

CHAPTER I

INTRODUCTION

1.1. Research Background

Indonesia is a country with major population embracing Islam with a percentage of 87.2% or approximately 207 million people¹, and became the 2nd largest Muslim country population in the world². This illustrates that the need for Muslims to fulfil their basic needs in the form of halal food is very high. Rice is the main common food for Indonesians when the substitutes are, corn, potatoes, cassava, and sweet potatoes³. In addition, there are also natural products such as wheat and cassava which are processed into food that is favoured by the Indonesian people in the form of noodle products. Based on data reported from *World Instant Noodles Association* (WINA), the consumption of noodles in Indonesia tends to increase every year from 2019 to 2023 reaching 42.210 billion packs of instant noodles, making Indonesia the number 2 country in consuming of instant noodles after Cina⁴. As shown in table 1.1 below:

Table 1.1 World demand For instant noodles

	Country/Region	2019	2020	2021	2022	2023
1	China/Hong Kong	41,450	46,360	43,990	45,070	42,210
2	Indonesia	12,520	12,640	13,270	14,260	14,540
3	India	6,730	6,730	7,560	7,580	8,680
4	Viet Nam	5,440	7,030	8,560	8,480	8,130
5	Japan	5,630	5,970	5,850	5,980	5,840

(Sources: *World Instant Noodles Association*, 2024)

¹ Indonesia.co.id, "Agama," *Indonesia.Co.Id Portal Informasi Indonesia*, last modified 2020, <https://indonesia.go.id/profil/agama>.

² Chandra Dwi, "10 Negara Dengan Umat Muslim Terbanyak Di Dunia, RI Nomor Berapa?," *CNBC Indonesia*, accessed May 13, 2024, <https://www.cnbcindonesia.com/research/20240310150636-128-521083/10-negara-dengan-umat-muslim-terbanyak-di-dunia-ri-nomor-berapa>.

³ "4 Pilihan Makanan Pengganti Nasi Yang Baik Bagi Tubuh - Alodokter," *Alodokter.Com*, accessed May 13, 2024, <https://www.alodokter.com/makanan-pengganti-nasi-sebagai-variasi-sumber-karbohidrat>.

⁴ "World Instant Noodles Association," last modified 2024, accessed May 15, 2024, <https://instantnoodles.org/en/noodles/demand/table/>.

It can be concluded that noodle food is the second staple food after rice consumed by Indonesians. This is an opportunity for business people to provide various processed noodle foods.

In Indonesia, the halal decision of a product is issued by the Indonesian Ulama Council (MUI) through a fatwa and halal certification obtained from an audit process carried out by the Halal Product Guarantee Agency (BPJPH) and the Halal Product Guarantee Agency team. Institute for Food, Drug, and Cosmetic Studies of the Indonesian Ulama Council called as LPPOM MUI, has strong duty to research, review, analyse and decide whether the products both food and its derivatives, medicines and cosmetics products are safe to consume both in terms of health and in terms of Islamic religious teaching that is halal or permissible and good to be consumed for Muslims especially in the territory of Indonesia. In addition, LPPOM MUI provides recommendations, setting provisions and guidance to public services⁵. As Muslims, people have a thoroughness in choosing food that is clearly halal by choosing food that comes from vegetable ingredients such as fruits, grains, vegetables and so on, as well as factory-produced products that have halal guarantees or halal logos approved by the Indonesian Halal Product Guarantee Agency (BPJPH).

As a food producer who targets Muslim consumers, it must be able to ensure products both in terms of the quality of ingredients, halal product processes, the use of Islamic brands, to the quality of products that are ready to consume and guarantee their halal product such as the BPJPH halal label on the fatwa of the Indonesian Ulama Council (MUI). Yusūf Qarḍawī defines the term halal as everything that can be done⁶. Halal based is permitted in doing an act according to reason and Islamic law, and it can be said that a food is halal if it is not only halal in substance, but also in processing way it is obtained. Halal means legal according to Islamic law which is permissible, so consumer decisions on purchasing food products are strongly

⁵ Nur Aeni and Maya Tri Lestari, "Pengaruh Label Halal, Citra Merek Dan Harga Terhadap Keputusan Pembelian Produk Kosmetik Wardah," *Jurnal Ekonomi Bisnis, Manajemen dan Akuntansi (JEBMA)* 1, no. 2 (2021): 117–126.

⁶ M.H Muhammad Fahmul Iltiham and M.El Muhammad Nizar, *Label Halal Bawa Kebaikan*, ed. M.AB. Antin Rakhmawati, *FAI Press*, 1st ed. (Pasuruan, 201AD).

influenced by the existence of halal labelling on products. This is because Muslim consumers want to guarantee that the food, they consume is 100% halal, because some of foods in Indonesia have not labelled halal yet. Even though the basic ingredients are classified as vegetable or halal, it cannot guarantee that the product is halal to consume, because other factors can make halal products illegal to consume such as processing that is not in accordance with Islamic law, using product names that are prohibited in Islam such as using the names of pigs, dogs and other names that are not in accordance with Islamic law, and in the Al-Quran it is also mentioned in several letters including al-Baqarah verse 168, al-Anfal verse 69 which reads as follows:

Al-Baqarah verse 168

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

مُبِينٌ

Meaning: ‘people, eat what is lawful and good from what is found on earth, and do not follow the steps of the devil. Verily, the devil is a real enemy to you’ (QS al-Baqarah: 168)⁷.

