



ANALYSIS OF THE INFLUENCE OF PRICE, HALAL AWARENESS, HALAL LABELS ON THE DEMAND FOR HALAL FOOD AND BEVERAGE PRODUCTS IN TRUNOJOYO SQUARE, SAMPANG

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Abstract

This study aims to analyze the effect of price, halal awareness, and halal labels on the demand for halal food and beverage products in Alun-alun Trunojoyo Sampang as an effort to increase halal awareness of the community, especially traders. Given that the first stage of mandatory halal is applied to food and beverage products, as well as service products until the final deadline, namely October 17, 2024. The variables used in this study are price, halal awareness, and halal labels. The sample in this study used a purposive sampling technique with the criteria, people who have purchased halal food and beverage products in the Alun-alun Trunjoyo Sampang area. The number of samples was 100 respondents. Data analysis used Multiple Linear Regression. The results of this study indicate that price has a negative effect on the demand for halal food and beverage products, while halal awareness and halal labels have a significant positive effect on the demand for halal products.

INTRODUCTION

Background

Indonesia is one of the countries with the largest Muslim majority population in the world. According to the latest data from the Directorate General of Population and Civil Registration (Dukcapil) of the Ministry of Home Affairs, Indonesia has a Muslim population percentage of 86.88 percent or 236.56 million people out of a total population of 272.23 million people in 2021.(Kusnandar, 2021). Therefore, Indonesia has an important role in the development of the global halal industry. LPPOM Halal Indonesian Ulema Council (MUI) stated that

Indonesia is committed to improving the quality and quantity of halal products, both to meet domestic and export needs.(Sedayu, 2023).

Indonesia is committed to becoming the World's Halal Industry Center, where all levels of society in Indonesia are involved in implementing the mandatory halal program, Law Number 33 2014 in article 4 concerning Halal Product Guarantees which has been merged into Job Creation Omnibus Law, products that enter, circulate and are traded in Indonesian territory must be halal certified. Government Regulation (PP) Number 39 of 2021 concerning the Implementation of The Halal Product Assurance Sector then regulates the stages of halal certification.. The first stage, this obligation is applied to food and beverage products, as well as service products related to both. The process will take place from 17 October 2019 to October 17, 2024. The second stage, the obligation of halal certification is applied to medicines, cosmetics, and consumer goods.

Sampang Regency is one of the regencies on Madura Island which is ranked first with a Muslim population percentage of 99.97 percent in East Java.

Table 1. Number of Muslim Population in East Java

Ranking	Regency	Total population	Islam	Percent
1.	Lacquer	950.430	950.160	99.97%
2.	Sumenep	1,135,441	1,134,043	99.88%
3.	Bangkalan	1,083,910	1,082,341	99.86%
4.	The city of Pamekasan	857,264	855,929	99.84%
5.	Pacitan	598,934	597,993	99.84%
6.	Lamongan	1,380,854	1,377,321	99.74%
7.	Trenggalek	747,649	745,639	99.73%
8.	Bojonegoro	1,343,164	1,335,740	99.45%
9.	Ponorogo	970,004	964.157	99.40%
10.	Tuban	1,224,357	1,216,714	99.38%

Source:(Damarinfo, 2022)

In addition to having the largest Muslim population percentage in East Java, Sampang Regency also has tourism potential, one of which is Trunojoyo Square which is an icon of Sampang Regency. Trunojoyo Square is surrounded by important buildings such as the Great Mosque of Sampang, Pendopo Agung, Government Office, Trunojoyo Museum, Trunojoyo Statue wearing traditional clothes and carrying a keris, and the Bull Race Statue. Trunojoyo Square is one of



the interesting destinations for visitors who want to know more about the arts and culture of Sampang Regency.

Trunojoyo Square is changing the regional economy by increasing the turnover of Street Vendors (PKL), opening up new job opportunities, and increasing the tourist appeal of Sampang.(Nuswantoro, 2023). However, even though the location of Trunojoyo Square is in the center of government and Sampang Regency is one of the mandatory halal locations in 2024, street vendors (PKL) in the Trunojoyo Square area very minimal halal certification(News, 2023). This problem will certainly threaten the sustainability of the food and beverage sector in Sampang Regency, even though this sector plays an important role and has a significant influence on the regional economy. Micro, small and medium enterprises can be a solution to increase economic growth, employment absorption, community empowerment, so that they contribute to reducing unemployment rates, increasing per capita income to increasing regional income through taxes and levies(Zubairi, 2016).

