation
CM → BB	-0,244	-0,245	0,071	3,435	0,001	Accepted
CM → PI	-0,216	-0,216	0,030	7,158	0,000	Accepted
HA → PI	0,946	0,946	0,048	19,841	0,000	Accepted
Price → BB	1,071	1,076	0,092	11,584	0,000	Accepted
Price → PI	0,146	0,147	0,066	2,224	0,027	Accepted
PI → BB	0,085	0,081	0,063	1,348	0,178	Rejected

(Authors, 2023)

Based on table 6, the results of hypothesis testing show that:

1. The first hypothesis examines whether favorable brand perception influences consumers' purchasing decisions. The results show that the p-value of 0.001 < 0.05 means that there is a significant influence of brand image on buying behavior.
2. The second hypothesis investigates whether brand image influences consumers' intent to buy. The results show that the p-value of 0.000 < 0.05 means that there is a significant influence of brand image on purchase intention.
3. The third hypothesis examines if halal awareness influences buying intent favorably. The results show that the p-value of 0.000 < 0.05 means that there is a significant effect between halal awareness with purchase intention.
4. The fourth hypothesis investigates whether price influences purchasing decisions in a favorable way. The results show that the p-value of 0.000 < 0.05 means that there is a significant influence between price and buying behavior.
5. The fifth hypothesis tests whether the price has a positive effect on purchase intention. The results show that the p-value of 0.000 < 0.05 means that there is a significant influence between price and purchase intention.
6. The sixth hypothesis tests whether purchase intention has a positive effect on buying behavior. The results show that the p-value equal to 0.178 > 0.05 means that there is no significant effect between purchase intention on buying behavior.

Discussion

The Influence of Brand Image on Buying Behavior

The findings demonstrated that brand image had a positive and significant impact on consumers' purchasing decisions. This demonstrates that the stronger the brand's perception among consumers, the more it will affect consumers' purchasing decisions regarding the goods. Consumers will have a strong desire to repurchase the same brand now and in the future. Therefore, companies must be able to create a good image for their products so that consumers are loyal to buy back their products, including companies that produce halal products. According to study by Mohd Suki and Abang Salleh, there is a connection between brand image and consumers' shopping habits for halal items⁴⁹.

The Influence of Brand Image on Purchase Intention

The study's findings demonstrate that brand image significantly and favorably influences consumers' propensity to make a purchase. This demonstrates that consumer intents to purchase these products will be more influenced by brand perception, the better. Brand image plays an important role in helping consumers to decide whether they will buy a product or not⁵⁰. This is consistent with the findings of Sultan and Wong's study, which claims that consumer purchase intentions are directly influenced by consumer brand trust⁵¹.

Influence Halal Awareness to Purchase Intention

The study's findings demonstrate that halal awareness significantly and favorably influences consumer intention to buy. Research demonstrates that consumer desire to purchase imported foods marked as halal increases with consumer level of halal awareness. Due to the fact that eating halal cuisine is not only a religious requirement but also seen as cleaner, sanitary, and

⁴⁹ Mohd Suki and Abang Salleh, "Does Halal Image Strengthen Consumer Intention to Patronize Halal Stores?: Some Insights from Malaysia."

⁵⁰ Bian and Moutinho, "The Role of Brand Image, Product Involvement, and Knowledge in Explaining Consumer Purchase Behaviour of Counterfeits: Direct and Indirect Effects."

⁵¹ Parves Sultan and Ho Yin Wong, "How Service Quality Affects University Brand Performance, University Brand Image and Behavioural Intention: The Mediating Effects of Satisfaction and Trust and Moderating Roles of Gender and Study Mode," *Journal of Brand Management* 26, no. 3 (2019): 332–347, <https://doi.org/10.1057/s41262-018-0131-3>.

healthier food⁵². This is consistent with study by Bashir et al., which claims that customer intentions to buy halal food are positively impacted by consumer awareness of halal⁵³.

Effect of Price on Buying Behavior

The study's findings demonstrate that pricing has a favorable and considerable impact on consumers' purchasing decisions. This shows that when a company applies promotional techniques to its sales, this will affect how consumers decide to buy or not the product. For example, when a company distributes discounts, it will certainly attract the attention of consumers to buy the product. Consumers' views of the promoted price and the value they attach to it are influenced by the price framework⁵⁴. This is in line with other research studies which states that prices influence consumer buying behavior⁵⁵. Therefore, for companies that produce halal food, they can apply price promotion techniques to entice consumers to buy these products.

Effect of Price on Purchase Intention

The study's findings demonstrate that pricing has a favorable and significant impact on purchasing intention. Price is a meaningful indicator of quality. The majority of people believe that if a brand's price is high, then its quality must likewise be high. Therefore someone is willing to pay a very expensive price to get the desired quality product. According to studies by Beneke et al., the more fair the pricing, the greater the likelihood that a consumer will make a purchase⁵⁶.

Conclusions

According to the study's findings, brand perception affects both buying behavior and purchase intention. It also has an impact on halal awareness, pricing, and both buying behavior and purchase intention. While research results purchase intention no effect on buying behavior. This indicates that when domestic halal food products want to be able to compete with foreign imported halal food products, companies can improve the brand image of their products, as well as carry out promotional techniques in their sales. The results of this study also have implications

⁵² Syed Shah Alam and Nazura Mohamed Sayuti, "Applying the Theory of Planned Behavior (TPB) in Halal Food Purchasing," *International Journal of Commerce and Management* 21, no. 1 (2011): 8–20.

⁵³ Bashir et al., "Factors Affecting Consumers' Intention towards Purchasing Halal Food in South Africa: A Structural Equation Modelling."

⁵⁴ DelVecchio, Krishnan, and Smith, "Cents or Percent? The Effects of Promotion Framing on Price Expectations and Choice."

⁵⁵ Al-Salamin, and, and 2016, "The Impact of Pricing on Consumer Buying Behavior in Saudi Arabia: Al-Hassa Case Study"; Huck and Wallace, *The Impact of Price Frames on Consumer Decision Making: Experimental Evidence*.

⁵⁶ Beneke et al., "The Influence of Perceived Product Quality, Relative Price and Risk on Customer Value and Willingness to Buy: A Study of Private Label Merchandise."

for the government as a policy maker to limit imports of foreign products into Indonesia which of course will make domestic products less competitive with foreign products.

This research focuses on the shopping behavior of the Indonesian millennial Muslim generation in buying imported food products labeled halal. This study has limitations, namely the minimal number of samples, namely 98 respondents. As for suggestions for future research, it is expected to increase the number of existing samples, expand the scope of the variables studied, for example by using the influence of social media variables, the influence of product promotion, and the influence of consumer satisfaction.

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