

CHAPTER 1

INTRODUCTION

1.1. Background of Study

A purchasing decisions is a process by which customers use their knowledge to select on of two or more accessible alternatives. Consumer purchasing decisions are based on consumer interest in an item, so that planned innovation is needed in determining from time to time from each company to attract buying interest. Culture, social status, family, personal circumstances, and other internal elements can all have an impact on purchasing decisions. Consumer resources, motivation, knowledge, attitudes, personality, lifestyle, and demography are examples of individual aspects.. Meanwhile, external factors can be influenced by the marketing mix in marketing.¹

One of the internal factors of customer satisfaction is lifestyle. Lifestyle can define attitudes, values and point to a person's wealth and social position.² These days, a person's lifestyle is becoming more and more contemporary, according to trends for all facets of demans from primary to secondary needs like the halal lifestyle. Reporting from liputan 6 that the halal lifestyle is increasingly popular in the midst of fast-paced and dynamic modern life.³ The concept of halal lifestyle is universal and practically used by all people on this earth. Halal lifestyle has a fairly high market segment

¹ Eni Nur Aini and Anik Lestari, "Pengaruh Gaya Hidup Konsumtif Dan Kualitas Produk Terhadap Keputusan Pembelian," *BISNIS: Jurnal Bisnis Dan Manajemen Islam* 8, no. 1 (2020): 18.

² Yusuf Bagus Prakosa and Endang Tjahjaningsih, "PENGARUH KUALITAS PRODUK, GAYA HIDUP, DAN PENGETAHUAN PRODUK TERHADAP PROSES KEPUTUSAN PEMBELIAN SEPEDA LIPAT DI KOTA SEMARANG," *INOBISS: Jurnal Inovasi Bisnis Dan Manajemen Indonesia* 4, no. 3 (2021): 362.

³ Henry, "Gaya Hidup Halal Yang Mengedepankan Kebersihan Dan Kesehatan Tak Hanya Diminati Umat Muslim," *Liputan 6*, 2022, <https://www.liputan6.com/lifestyle/read/4944069/gaya-hidup-halal-yang-mengedepankan-kebersihan-dan-kesehatan-tak-hanya-diminati-umat-muslim?page=4>. Access the date

in the economic field.⁴ A halal lifestyle reflects adherence to the sharia principles that guide the lives of Muslims. This is not just a trend, but a growing need as the public, especially among the younger generation, realises the importance of products that are not only safe and quality, but also in accordance with Islamic principles.

The perception of the product's brand image also affects decisions to buy. The brand image built by a product can be a consideration for consumers in consuming goods or services. A brand image that is positive, trusted, and in accordance with the values held by consumers will increase loyalty and encourage consumers to choose products from that brand. If customers do not have experience buying goods and products, they will tend to believe in brands that are popular and favoured by many people. So that consumers make purchases and have a buying experience because of an encouragement from others. For this reason, companies can strengthen the brand image position of each good or service to create a favorable brand image and stay in the minds of its customers forever.⁵

Amid the halal lifestyle's influence, a product's brand image might affect consumer choices, there are some people who are taking action against and anti-consumption and even refusing to buy products even though these products already have good quality in society. This can also be called the action of boycotting a product caused by certain things. One of them that is currently rife is the boycott of Israeli products. This action originated from the increasingly heated Israeli-Palestinian conflict so that many people gave different reactions, one of which was the boycott of Israeli-affiliated products. Reporting from Middle Eyes foreign news, 15 Muslim-majority countries dominate the boycott movement such as Saudi

⁴ Yuliana Ulfidatul Hoiriyah and Yustina Chrismardani, "Pengaruh Gaya Hidup Halal, Label Halal Dan Harga Terhadap Keputusan Pembelian Ms Glow (Studi Pada Mahasiswa Universitas Trunojoyo Madura)," *Jurnal Kajian Ilmu Manajemen* 1, no. 2 (2021): 115.

⁵ Setiana Nafira and Agus Supriyanto, "Keputusan Pembelian Ditinjau Dari Electronic Word of Mouth, Impulse Buying, Brand Imagedan Label Halal Produk MSGlow Pada Generasi Millennial Dan IGeneration," *Jurnal BANSI (Bisnis, Manajemen Dan Akuntansi)* 2, no. 1 (2022): 24.

Arabia, United Arab Emirates and Indonesia.⁶ Indonesia itself has consistently supported Palestine so that it can be free from the occupation of Zionism for many years.⁷

The muslim boycott of Israeli goods is an attempt to recommended by the scholars to fight the injustice of those who fight Muslims in purchasing and using Israeli products related to the suffering experienced by Muslims in countries that are currently experiencing imperialism. Boycotts are based on dissatisfaction or a form of protest from one party to the next for actions that should not be done. It can also be called an act of rejection.⁸

The MUI Fatwa Commission issued a new fatwa on Wednesday, 8 November 2023 regarding support for the Palestinian cause, namely MUI DSN Fatwa number 23 of 2023 on boycotting all goods that promote Zionism. MUI emphasised that the purpose of this fatwa is to defend Israel's attack on Palestine and anyone who directly or indirectly supports Israel. MUI's call to boycott purchases and transactions with Israel and anything that promotes occupation and Zionism.⁹

There are 121 products affiliated with Israel such as McDonald's, starbucks and HP, although MUI did not provide an explanation regarding these products. But there are still many Indonesians who have recognised what products include Israeli products with good quality in the eyes of consumers. Indonesia's economy is still dependent on these products as

⁶ MEE Staff, "One in Three People Are Boycotting Brands Over Israel's War on Gaza, Poll Finds," Middle East Eye, 2024, <https://www.middleeasteye.net/news/one-three-people-are-boycotting-brands-over-israels-war-gaza-poll-finds>.