According to Mankiw (2014) request is the total amount of goods that buyers can afford or pay for. The basic law of market demand states that the price of a product has an inverse relationship to its demand. If the price increases, demand for the product will decrease, conversely if the price goes down then the demand for the product will increase. There are several factors that influence demand simultaneously including the price of the goods themselves, the price of other goods, income, consumer tastes, population, and consumer expectations or future predictions. Several other factors that influence the demand for halal products from previous studies are religion, psychological factors such as emotions, motivations, and desires, culture and customs, halal awareness, health reasons, value perceptions, halal marketing, brand image, halal labels / halal certification, product quality, raw materials. In this study, the factors assumed to influence the demand for halal products are price, halal awareness, and halal labels.

According to Samuelson & Nordhaus (2003) Price is the monetary value that buyers exchange for the satisfaction of their wants or needs. Price is one of the determining factors that influence demand. Research conducted by Faith (2018) found that the price variable had a significant and negative effect on demand, as was the case with research conducted by Silitonga & Salman (2014) which states that the results show that price has a significant effect on demand. Furthermore, in the research conducted by The Last Supper (2018) the results obtained show that price has an effect on demand. On the other hand, the findings of research conducted by The Last Supper (2021) shows that the price factor does not have a real impact on the demand for halal products. In a study



conducted by Asih et al., (2021) also stated the results that price has no effect on demand.

Halal awareness according to Aditya (2021) is the extent to which consumers are informed and able to use halal products according to Islamic law. The findings of the study indicate that the level of interest in buying halal products is influenced by halal awareness. In the study The Last Supper (2022) found that there was no statistically significant relationship between the halal awareness variable and students' interest in purchasing halal products.

The halal label is a logo and writing attached to the product packaging, as a sign that the product has received halal certification from the Halal Product Guarantee Agency (BPJPH). Research findings conducted by Millatina et al., (2022) shows that the halal label significantly influences purchase intentions for halal products. On the other hand, in research which is conducted by Son & Ernawati (2023) resulted in the finding that the halal label variable did not have a statistically significant impact on consumer purchasing choices.

This study has the main objective to reveal the extent to which price, halal awareness, and halal labels affect the demand for halal food and beverage products in Alun-Alun Trunojoyo Sampang. Do price, halal awareness, and halal labels affect consumer demand for halal products in Alun-Alun Trunojoyo? By understanding the influence of these variables, producers and sellers can design more effective marketing strategies, which not only attract buyers but also meet their needs and preferences related to the halalness of the product. Seeing the background above, the author is interested in discussing the research topic entitled "Analysis of the Influence of Price, Halal Awareness, Halal Labels on the Demand for Halal Food and Beverage Products in Alun-Alun Trunojoyo Sampang"

RESEARCH METHODS

This study is about the analysis of the influence of price, halal awareness, and halal labels on the demand for halal food and beverage products in Alun-alun Trunojoyo Sampang. The location was chosen as the object of research due to the lack of halal certification or awareness of traders regarding the importance of halal certification for their products. This study uses quantitative methodology. The sampling technique used is purposive sampling with the criteria, people who have bought halal food and beverage products in Alun-alun Trunojoyo Sampang.

On The Last Supper (2019) in determining the number of samples using Maximum Likelihood Estimation (MLE). MLE is a method for estimating the parameters of a model so that the selected parameters maximize the likelihood that the assumed model produces observable data. MLE suggests a sample size of 100-200 samples. So the number of samples is set at 100 samples. This study uses



Google forms to collect primary data from a number of predetermined respondents, with a Likert scale questionnaire form at levels 1-5. The assumption is then analyzed using multiple linear regression techniques with the equation: $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$. The questionnaire was distributed from April to May 2024.

RESULTS AND DISCUSSION

Results

Instrument Test

1. Validity Test

Sugiyono (2019) explains that the purpose of the validity test is to assess whether the instrument or questionnaire given to respondents can accurately measure what is to be measured. If all the instruments used are appropriate, then the instrument can be considered valid. The validity test criteria state that an instrument is said to be valid if the calculated r is greater than the table r .

From the results of the validity test conducted, the calculated r value for all indicators used to measure the variables in the study exceeded the r table value. The r table value obtained for a sample of 100 respondents at a significance level of 0.05 was 0.1966. In accordance with the validity determination criteria, it can be concluded that each indicator used in the survey is considered valid.

2. Reliability Test

As stated by Sugiyono (2019), the basic purpose of a reliability test is to show the consistency or reliability of a measurement. The decision-making process used in the reliability test is limited by a threshold of 0.60. Thus, the variable is considered reliable if the Cronbach alpha value exceeds 0.60.