Al-Anfal verse 69

فَكُلُوا مِمَّا غَنِمْتُمْ حَلَالًا طَيِّبًا ۚ وَاتَّقُوا اللَّهَ ۚ إِنَّ اللَّهَ غَفُورٌ رَحِيمٌ

Meaning: So eat of some of the spoils of war which you have taken, as lawful food, and fear Allah; surely Allah is Forgiving, and Merciful. (QS Al-Anfal: 69)⁸.

⁷ Kementerian Agama, *Al-Qur'an Dan Terjemahan (Surat Al-Baqarah -Ayat 168)* (Bandung: PT. MADINA RAIHAN MAKMUR, 2010).

⁸ Kementerian Agama, *Al-Qur'an Dan Terjemahan (Surat Al-Anal -Ayat 69)* (Bandung: PT. MADINA RAIHAN MAKMUR, 2010).

It can be interpreted that halal food can be shown, one of which is by providing a halal labelling mark from the government issued by the Halal Product Guarantee Agency (BPJPH) based on the fatwa of the Indonesian Ulama Council (MUI). Apart from halal labelling, Muslim consumers also consider in choosing and making product purchasing decisions is the perception of product quality. A company must pay attention to the quality of the products it creates, because product quality is a factor that is very concerned about cleanliness, the superiority of raw materials and product variants which can influence its decision to purchase a product or service. The better quality of a product, the more interest consumers will have in buying the product. By providing good product quality, a company can be superior to its competitors. According to Kotler and Armstrong, product quality is a product or service characteristic that depends on its ability to satisfy stated or implied customer needs⁹. As a producer, it is required to pay attention to the quality of its products and their halal labelling because the quality of the product is very important for consumers in deciding to buy the product.

Furthermore, what Muslim consumers consider in choosing and making purchasing decisions is the place or environmental facilities. Facilities are important for producers as an attraction or convenience for consumers in the process of using the products and services provided to make the consumers feel comfort and satisfaction when buying or using the products and services offered. A comfortable, clean, tidy and pleasant place atmosphere can affect consumer emotions towards the place¹⁰. There are seven aspects that need to be developed in creating an atmosphere and facilities at the location in the provision of services and products, namely: (1) cleanliness (2) music (3) scent (4) temperature (5) lighting (6) colour and (7) display/ layout¹¹. The arrangement of a place with an attractive atmosphere

⁹ P. Kotler, G. Armstrong, and Marc Oliver Opresnik, *Principles of Marketing, Seventeenth Edition*, Pearson, 2018.

¹⁰ Tahar Rachman, "Pengaruh Suasana Restoran Dan Persepsi Kualitas Makanan," *Angewandte Chemie International Edition*, 6(11), 951–952. (2018): 10–27.

¹¹ W A Lesiangi, "Pengaruh Kualitas Makanan, Kualitas Layanan, Price Fairness Dan Lingkungan Restoran Terhadap Niat Pembelian Konsumen (Studi Pada Restoran Eastern Kopi TM Yogyakarta)" (2021), [http://e-journal.uajy.ac.id/24373/%0Ahttp://e-journal.uajy.ac.id/24373/3/16 03 229531.pdf](http://e-journal.uajy.ac.id/24373/%0Ahttp://e-journal.uajy.ac.id/24373/3/16%2003%20229531.pdf).

is needed by consumers in order to provide comfort and create a sense of satisfaction for consumers.

In Ponorogo East Java, there is one of the growing culinary businesses, namely Gacoan Noodle Restaurant. Gacoan Noodle is a trademark of the no.1 spicy noodle restaurant network in Indonesia and was established in 2016, and Gacoan Noodle Restaurant has opened branches in several major cities such as Malang, Surabaya, Yogyakarta, Semarang, Solo, Bandung, Cirebon, Bali, Bogor, Depok, Jakarta and many other cities¹². This business specialises in noodle food without sauce and tends to be spicy. Food with noodle raw materials with various flavours, spicy levels, and a variety of toppings and drinks that are served at affordable prices by consumers with the target market of students and general consumers.

