# Halal Products in Context of the Effect of Product Quality and Menu Variety on Purchase Decisions

Yennyka Leilasariyanti[1], Reny Andriyanty[2], H. MR. Ulung Sembiring[3], Sri Sugiarti[4], Erina Alimin[5]

## Abstract:

*This study aims to describe and analyze the health level of savings and loan cooperatives, namely Capital (capital), Assets (quality of productive assets), Management (management), Earning (profitability), Liquidity (liquidity). The research was conducted at KSP Kopdit Pintu Air Sikka Regency NTT. This type of research is a type of quantitative descriptive research. The data used are financial statements for 2020, 2021 and also the results of interviews from cooperative administrators. While the data analysis technique uses data analysis techniques using the Camel method. This shows that the financial performance of KSP Kopdit Pintu Air using the ratio of the Camel method is in an unhealthy situation, but in 2021 it is slightly healthier or in the moderate category.*

**Keywords**: *Kopdit, Capital, Asset, Management, Earning, Liquidity*

## 1. Introduction

The business world is developing very rapidly. The tight business competition makes business actors must be more innovative and creative in advancing their business. Therefore, business people must have business planning. Business planning is an important aspect in developing a business. With the correct planning, business actors can set long-term and short-term targets in entrepreneurship.

The success of the company can be determined by the accuracy of the marketing strategy it implements on the basis of paying attention to the situation and conditions of the market analysis. In analyzing the market, companies need to review the type of product, motives and attitudes, and determinants of the target market. In Indonesia, there are many kinds of culinary that become the identity of an ethnic group, city, and even nation. Along the way, culinary is used as a tool to assess a person's social status. Culinary can also describe the history of civilization and become one of the attractions of tourism. This is evidenced by the increasing number of choices available, ranging from local food to foreign food, served in restaurants, cafes to street food (Habibah & Sumiati 2016).

Halal is the main point for Muslims to worship so that humans are always on the right path. In addition, the principle of halalness is also stated in the hadith and the Koran. in Surah AL-Nahl verse 114 it is written: "So eat what is lawful and good from the

---

[1] Agribusiness Program, Wijaya Kusuma University Surabaya, Indonesia. yennyka.fp@uwks.ac.id
[2] Management Program, Institut Bisnis dan Informatika Kosgoro 1957, Indonesia. r.andriyanty@gmail.com
[3] Management Program. Universitas Tama Jagakarsa. Jakarta, Indonesia. ulungsembiring10@gmail.com
[4] Management Program. Universitas Tama Jagakarsa University. Jakarta, Indonesia. srisugiarti550@gmail.com
[5] Management Program, Universitas Pelita Harapan, Indonesia. erinaalimin@gmail.com

sustenance that Allah has given you; and thank Allah for His favor if you worship Him alone" (QS.16: 114). The letter explains that Allah commands humans to eat (consume) halal food, this can be analogized to products other than food consumed by Muslim consumers including cosmetics and skincare. It is explained that Islam teaches to always consume everything on earth that is completely halal and good, bothfood and drink and even other than that such as cosmetics, medicines and so on (Rachman 2020).

Several factors that influence purchasing decisions have been carried out by previous research, stating that product quality variables have a positive and significant influence on purchasing decisions (Waluya et al., 2019; Sinurat et al., 2021). Product quality is a consumer-centered quality so that it can be said that a seller has provided quality if the seller's product or service meets consumer expectations (Fauzi & Ali 2021). Product quality is a product offered by the seller that has more selling points that competing products do not have. However, a product with the best appearance is a high quality product if its appearance is not what the market needs and wants. A product is anything that a producer can offer to be noticed, sought, purchased, used or consumed by the market as a fulfillment of the needs or desires of the market concerned (Tjiptono, 2008; Khayru & Isalillah 2021; Iskamto 2021), state that product quality variables have a positive and significant influence on purchasing decisions. One of the factors that underlie consumers making purchasing decisions is about how the quality of the product itself. In addition, the factor that is considered by consumers who will make purchasing decisions is the diversity of the menu owned by the seller.

