

CHAPTER I

INTRODUCTION

A. Research Background

With a predominantly Muslim population, the Indonesian state always pays attention to the products that will be traded in order to meet the needs of the Muslim community. According to statistical data based on the population census in 2022, Indonesia's population amounted to 277.75. Of these, 241.7 million are Muslims. This means that around 87.02% of the total population of Indonesian are Muslims.¹ As for the population of Ponorogo who are Muslim in 2022 amounted to 784.149 thousand population.

In addressing the necessities of daily existence, Muslim communities will certainly be very careful in choosing it. Things will be done to choose a product for consumption. Some of the stages in this process include need recognition, information search, choice evaluation, desire to buy, and finally making a purchase decision. And one of the ways or efforts in choosing a product is to pay attention to the halal labelling contained in the product packaging.²

The term “halal” in everyday life is frequently associated with food and drinks that comply with Islamic law. However, in a larger context, halal also refers to anything that is acceptable and deemed good in Islamic teachings. This includes aspects such as cuisine, bevarages, clothing, and

¹ Muizzudin and Siti Amelia Kisty, “Pengaruh Sertifikasi Halal, Citra Merek, Dan Harga Terhadap Keputusan Pembelian Minuman Teh Botol Sosro (Studi Kasus Pada Mahasiswa Pendidikan Tinggi Islamic Village),” *Islamomics: Journal of Islamic Economics, Business and Finance* , Vol. 10, No. 2 (2020), p. 137–151.

² Ruhayat Danang Hadi Sulaiman and Teuku fajar Shadiq Taufik, Shadiq, “Analisis Sertifikasi Halal, Harga, Kualitas Produk Dan Promosi Terhadap Keputusan Pembelian Produk Herbal Halal,” *Jurnal Pemandhu* Vol.3, no. 2 (2022): 45–52.

other lifestyles. As stated in the Quran Surah Al-Baqarah verse 168, Allah says,

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

Meaning : “O mankind, eat of that which is lawful and good on earth, and follow not the steps of the devil; verily the devil is a manifest enemy to you.”³

Although a number of products been certified halal, public understanding of this remain limited. Since the enactment of the Halal Product Guarantee Law number 33 of 2014 on October 17, 2019, there has been continuing debate over halal certification issues.⁴ Many people believe that obtaining a halal certificate is complicated because it involves extensive bureaucracy. Therefore, it is important to socialize and educate the public to increase awareness about the importance of halal certification for products.⁵ Furthermore, the administrative process for obtaining halal certificates must be improved in order to raise awareness of the importance of halal certification and support the development of the halal industry in Indonesia.

In addition, other factors effect halal certification purchasing decision, price is an important consideration. Price refers to the amount of money that must be paid for a product or service.⁶ Price is an important consideration for consumers when making purchasing decisions because it influences their level of satisfaction with the product they want to buy.⁷

³ Al-Quran, Surat al-Baqarah : 168

⁴ Undang- Undang No 33 Tahun 2014 Tentang Penjaminan Produk Halal, p: 2.

⁵ M. Mirdhayati, *et.al.*, “Sosialisasi Peranan Sertifikat Halal Bagi Masyarakat Kelurahan Kampung Baru, Kecamatan Senapelan, Kota Pekanbaru..” *Unri Conference Series: Community Engagemnt* Vol.2 ,no. (2020): p. 117–122.

⁶ P. Amstrong, G., and Kotler, “*Prinsip-Prinsip Pemasaran*. (Jakarta: Gelora Aksara Pratama, 2008). P:117

⁷ L. Antari, *et.al.*, “Pengaruh Lokasi Dan Harga Terhadap Keputusan Berbelanja Pada Mini Market Sastra Mas Tabanan.” *Jurnal Pendidikan Ekonomi Undiksha* Vol.4, no.1, (2014), p: 1–11.

Consumers are becoming more price sensitive as competition heats up. If the product offers appropriate quality and service, then consumers will be more likely to accept it.⁸ The price level of a product is frequently used as a determining factor by consumers in their purchasing decisions, so that consumers are entitled to benefit from the use and quality of the product.

Brands play an important role in subsequent purchasing decisions. Brands are a company's identity. Without the existence of a brand, the relationship between the company and the consumer can affect the level of loyalty.⁹ An identifying mark or brand can help consumers understand the benefits and characteristics of a product. Consumers tend to trust and choose products that have a recognizable brand, even though the product offer similar benefits to an unbranded product.¹⁰ Consumers tend to choose familiar brands as they consider factors such as trustworthy quality and safety assurance.¹¹ When a product has a positive brand image in the eyes of consumers, it can lead to increased high levels of satisfaction. This satisfaction promotes the establishment of an emotional attachment to the brand, which has the potential to generate consumer loyalty.¹²

Kotler and Keller¹³ explains that a smart company can be understood by the customer decision-making process covers their entire experience, from the learning, selection, use, and product disposal. In this study, the authors Focus on purchasing decision factors including price and brand image. In Islam, in accordance with the MUI fatwa, when making

⁸ L. Bayu, *et.al.*, "Pengaruh Labelisasi Halal, Merek Dan Harga Terhadap Keputusan Pembelian Minuman Chatime.," *Jurnal Sosial Ekonomi Pertanian* Vol.16, no.3, (2020): p. 239–256.

⁹ R. Tjahyadi, & Arlan, "Brand Trust Dalam Konteks Loyalitas Merek: Peran Karakteristik Merek, Karakteristik Perusahaan, Dan Karakteristik Hubungan Pelanggan-Merek.," *Jurnal Manajemen* Vol. 6, no.1 (2010): p. 65–78.