From the results of the reliability test that has been carried out, it was found that the Cronbach alpha of the price variable was 0.629, the halal awareness variable was 0.633, the halal label variable was 0.798, and the demand variable was 0.737, or it can be said that all variables have values exceeding 0.60. Based on these results, it can be concluded that the questionnaire used to assess price, halal awareness, and halal labels is reliable.

Classical Assumption Test

No.	Test Type	Criteria	Results	Information
1.	Normality Test	Sig.>0.05	Significance of 0.200	Passed the normality test
2.	Heteroscedasticity Test	Sig.>0.05	The significance value of price is 0.054, halal awareness is 0.86 and halal label is 0.06.	Passed the heteroscedasticity test
3.	Multicollinearity Test	Tolerance >0.10 VIF < 10	The VIF value of price is 1.033, halal awareness is 1.258, and halal label is 1.228. The tolerance value of the price variable is 0.968, halal awareness is 0.795, and halal label is 0.814	Passed multicollinearity test

Multiple Linear Analysis

Regression analysis is used to determine the effect of independent variables (X) on dependent variables (Y). The multiple linear regression equation used is as follows:

$$\text{Demand} = \alpha + \beta_1 \text{Price}_i + \beta_2 \text{Halal Awareness}_i + \beta_3 \text{Halal label}_i + e$$

$$\text{Demand} = 5.439^{**} - 0.231 * x_1 + 0.473 * x_2 + 0.390 * x_3 + e$$

Description: * sig 5%

**sig 10%

From the equation above it shows that:

1. The constant coefficient has a positive value of 5.439, which means that if the value of the other variables remains constant, the purchasing decision is 5.439 units.
2. The regression coefficient of the price variable (X1) is -0.231, which means that for every 1 unit increase in price and the value of other variables remaining constant, the value of the demand variable (Y) decreases by 0.231 units.
3. The regression coefficient of the halal awareness variable (X2) is positive 0.473, which means that for every 1 unit increase in the halal



awareness value and the value of the other variables remaining constant, the value of the demand variable (Y) also increases by 0.473 units.

4. The regression coefficient of the halal label variable (X3) is positive 0.390, which means that for every 1 unit increase in the halal label value and the value of the other variables remaining constant, the value of the demand variable (Y) increases by 0.390 units.

Hypothesis Testing

a. Partial Test (T)

To partially test the influence of the dependent variable, namely demand for independent variables of halal awareness (X2), price (X1), and halal label (X3), a t-test or partial test is used. If the calculated t value exceeds the t-table value of 1.984 and the significance value is less than 0.05, then the independent variable does affect the dependent variable, namely the demand for halal products.

Based on the results of the t-test of the price variable (X1), the calculated t value is -2.004 with a significant level of price influence on demand of 0.048. Furthermore, the halal awareness variable (X2) obtained a calculated t value of 3.736 with a significant level of halal awareness influence on demand of 0.000. In the halal label variable (X3), the calculated t value is 4.611 with a significant level of 0.000. So that all independent variables have a significant effect on the dependent variable.

b. Simultaneous Test (F)

Simultaneous test or F test is a statistical procedure used to determine whether independent variables collectively affect the dependent variable. If the significance value is less than 0.05 and the calculated f value is greater than the f table of 2.70, then it can be concluded that all independent variables have a simultaneous effect on the dependent variable.

The results of the F test show a significance of 0.000 and a calculated f value of 23.728, so all independent variables used (price, halal awareness, and halal label) have a significant effect on the dependent variable (demand).

3. Coefficient of Determination (R²)

Adjusted R Square analysis, also known as the coefficient of determination, is a statistical test used to determine the extent to which a dependent variable is influenced by an independent variable. The coefficient of determination value ranges from zero to one ($R^2 > 0$). Independent



variables that provide almost all the information needed to predict the dependent variable will show an Adjusted R Square value close to one.

Based on the determination coefficient test conducted, the Adjusted R Square value for the halal product demand variable (Y) was 0.408, which means that the independent variables, namely Halal Label (X3), Price (X1), and Halal Awareness (X2) can explain the dependent variable, namely demand, by 40.8%. The remaining 59.2% may be caused by factors not used in this study.

Discussion

The discussion related to the results of this study is as follows:

1. The effect of price (X1) on demand for halal products (Y)

The research findings show that there is a significant and negative relationship between price and demand for halal products. This indicates that price increases can cause a decrease in consumer demand. In accordance with the theory of the law of demand which states that price and quantity demanded have an inverse relationship if all other variables remain constant. The findings presented here are consistent with several studies such as the results of research conducted by Habibah (2020) which states that product demand is significantly and negatively influenced by price. Then the results of the research conducted by The Last Supper (2024) stating consistent results, namely that price has an effect on purchasing decisions

. Furthermore, in the research conducted by The Last Supper (2024) found that price has a significant positive influence on consumer decisions in purchasing halal food. However, the findings of this study contradict several studies, one of which was conducted by Rahma et al., (2024) In Jambi, price has a significant and positive influence on purchasing interest. Then the research conducted by Hervina et al., (2021) which states that the results show that price has a significant positive effect on consumer purchases. Furthermore, the research The Last Supper (2021) which states that the price of halal products does not affect demand.