This study aims to be able to determine the analysis of the effect of halal product quality and halal menu diversity on consumer purchasing interest in Culinary SMEs.

## 2. Theoretical Background

**Relationship Between Halal Product Quality Variables and Purchasing Decisions**
Kotler & Armstrong (2006) argue that product quality and improvement is an important part of marketing strategy. However, only focusing on the company's products will make the company pay less attention to other factors in marketing.

For companies, products have an important position in carrying out their business activities. Customers will find it suitable if it matches their wants and needs. Product quality is one of the main market *positioning* tools and has a direct impact on and is closely related to customer loyalty. For prospective customers and members of Islamic cooperatives, the quality of this product is one of their considerations. When meeting the needs and creating customer satisfaction, it can be said that the Islamic cooperative product is good and successful. Customers will not move to other cooperatives when there is satisfaction with the products provided (Imami et al., 2021). It will be very easy for customers to move to competing cooperatives if the quality of products and services is not fulfilled according to the wishes of the customer. The assessment given by customers is certainly closely related to what they receive and feel, namely satisfied

or not. Conflicts and negative attitudes arise due to dissatisfaction, which has an impact on the number of complaints and complaints submitted by customers.

Product quality is believed to cause customers to have high product preferences and usage intentions which in turn will affect customer transactions which lead to an increase in high profits. Product quality can be a way to build perceptions, because quality products will be able to dominate the market for a long period of time. The attractiveness of the product in the eyes of the *customer* to use it when *brand equity is* getting stronger where this can attract customers to continue transacting and the company reaps profits from time to time. Market share will increase or at least stabilize if a product is firmly planted in the customer's mind (Jin et al., 2023). According to Tjiptono (2008), consumer goods are goods purchased for consumption by end consumers themselves. Improving the quality of products or services needs to be done continuously because it can make consumers feel satisfied with the products or services they buy, and will influence consumers to make repeat purchases. Quality is determined by a set of uses and functions, including durability, independence from other products or other components, exclusivity of comfort, external form (color, shape, packaging, and so on (Anggadwita et al., 2019). Research conducted by Anggadwita et al. (2019), Saputri & Guritno (2021) shows that Product Quality has a positive effect on Purchasing Decisions.
*H1: Product quality affects purchasing decisions*

**Relationship Between Halal Menu Diversity Variables and Purchasing Decisions**
Menu diversity in culinary products is important for consumers, especially because consumers want many choices in the culinary products offered. Consumers have a tendency to try new things related to the food menu and in general consumers often experience boredom with various food and cake menus if the choices are limited. Consumers need choices in choosing the food, drinks and cakes that consumers want. The creation of this condition is based on the availability of menus in very diverse types and quantities, giving rise to many choices in shopping by consumers. Menu diversity is a condition created by the availability of goods in very varied quantities and types, giving rise to many choices in the consumer shopping process (Indriastuti et al., 2022). Menu diversity is something that influences consumer purchasing decisions (Lim et al., 2022). Kotler (2016) stated that product completeness is the availability of all types of products offered to be owned, used or consumed by producers.
*H2 : Menu diversity affects purchasing decision*

## 3. Methodology

This research uses quantitative methods with regression analysis to explore the correlation between variables. In this research, the author uses primary data, namely information obtained directly from each respondent as seen from the answers to the questionnaires that have been distributed. The process of determining the sample uses the *accidental sampling* method, namely whoever the researcher happens to find and become a sample. The sample used was 100 people (considering the number of

opulations is unknown). In this research, the Slovin method is applied by researchers with a standard error of 5%, in determining the sample size.

There are two variables in this study, the independent variable and *the dependent variable*.
a) *Independent* Variable
   *The independent* variables are Halal Product Quality ($X_1$), Halal Menu Diversity ($X_2$).
b) Dependent Variable
   *The dependent* variable is the Halal Product Purchasing Decision (Y).