As long as Gacoan Noodle Restaurant was established, it experienced many challenges in developing its business, such as when registering for halal labelling with the Halal Product Guarantee Agency (BPJPH). At first, it did not pass halal certification due to poor product naming such as Gacoan Noodles Restaurant taking menu names, namely Mie Setan, Es Genderuwo, Es Tuyul, Es Sundel Bolong, and Es Pocong¹³. If Gacoan Noodle Restaurant wants to continue to get permission from the Halal Product Guarantee Agency (BPJPH), the Gacoan noodle restaurant must change all the names of its menus to comply with Islamic rules and sharia such as using good names that do not use the names of animals or genies that are not good. Since 2022, Gacoan Noodle Restaurant changed the names of its products to suit noodles, hompimpa noodles, gacoan noodles, ice gobak sodor, ice hide and seek, ice sluku bathok and ice teklek. In the end, Gacoan Noodle Restaurant received halal certification by the Halal Product Guarantee Agency (BPJPH) based on the fatwa of the Indonesian Ulama Council (MUI) on 22 June 2023 with certificate number (ID00110004250910423)¹⁴. In addition, to the guarantee of halal labelling

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¹² "Mie Gacoan," accessed May 5, 2024, <https://miegacoan.com/>.

¹³ "Polemik Sertifikat Halal Mie Gacoan, Gara-Gara Nama Produk?," *Kontrak Hukum*, last modified 2023, accessed May 13, 2024, <https://kontrakhukum.com/article/mie-gacoan-sertifikat-halal/>.

¹⁴ "Badan Penyelenggara Jaminan Produk Halal," *Https://Bpjph.Halal.Go.Id/*, accessed May 13, 2024, https://bpjph.halal.go.id/search/sertifikat?nama_produk=mie_gacoan&nama_pelaku_usaha=PT. PESTA PORA ABADI&no_sertifikat=&page=1.

that has been obtained, Gacoan Noodle Restaurant also prioritises the quality of its noodle products such as choosing good quality of raw materials, spicy level variants that are maintained, the fresh products served, and the image of sweet, spicy, savoury flavours in its products is maintained. Gacoan Noodles Restaurant also has the same facilities in each outlet such as a spacious place, good room arrangement, has a large parking area, comfortable indoor and outdoor seats and has good facilities such as available bathrooms, prayer rooms, and a fairly attractive photo spot. Every day, visitors at Gacoan Noodle Restaurant are in average of 150-200 people (interview results), making Gacoan Noodle Restaurant always crowded. This is probably because Gacoan Noodle Restaurant has been officially halal certified from BPJPH and has good quality noodle products, good quality raw materials, variants of spicy levels that are maintained, products that are served are always freshly cooked, and have a sweet, spicy, savoury taste image in their products. It is highly preferred by the Indonesian people who make processed noodle products as an alternative after the staple food of rice which is consumed every day.

Based on the background described by the researcher above, the researcher is interested in conducting research on **“THE INFLUENCE OF HALAL LABELING, PRODUCT QUALITY AND PLACE FACILITIES ON CONSUMER DECISIONS TO BUY PRODUCTS AT THE GACOAN NOODLE RESTAURANT (STUDY IN PONOROGO DISTRICT)”**

1.2. Research Questions

1. How does the halal labelling affect consumer decisions in choosing noodle products at Gacoan Noodle Restaurant , Ponorogo Regency?
2. How does the product quality affect consumer decisions in choosing noodle products at the Gacoan Noodle Restaurant , Ponorogo Regency?
3. How does the place facilities affect consumer decisions in choosing noodle products at the Gacoan Noodle Restaurant, Ponorogo Regency?

4. How do halal labelling, product quality and place facilities affect consumer decisions in choosing noodle products at the Gacoan Noodle Restaurant, Ponorogo Regency?

1.3. Research Objectives

There are also objectives of the research to be produced, it can be predicted what movements should be done, so that obstacles that may occur can be minimized. Regarding to the research questions, the research objectives to be achieved from this research are:

- a. To test and analyse the effect of halal labelling on consumer decisions in choosing noodle products at Gacoan Noodle Restaurant , Ponorogo Regency
- b. To test and analyse the effect of product quality on consumer decisions in choosing noodle products at the Gacoan Noodle Restaurant, Ponorogo Regency
- c. To test and analyse the effect of place facilities on consumer decisions in choosing noodle products at the Gacoan Noodle Restaurant, Ponorogo Regency
- d. To test and analyse the effect of halal labelling, product quality and place facilities on consumer decisions in choosing noodle products at Gacoan Noodle Restaurant, Ponorogo Regency

1.4. Benefits of Research

The benefits that are expected to be obtained from the results of this study are as follows:

1.4.1 For researchers

In this research, it is hoped that it can foster the knowledge and insight of researcher, especially those related to halal labelling, product perceptions and place facilities on consumer decisions in purchasing at the Gacoan Noodle Restaurant.

1.4.2 For other researcher

The results of this study can be used as a reference regarding the influence of halal labelling, product perceptions and place facilities on consumer decisions in purchasing at the Gacoan Noodle Restaurant. This research is expected to

contribute as a library reference, which can be used as a reference in comparing the same research objects, especially about the Gacoan Noodle Restaurant.