2. The influence of halal awareness (X2) on the demand for halal products (Y)

The research findings show that halal awareness has a significant and positive effect on the demand for halal products. Increasing halal awareness is correlated with increasing demand for halal products, as consumers show a preference for commodities that adhere to halal values and principles. The findings presented here are in line with research conducted by The Last Supper (2021) which found a positive correlation between halal awareness and product demand, similar to research conducted



by Hamdani et al., (2021) in Aceh which stated that halal awareness has a significant influence on consumer purchasing interest, considering that Aceh is a province that implements Islamic law. Then in the research conducted by The Last Supper (2024) conducted in the city of Jepara, which has a Muslim population percentage of 97.03 percent, found that halal awareness has an influence on product purchasing decisions. In the research conducted by Nurhasanah et al., (2017) obtained results that halal awareness has a significant positive influence on purchasing interest, which indicates high consumer awareness of the halalness of a product.

However, the findings of this study contradict research by The Last Supper (2022) which concluded that halal awareness did not have an impact on the demand for halal products due to the low halal awareness of students at the research location. Then the research conducted by Rahma et al., (2024) stated that the research results contradict the results of this study, namely that halal awareness has no influence on purchasing power. Furthermore, in the research conducted by Ernawati & Koerniawan (2023) stated the results that halal awareness does not have a significant effect on purchasing interest.

3. The influence of halal labels (X3) on demand for halal products (Y)

The results of the study show that the halal label has a positive and significant influence on the demand for halal products. If a product has a halal label, then the demand for the product increases, because consumers who see a halal label on a package tend to believe that the product is in accordance with halal principles and values. These results are in accordance with research conducted by Millatina et al., (2022) which states that the halal label has a significant positive effect on product demand. The results of this study are also in line with the results of research conducted by Harminingtyas & Noviana (2021) which states that the results of the halal label or halal certification have a significant positive effect on the interest in buying halal food products. Research conducted by The Last Supper (2023) in Banda Aceh which stated that the halal label had a significant positive effect on purchasing interest.

However, the results of this study are not in line with several research results, one of which is research conducted by Son & Ernawati (2023), stated that the halal label does not affect demand. Likewise with the research conducted by The Last Supper (2022), stated the results that the halal logo does not affect demand because consumers tend not to pay attention to the logo when consuming. Then the research conducted by Ahmad Khalil et al., (2021) which states that the halal label has no effect



on purchasing interest. In research conducted by Izzuddin (2018) in Jember, stated that the results showed that the halal label had no effect on purchasing power.

CONCLUSION AND SUGGESTIONS

Conclusion

It can be concluded that the price has a significant negative effect on the demand for halal products in Trunojoyo Square, halal awareness, and the presence of halal labels also have a significant positive effect on the demand for halal products in Trunojoyo Square, Sampang. First, price has a negative effect, because price increases will reduce demand for halal products. In addition, halal awareness shows a positive correlation, because individuals with a higher level of halal awareness are more likely to request halal products. In addition, halal labels show a positive effect, that consumer trust increases and demand increases in response to a product's halal label. Consistent with the theory of demand which states that quantity demanded is inversely proportional to price, the findings of this study validate the importance of price levels, halal labels and awareness in consumer purchasing decisions in Trunojoyo Square, Sampang.

Suggestion

For Consumers

1. Considering the research results regarding price having a negative effect on demand, consumers are advised to continue to pay attention to the halalness of replacement products.
2. Considering the research results on halal awareness having a positive effect on demand, consumers are advised to continue to increase halal awareness, for example by learning more about the benefits of halal products for health and the environment.
3. Considering the research results regarding halal labels having a positive effect on demand, consumers are advised to always check the halal label when purchasing a product.

For Traders/Manufacturers

1. Given the research results regarding price having a negative effect on demand, producers must maintain product prices to remain competitive.
2. Considering that the research results on halal awareness have a positive effect on demand, producers must also increase halal awareness by immediately taking care of halal certification for their products.
3. Considering that the research results on halal labels have a positive impact on demand, producers are expected to immediately take care of halal



certification and attach halal labels and halal numbers to their product packaging so that consumers can trust them.

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