After all the data is obtained, it is then analyzed using SPSS 26 *for windows software* through several tests, namely validity, reliability, classical assumptions, multiple linear regression analysis to the coefficient of determination test

## 4. Empirical Findings/Result

**Validity and Reliability Test**
The purpose of carrying out the validity test is to ensure that each questionnaire question distributed by researchers is valid so that it can be used to obtain data correctly. Obtained from the comparison between $r_{count}$ with $r_{tabel}$ where df = n-2 with alpha 0.05. If the *Pearson Correlation* value> $r_{tabel}$, then it can be said to be valid.

**Table 1. Validity Test**

| Variables | Pearson Correlation | R-table (α = 5%) | Validity Results |
|---|---|---|---|
| Purchase Decision | 0,799 | 0,361 | Valid |
| Halal Product Quality | 0,642 | 0,361 | Valid |
| Diversity of Halal Menu | 0,781 | 0,361 | Valid |

Based on the results obtained in table 1, it is concluded that if customer loyalty, halal product quality, halal menu diversity has a *Pearson Correlation* score> $r_{tabel}$, then it is said that all questions are valid so that they can be valid measuring instruments.
The reliability of a variable is determined if the *Cronbach's Alpha* score is> 0.6. If the reliability <0.6 is declared not good, but if 0.7 is categorized as good and the reliability of the good category is more than 0.8.

**Table 2. Reliability Test**

| Variables | Cronbach's Alpha | N of Items | Description |
|---|---|---|---|
| Purchase Decision | 0,751 | 4 | Reliable |
| Halal Product Quality | 0,774 | 5 | Reliable |
| Diversity of Halal Menu | 0,722 | 4 | Reliable |

Based on table 2, the *Cronbach's Alpha* score on purchasing decisions = 0.751, halal product quality = 0.774 and halal menu diversity = 0.722 so it can be concluded that this study data is acceptable and reliable.

**Normality Test**

This test can be done with the *One Sample Kolmogorov Smirnov* test, namely if the Asymp Sig (2-tailed) score> 0.05, it is said that there is a normal distribution in the data. However, if the Asymp Sig (2-tailed) score <0.05, it states that there is no normal distribution in the data.

**Table 3. Normality Test**

|  |  | Unstandardized Residuals |
|---|---|---|
| N |  | 100 |
| Normal Parameters[a,b] | Mean | ,0000000 |
|  | Std. Deviation | 1,66250211 |
| Most Extreme Differences | Absolute | ,070 |
|  | Positive | ,067 |
|  | Negative | -,070 |
| Kolmogorov-Smirnov Z |  | ,701 |
| **Asymp. Sig. (2-tailed)** |  | **,610** |

Based on table 3, the significance score (2-tailed) is 0.610. Because the significance value (2-tailed) $0.610 > 0.05$, so it is stated if the data is normally distributed so it can be used.

**Multicollinearity Test**

In regression equations, multicollinearity problems are not found if VIF < 10 and Tolerance > 10.

**Table 4. Multicollinearity Test**

| Model | Unstandardized Coefficients | | Standardized Coefficients | Collinearity Statistics | |
|---|---|---|---|---|---|
|  | B | Std. Error | Beta | Tolerance | VIF |
| 1 (Constant) | 11,778 | 1,555 |  |  |  |
| Halal Product Quality | ,212 | ,064 | ,223 | ,466 | 1,125 |
| Diversity of Halal Menu | ,423 | ,077 | ,525 | ,466 | 1,125 |

Referring to table 4, the overall independent variable in this study has a value> 0.10 (tolerance> 0.10), while the VIF value is less than 10 (VIF < 10). It can be concluded that multicollinearity symptoms are not found among the independent variables.