⁷ Riski Trisnawati, "BOIKOT DAN AKTIVISME: PERILAKU KONSUMEN DALAM ISU KONFLIK ISRAEL – PALESTINA," *Jurnal of Economics Business Ethic and Science of History* 2, no. 3 (2024): 21.

⁸ Ricky Rian Rafendri, "ANALISIS HUKUM ISLAM TERHADAP PEMBOIKOTAN PRODUK ASING DI INDONESIA" (Universitas Islam Neger Raden Intan Lampung, 2022), 5.

⁹ Azharun N, "Fatwa Terbaru MUI Nomor 83 Tahun 2023: Mendukung Agresi Israel Ke Palestina Hukumnya Haram," Majelis Ulama Indonesia, 2023.

evidenced by the number of foreign companies investing in Indonesia.¹⁰ Here are some products that are considered affiliated pro-Israel by the public as reported by news.id¹¹, sinergipapers.com¹² and application of capital one shopping¹³ :



Figure 1.1. Israel Affiliated Products Data

¹⁰ Khotimatul Husna, Anwar Hafidzi, and M. Hanafiyah, “DAMPAK PEMBOIKOTAN PRODUK PRO ISRAEL FATWA DSN MUI NOMOR 83 TAHUN 2023 BAGI WARUNG RUMAHAN DI KOTA BANJARMASIN,” *Indonesian Journal of Islamic Jurisprudence, Economic and Legal Theory* 1, no. 4 (2023): 870.

¹¹ Nuril Lailil Muharromah, “Cek Daftar Produk Pro Israel Yang Diboikot Di Indonesia, Apa Saja?,” *Unews.id*, 2023, accessed July 7, 2024, <https://www.unews.id/news/28810882986/cek-daftar-produk-pro-israel-yang-diboikot-di-indonesia-apa-saja?page=3>.

¹² Milianda Agustiyana SP, “Deretan 27 Produk Perlu Diboikot! Makanan Ringan Hingga Kebutuhan Sehari-Hari, Wajib Tahu!,” *SinergiPapers.com*, 2023, accessed July 7, 2024, <https://www.sinergipapers.com/news/28710817927/deretan-27-produk-perlu-diboikot-makanan-ringan-hingga-kebutuhan-sehari-hari-wajib-tahu>.

¹³ Richard D. Fairbank, “These 11 Companies Control Everything You Buy” (Amerika Serikat: Capital One Shopping, n.d.).

Source : Application of capital one shopping (2024)

After the issuance of the fatwa, the awareness to boycott products that are considered pro-Israel is widespread. Boycott awareness is the ability of consumers to refuse or stop buying from companies or brands that are considered incompatible with their values, such as not paying attention to human rights, damaging the environment, or acting unethically. Boycotts against products or companies that violate values are increasingly common and have an impact on purchasing decisions. In recent years, the boycott awareness movement has become more widespread due to companies involved in human rights violations, environmental pollution, or producing goods that are not in accordance with sharia principles. On the other hand, boycott awareness is also a growing phenomenon among the younger generation. Knowledge of boycotted products, understanding of the reasons behind the boycott movement, and boycott behaviour can be mediating factors that influence how Zillennials choose products, especially those related to halal values and brand image.

The researcher is interested in examining if the halal lifestyle, brand image, and product boycotts have an impact on the zillennial generation's purchasing decisions based on the phenomena, issues, and hypotheses that have been outlined. Why do researchers have the zillennial generation as objects? The zillennial generation is a transition from the millennial generation with technological advances. The birth year of the zillennial generation ranges from 1997-2012. They are also referred to as iGeneration, internet generation or net generation. The zillennial generation is considered to have the ability to do everything at once. They are digital natives and are more informed about global issues. This generation not only has great economic power, but also shows a deep interest in products that not only fulfil material needs, but also reflect moral and ethical values. ¹⁴ In

¹⁴ Muklis, Annisa Latifah Salsabila, and Luthfiah Khumaira, "Identifikasi Generasi Milenial Golongan Z Di Desa Tuntungan II Kecamatan Pancur Batu," *Pendis : Jurnal Pendidikan Ilmu Sosial* 1 No. 1 (2022): 5.