¹⁰ E. Ferrinadewi, "Merek & Psikologi Konsumen Implikasi Pada Strategi Pemasaran.," (Surabaya: Graha Ilmu. 2008). P. 21

¹¹ M. Alfian, I and Marpaung, "Analisis Pengaruh Label Halal, Merk Dan Harga Terhadap Keputusan Di Kota Medan.," *At-Tawassuth*, Vol. 2, No.1, (2017), p. 122–145.

¹² R. Haryono, N., and Octavia, "Analisis Pengaruh Citra Merek Dan Mutu Layanan Terhadap Kepuasan Konsumen Serta Dampaknya Terhadap Loyalitas Konsumen.," *Jurnal Industri Elektro Dan Penerbangan* Vol.4, no.1, (2020), p: 20–27.

¹³ Philip dan Kevin Lane Keller Kotler, "Manajemen Pemasaran.," in *Jakarta: PT Indeks.*, 2007. P: 55

purchasing decisions, you must As a result, Kotler's theory differs from the MUI Fatwa of halal certification.¹⁴ For this reason, there are differences in theory between Kotler and MUI Fatwa.

In general, these factors can effect purchasing decisions. In addition, previous studies Has mentioned several theories related to this topic, such as the halal certification variable discussed by Uswatun Hasanah and her colleagues.¹⁵ According to his findings, halal certification influenced consumer purchasing decisions positively. According to Kasnelly's research¹⁶ halal certification influenced public interest in purchasing halal-labeled food products.

According to research by Monoarfa et al. the price variable shows that the results of the price variable have a significant effect on consumer purchasing decisions.¹⁷ According to Yulianto and his colleagues, the brand image variable had been shown to have a significant impact on the decision-making process for purchasing cosmetic products.¹⁸

Satay is a popular culinary among Indonesians. Ponorogo is one of the cities in that have satay restaurants. The famous Satay restaurants in Ponorogo are Sate Ayam H.Tukri Sobikun Ponorogo. It's no surprise that the city of Ponorogo is dominated by satay sellers because the quality of satay made with selected chicken meat and the delicacy of the taste image lies in the use of spices that can make chicken satay last up for several days so most buyers who bring chicken satay as souvenirs. not only that, but the satay in Ponorogo attracts buyers from both within and outside of the city

¹⁴ Sri Nuryati, “*Halalkah Makanan Anda ?*” (Solo : PT Aqwam Media Profetika, 2008), p:155.

¹⁵ U Hasanah and M R Sari, “Pengaruh Sertifikasi Halal Terhadap Keputusan Pembelian Produk Scarlett Di Provinsi Bengkulu,” *Al-Intaj: Jurnal Ekonomi dan Perbankan Syariah*, Vol.9, no.2 (2023), p : 2-3

¹⁶ Kasnelly Sri and Abd Jalil, “The Effect of Halal Certification on Public Interest in Buying Halal Labeled Food Products in Kuala Tungkal,” *Al-Mizan : Jurnal Ekonomi Syariah* Vol. 2, no. 1 (2019): p. 21–43.

¹⁷ R. Monoarfa, *et.al.*, (2023), "The influences of Islamic retail mix approach on purchase decisions", *Journal of Islamic Marketing*, Vol. 14 No. 1, (2023), p. 236-249.

¹⁸ K. S. Palupiningtyas, D and Nugraheni, “Investigating the Role of Interactive Social Media and Halal Brand Equity on Purchase Decision-Making: Direct and Indirect Effects. *Measuring Business Excellence, February.*” *Measuring Business Excellence, February.*

in East Java. By looking at several aspects such as price variations, brand image and halal certification, buyers remain busy. As with price theory, rising prices tend to reduce demand. As in price theory, if prices increase, demand tends to decrease.¹⁹ However, as the price of satay in Ponorogo increases, so does demand. This study will examine how price, brand image and halal certification influence Muslim consumer purchases. As a result of these issues, researcher try to analyze the title “**The Effect of Price, Brand Image and Halal Certification on Muslim Purchasing Decisions at Sate Ayam H.Tukri Sobikun Ponorogo**”.

B. Research Question

Based on the discussion of previous research problems, in order to facilitate the author's discussion, the following problems are formulated as the core of the discussion in writing as follows:

1. How does the price factor influence Muslim purchasing decisions at Sate Ayam H.Tukri Sobikun Ponorogo?
2. How does the brand image influence Muslim purchasing decisions at Sate Ayam H.Tukri Sobikun Ponorogo?
3. How does the halal certification factor influence Muslim purchasing decisions at Sate Ayam H.Tukri Sobikun Ponorogo?

C. Research Objectives

The research was conducted according to the formulation of the problem as follows:

1. Determine how the price factor influences Muslim purchasing decisions at Sate Ayam H.Tukri Sobikun Ponorogo

¹⁹ Nopirin, “*Pengantar Ilmu Ekonomi Makro & Mikro,*” (BPFE-YOGYAKARTA, 2008) p.287.

2. Determine how the brand image factor influences Muslim purchasing decisions at Sate Ayam H.Tukri Sobikun Ponorogo
3. Determine how the halal certification factor influences Muslim purchasing decisions at Sate Ayam H.Tukri Sobikun Ponorogo.

D. Research Benefits

The results of this study are expected to provide benefits to related parties, both in the academic and practical fields, for example:

1. Academic Benefits

- a. As a means of developing scientific thinking, based on the disciplines obtained in college.
- b. To provide information to contribute thoughts and knowledge in research.

2. Practical Benefits

- a. As a valuable resource for parties seeking to make purchasing decisions by developing existing practical results.
- b. As a reference and comparison material for future research