**Heteroscedasticity Test**

The goodness of the regression model is seen from the presence or absence of heteroscedasticity. This study uses the *Glejser* test, where the significance score is less than 5% (0.05), then heteroscedasti city is not found.

## Table 5. Heteroscedasticity Test

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | T | Sig. |
| 1 | (Constant) | 1,020 | ,938 | | 1,068 | ,569 |
| | Halal Product Quality | ,042 | ,082 | ,107 | ,103 | ,248 |
| | Diversity of Halal Menu | ,044 | ,033 | ,159 | ,582 | ,816 |

Based on table 5, the independent variables used are above 0.05, so the test results show that heteroscedasticity is not formed.

## Multiple Linear Regression Analysis

### Table 6. Multiple Linear Regression

| Model | | Unstandardized Coefficients | | Standardized Coefficients | | |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | T | Sig. |
| 1 | (Constant) | 11,778 | 1,555 | | 2,274 | ,000 |
| | Halal Product Quality | ,212 | ,064 | ,223 | ,466 | ,001 |
| | Diversity of Halal Menu | ,423 | ,077 | ,525 | ,466 | ,000 |

Based on table 6, ($\beta$) 0.223 for Halal Product Quality, score ($\beta$) 0.525 obtained Halal Menu Diversity, then the equation, namely:

$$Y = 0.223X_1 + 0.525X_2$$

Description:
1. The coefficient value of Halal Product Quality ($X_1$) is positive, meaning that the better the Halal Product Quality, the more embeian decisions will increase.
2. The coefficient value of Halal Menu Diversity ($X_2$) is positive, meaning that the more diverse the halal menu is, the more purchasing decisions will increase.

## Hypothesis Testing
### F test
When the significance is <0.05, it means that Ho is rejected, meaning that the independent and dependent variables have a significant effect. If the significance value is > 0.05, it indicates the acceptance of Ho, so it is stated that the independent and dependent variables have no effect.

### Table 7. F test

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 378,569 | 2 | 126,189 | 49,377 | 0,000 [b] |
| Residuals | 171,556 | 89 | 2,450 | | |
| Total | 550,125 | 100 | | | |

Based on the results obtained from table 8, it can be stated that the $_{F\text{-count}}$ value is 49.377 and F-$_{tabel}$ 26.97, systematically obtained a significant value of 0.000 <0.05 significant level, so it is said that together $X_1$, $X_2$ affect Y.

**t test**
If the resulting probability <0.05, it is stated that there is a significant implication of the *independent variable* to the *dependent variable*. If the resulting probability > 0.05, it is said that it will not have a significant effect.

**Table 8. The t-test**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 11,778 | 1,555 | | 2,274 | ,000 |
| | Halal Product Quality | ,212 | ,064 | ,223 | ,466 | ,001 |
| | Diversity of Halal Menu | ,423 | ,077 | ,525 | ,466 | ,000 |

Referring to table 89, Halal Product Quality ($X_1$) has a significance of 0.001 <0.05. Signaling the acceptance of $H_1$ and the rejection of Ho, then Halal Product Quality affects Purchasing Decisions.

Halal Menu Diversity ($X_2$) has a significance of 0.000 <0.05. Signaling the acceptance of $H_2$ and the rejection of Ho, so that the diversity of the Halal Menu influences the Purchasing Decision.

**Determination Coefficient Test**
This test is expected to produce an r squared score greater than 0.5, because a good value is between 0 and 1.

**Table 9. Test Coefficient of Determination (R )$^2$**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | ,710$^a$ | ,504 ,494 | | 1,977 |

Based on table 9, it is known that the Adjusted R Square value is 0.494, indicating that the *independent variable* (service quality, product quality and customer satisfaction) affects the *dependent variable* (customer loyalty) by 49.4% and the remaining 50.6% is not examined in research.