Indonesia, the zillennial generation is the largest population in Indonesia as reported by the BPS census, reaching 71 million people.¹⁵

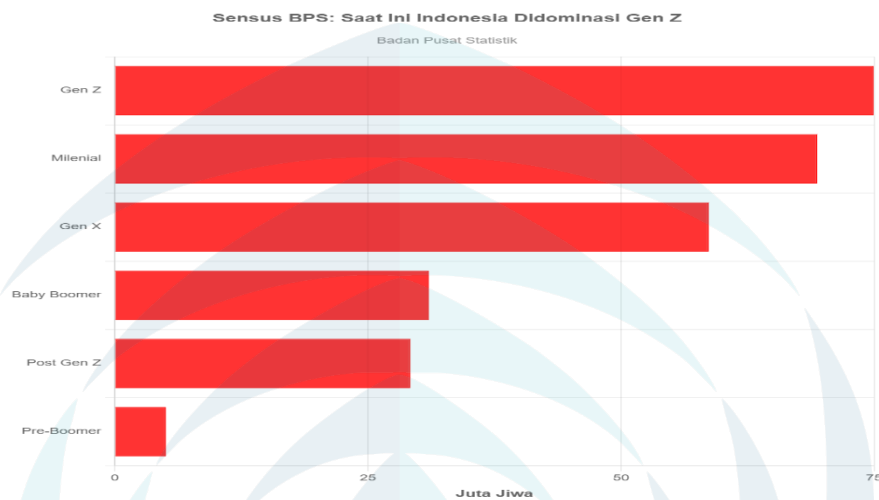


Figure 1.2 Data on the Zillennial Generation in Indonesia

Source : Statistics Indonesia (2024)

Based on the background that has been presented above, the author is interested in conducting research titled : **"The Effect of Halal Lifestyle and Brand on Purchasing Decisions of the Zillennial Generation with Boycott Awareness as an Intervening Variable"**.

1.2. Problem Formulation

Based on the research above, the authors found problems related to the influence of Halal lifestyle and brand image on purchasing decisions in zillennial generation with boycott awareness as an intervening variable. And researchers have formulated the problem as follows :

1. How much influence does halal lifestyle have on zillennial generation purchasing decisions?
2. How much influence does branding image have on zillennial generation purchasing decisions?

¹⁵ Pierre Rainer, "Sensus BPS: Saat Ini Indonesia Didominasi Oleh Gen Z," accessed 7 July, 2024, data.goodstats.id, 2023, <https://data.goodstats.id/statistic/sensus-bps-saat-ini-indonesia-didominasi-oleh-gen-z-n9kqv>.

3. How much influence does halal lifestyle have on zillennial generation purchasing decisions with boycott awareness as an intervening variable?
4. How much influence does brand image have on zillennial generation purchasing decisions with boycott awareness as an intervening variable?

1.3. Research Signifikan

The purpose of this study is to :

1. To find out how much influence halal lifestyle has on purchasing decisions in the zillennial generation.
2. To find out how much influence brand image has on purchasing decisions in the zillennial generation.
3. To find out how much influence halal lifestyle has on purchasing decisions in the zillennial generation with boycott awareness as an intervening variable
4. To find out how much influence brand image has on purchasing decisions in the zillennial generation with boycott awareness as an intervening variable

1.4. Research Significance

The usefulness of this research is divided into 2, namely theoretical uses and practical uses. Theoretical usefulness is usefulness that can be used as knowledge for readers. While practical use is usefulness that is useful for solving problems practically.

1.4.1. Theoretical Significance

- a. To broaden insight and deepen understanding of the influence of halal lifestyle and brand image on purchasing decisions in the zillennial generation amid the rampant issue of Fatwa DSN MUI No. 83 of 2023 with boikit awareness as an intervening variable.
- b. Providing knowledge to the public that halal lifestyle and brand image can influence purchasing decisions by providing awareness to the public about the rise of boycotts.

- c. This research is expected to expand and enrich the scientific treasury, especially in the field of consumer behaviour.
- d. Can be a scientific source or reference for future research.

1.4.2. Academic Significance

a. For The Auhtor

It is anticipated that the study's findings will give scholars more knowledge and understanding.

b. For Zillennial Generation

This research is expected to increase understanding of the influence of halal lifestyle and brand image on consumption choices. In addition, they can be more aware of their power to influence the industry through boycott awareness of brands or companies that are not in accordance with Islamic values or pro-Israel.

c. For Collage

It is anticipated that this research will serve as a reference for future studies in the same field.



1.5. Systematics Writing

Chapter 1 : This chapter consists the background of the problem, problem formulation, research objectives, research usefulness, research methodology, previous literature review and systematics of revision.

Chapter II : This chapter consists previous research, theoretical basis, framework of thought and hypothesis.

Chapter III : This chapter consists of the research design, research variables, measuring instruments, population and samples and data analysis techniques.

Chapter IV : This chapter consists of discussion results, validity and reliability tests, descriptions of the research variables, results of data analysis and hypothesis testing, discussion and respondent research on each variable.

Chapter V : This chapter consists of conclusions that answer the main problem, suggestions and a list of references.