**The Effect of Halal Product Quality on Purchasing Decisions**
The analysis results indicate that the quality of halal products significantly and positively influences purchasing decisions. This is to say, as the quality of halal products increases, so does the likelihood of these items being purchased. This finding aligns with Kotler's (2005) assertion that product quality is a factor that can draw market attention, ownership, use, or consumption, thereby satisfying wants or needs. According to Kotler and Armstrong (2016), product quality is the capacity of a product to deliver results or performance that not only meets but also exceeds

customer expectations. To fulfill their needs, consumers will opt for products that can provide them with the highest level of satisfaction.

This study's results echo those of Anggraini et al. (2019) study, which also found that product quality has a positive and significant impact on purchasing decisions. The quality of halal products, therefore, is a critical factor that consumers take into account when making their purchasing decisions. It is crucial for businesses in the halal market to maintain and improve their product quality continually. By doing so, they can attract more customers, strengthen their market position, and enhance their overall performance (Sahir et al., 2016).

**The Effect of Halal Menu Diversity on Purchasing Decisions**
The analysis results demonstrate that the diversity of the halal menu significantly and positively impacts purchasing decisions. This means that an increase in the variety of halal menu options can lead to a rise in purchasing decisions, as attention to this aspect is growing. Limited diversity in the halal menu may lead to a lack of customer loyalty. On the other hand, a diverse halal menu can encourage customers to become more loyal because they have a wide range of options to choose from.

This finding is consistent with a study conducted by Wahyu et al. (2013), which also found that the diversity of the halal menu has a positive and significant effect on purchasing decisions. Therefore, providing a greater variety of halal menu options to customers can increase their purchases. In conclusion, diversifying the halal menu not only satisfies the increasing customer demand for diverse halal options, but it also contributes to building customer loyalty and increasing sales. Therefore, businesses in the halal industry should consider expanding their menu offerings to cater to this rising trend and customer preference.

## 5. Conclusions

Based on the research findings and data analysis, both the quality of halal products and the diversity of the halal menu significantly and positively influence purchasing decisions. The quality of a product and its variety not only fulfill the basic needs of consumers but also cater to their preferences and tastes, thereby playing a crucial role in shaping their purchasing decisions. This study's findings suggest that halal product quality and menu diversity account for nearly half of the factors influencing purchasing decisions, while the remaining factors are influenced by other variables.

These results contribute to the broader understanding of consumer behavior, particularly in the context of the halal market. They provide valuable insights for Culinary Micro, Small, and Medium Enterprises (MSMEs), suggesting that they should focus more on creating products that are not only affordable and hygienic but also diverse in their offerings. In doing so, these businesses can better cater to consumer needs and preferences, thereby boosting their sales and enhancing their market position (Widyaningrum 2016).

For future research, it might be beneficial to explore the other variables that account for the remaining percentage influencing purchasing decisions. Identifying and understanding these factors can provide a more comprehensive view of consumer behavior in the halal market. Additionally, it could also be interesting to investigate how different factors interplay and influence each other, as well as how they collectively impact purchasing decisions. This could shed light on the dynamics of the halal market and provide further insights for businesses operating in this sector.

**References:**

Anggadwita, G., Alamanda, D. T., & Ramadani, V. (2019). Halal label vs product quality in Halal cosmetic purchasing decisions. *IKONOMIKA*, *4*(2), 227-242.

Anggraini, E. I., Hidayat, K., & Sunarti. (2019). The Effect of Product Quality and Price on Purchasing Decisions. *Journal of Business Administration (JAB),* 73(01), 118-124. https://administrasibisnis.studentjournal.ub.ac.id

Fauzi, D. H. F., & Ali, H. (2021). Determination of Purchase and Repurchase Decisions: Product Quality and Price Analysis (Case Study on Samsung Smartphone Consumers in the City of Jakarta). *Dinasti International Journal of Digital Business Management*, *2*(5), 794-810.

Handoko. (2013). *Management.* Second Edition, Thirteenth Mold. BPFE.

Iskamto, D. (2021). Investigation of Purchase Decisions Based on Product Features offered. *ADPEBI International Journal of Business and Social Science*, *1*(1), 1-9.

Imami, D., Valentinov, V., & Skreli, E. (2021). Food safety and value chain coordination in the context of a transition economy: The role of agricultural cooperatives. *International Journal of the Commons*, *15*(1).

Indriastuti, W. A., Wigati, E., Wahyuningsih, T., & Muthoifin, M. (2022). The Effect of Diversity of Halal Food Products and Promotion on the Interest of Tourists. *Profetika: Jurnal Studi Islam*, *23*(2), 305-320.

Jin, D., DiPietro, R. B., Kim, K., Meng, F., & Torries, E. N. (2023). Influence of customer value mind-set on affective and behavioral service outcomes: Role of the scope and scale of service offerings at various touchpoints. *Journal of Hospitality Marketing & Management*, *32*(3), 340-362.

Khayru, R. K., & Issalillah, F. (2021). Study on Consumer Behavior and Purchase of Herbal Medicine Based on The Marketing Mix. *Journal of Marketing and Business Research (MARK)*, *1*(1), 1-14.

Kotler, P. (2005). *Marketing Management: Analysis Planning and Control*. Erlangga.

Kotler, P., & Armstrong, G. (2016). *Principles of Marketing*. 13th ed. Volume 1. Erlangga.

Lim, Y. H., Lada, S., Ullah, R., & Abdul Adis, A. A. (2022). Non-Muslim consumers' intention to purchase halal food products in Malaysia. *Journal of Islamic marketing*, *13*(3), 586-607.

Rachman, A. (2020). Halal Branding; A Religious Doctrine in the Development of Islamic Da'wah. *Journal of Digital Marketing and Halal Industry*, *2*(2), 133-144.

Schiffman, l. G., & Kanuk, L. L. (2013). *Consumer Behavior*. 8th edition. Prentice Hall.

Saputri, A. D., & Guritno, A. (2021, December). The Effect of Product Quality, Brand Image, and Halal Labeling on Purchase Decisions with Purchase Intentions as Intervening Variables. In *Annual International Conference on Islamic Economics and Business (AICIEB)* (Vol. 1, pp. 359-374).

Sahir, S. H., Ramadhani, A., & Tarigan, E. D. S. (2016). The influence of halal label lifestyle and price on wardah cosmetic purchasing decisions. *Journal of Business and Management Concepts,* 3(1), 1-15. https://ojs.uma.ac.id

Sinurat, M., Heikal, M., Simanjuntak, A., Siahaan, R., & Ilham, R. N. (2021). Product Quality On Consumer Purchase Interest With Customer Satisfaction As A Variable Intervening In Black Online Store High Click Market: Case Study on Customers of the Tebing Tinggi Black Market Online Store. *Morfai Journal*, *1*(1), 13-21.

Tjiptono, F. (2008). *Marketing Strategy*. 3rd Edition: ANDI.

Habibah, U., & Sumiati. (2016). The Effect of Product Quality and Price on Purchasing Decisions for Wardah Cosmetic Products in Bangkalan Madura City. *Journal of Economics and Business,* 1(1), 31-48. https://jurnal.untag-sby.ac.id

Wahyu, M. A. A. H., Djoko, H.W., & Listyorini, S. (2013). The Effect of Menu Diversity, Product Quality, Brand Image, and Advertising on Purchasing Decisions. *Diponegoro Journal Of Social And Politics,* 1-9.

Waluya, A. I., Iqbal, M. A., & Indradewa, R. (2019). How product quality, brand image, and customer satisfaction affect the purchase decisions of Indonesian automotive customers. *International Journal of Services, Economics and Management*, *10*(2), 177-193.

Widyaningrum, P. W. (2016). The Effect of Halal Label and Celebrity Endorser on Purchasing Decisions. *Indonesian Shariat Economic Journal*, VI(2), 83-98. https://ejournal.almaata.ac.id