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The Effect of Halal Label on Brand Image and Its Impact on Consumers' Purchasing Decisions

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Abstract:

The purpose of this study is to examine the direct effect of halal label on brand image and on consumers' purchasing decisions and the indirect effect of halal label on consumers' purchasing decisions through brand image. The population is consumers of local Small and Medium Enterprises food product of West Nusa Tenggara in Mataram City, Indonesia. The empirical data were collected from 120 respondents by accidental sampling through survey methodology. Three statistical tools have been used for data analysis; (a) Pearson Correlation, (b) Cronbach's Alpha, and (c) Path Analysis. The findings indicate that; (a) halal label has a positive and significant effect on brand image as well as on consumers' purchasing decisions; and (b) brand image has a positive and insignificant effect on consumers' purchasing decisions, c). The indirect effect of halal label on purchasing decisions through brand image found to be insignificant.

Keywords: Halal logo, brand image, purchasing decision

1. Introduction

Today, halal business is flourishing and having good prospects. Consumer interest in halal products and services is increasing so that halal industry is growing rapidly (Halal Association, 2010). With a Muslim population of about 1.8 billion people today and projected to 2.7 billion by 2050 (Pew Research Center, 2009), the potential for halal business seems to promise optimism. The global halal market value in 2015 was more than 1 trillion dollars spread over food sector 61%, pharmaceuticals 26%, cosmetics 11% and others 2% (Nikkei Asian Review, 2016). In the same year, Bank Indonesia recorded the transaction value of halal food products reaching US \$ 160 billion (Metrotvnews, 2017).

Hence, West Nusa Tenggara seeks to take advantage of the above momentum by building a halal tourism business, along with Lombok Island which won prestigious awards as the world's best halal destination and the world's best halal honeymoon destination in 2015 (Detik Travel, 2015). It impacts on the regional tourism sector which is characterized by an increase in tourist arrivals and investment in the sector. Thus, the government and the community as hosts need to synergize in such a way, especially for providing access, attractions, and amenities, in which food that is guaranteed to be halal is an important part of the business.

Food products in West Nusa Tenggara are in fact partially not certified halal by the authorities, especially processed food products of local Small and Medium Enterprises (SMEs). There are thousands of units of SMEs in West Nusa Tenggara, but only 600 units of them are certified halal by 2015 (Antara, 2015), whereas according to data of 2012, a total of 1,772 units of SMEs in food sector operated in Mataram (Data of Cooperative Service and SME West Nusa Tenggara). This halal certification gap covers the national (Republika, 2016), including West Nusa Tenggara Province, not least Mataram City (Radar Lombok, 2106). Whereas halal certification is important to provide legal certainty in addition to protecting consumers as well as improving product competitiveness (DEPAG, 2003 in Jannah, 2008). The efforts to protect consumers through halal certification are well aimed, for reasons of the complexity of the contemporary food technology (Mudhafier & Wahid, 2004) and Muslim consumers have an individual obligation to consume halal and good products, thus implicating the imperative of ensuring firstly what food they consume must be free of haram and shubhat/doubtful (Zakaria, 2008). However, consumers are on a very weak side (Jannah, 2008), they have limitation in various forms. Meanwhile, most Indonesian consumers rely on the existence of halal label/logo as a reference in buying a product (KEMKOMINFO RI, 2014). Some manufacturers – looking into it as an opportunity – tend to put halal label on their products in order to gain the trust of Muslim consumers (Zakaria, 2008).

Halal label is part of relatively important product attributes under specific conditions, it facilitates consumer in product selection without hesitation or doubt (Zakaria, 2008). It, which is issued through halal certification, can also provide significant benefits to manufacturers as compared to non-certified competitors (Shafie & Othman, 2006), since halal products are widely recognized as a new point of reference in terms of safety and quality (Zakaria, 2008). It is a positive association that forms an image about halal products in the minds of consumers, which in turn, according to Hawkins and Mothersbough (2013) impacts on their decision to buy. Several previous studies done to delineate the role of halal label in marketing. Four such research is conducted by Ahmad, Wahid and Kustin (2007), Sandi, Rahmawanto and Marsudi (2011), Agustian and Sujana (2013), and Syahputra and Hamoraon (2013) in which they claimed that halal label as a product attribute can affect consumer decision to buy. But other studies such as Astogini, Wahyudin and Wulandari (2011), and Huda and Muchlisin (2014) found different results that halal label did not significantly affect consumers' purchasing decisions. Salman and Siddiqui (2011) also conclude that religious people may not necessarily have high level of awareness and attention regarding halal food.

Besides providing information about product status as well as a marketing instrument targeting the Muslim market, halal label can be an association-building attribute that forms brand image. Positive brand image may be formed in such a way from a product that is communicated in line with Islamic dietary code. So that the Muslim consumer in a conscious situation and understanding the relevant information may be impelled to decide their purchase. On the basis of that assumption, research needs to be done to determine the effect of halal label/logo on brand image and its impact on purchasing decisions. The existence of halal label in relation to purchasing decisions and the importance of brand image is examined to determine the market reaction so that it can be adapted into marketing strategy. Previous studies and literatures discussing this topic are still limited mainly in West Nusa Tenggara context, particularly Mataram City, in addition to previous studies on the effect of halal label indicating mixed results, therefore it needs further investigation and this research, then, tries to fill the hiatus.

2. Review of Literature

2.1. Halal Label/Logo

Label is part of product that carry certain verbal information related to the product, generally attached or affixed to product or product packaging (Stanton, 1988). Logo means word, thought, speech, reason, which may reflect a company, object, publication, individual, service or idea (Adams, 1982 in Ghazali, 2014). Halal is a term in Islam that refers to everything that is permissible under Islamic law or is not punishable by sin 'if using or doing it (Encyclopedia of Islamic Law, 2001). Halal term, widely used in food sector (Jannah, 2008) whereas this can also be employed in financial, trade, tourism, cosmetic, pharmaceutical, fashion, etc. The opposite of halal is haram which is prohibited by Islamic law (Salman & Siddiqui, 2011). Every food, basically, is lawful except that is clearly forbidden by Sharia such as carrion, blood, pork, the animal on which the name of someone other than Allah has been invoked while slaughtering, the animal that dies by strangling or by a violent blow (not by any sharp instrument) or by falling from a height or the one that has been gored to death or which has been ripped apart and gnawed by a wild beast, and (that animal too is forbidden) which has been slaughtered on idolatrous altars (Al-Qur'an 5: 3), khamr/wine (Al-Utsaimin, 2014), feces, urine (Shafie & Othman, 2006), dirt, repulsive thing and some additions from hadith such as wild beast, birds that have pounced legs, ants, bees, hud-hud birds, shurad birds, tame donkeys, hedgehogs, frogs and the animals that eat dung (Ibn Hajar Al-Asqalani, 2000). Thus, halal label/logo is a verbal information attached to product or product packaging intended to inform that it is allowed to be consumed according to Islamic law. In the context of this research, the existence of halal label/logo is defined as the verbal expression of respondent's knowledge, acceptance, belief or impression about the halal label imprinted on local SME food products, as measured by Carter's (2002) in Ghazali (2014) i.e.: a) Original and distinctive; b) Tangible; c) Simple; d) Memorable; e) Easily associated with the company; and f) Easy adoptable for all graphic media.

2.2. Brand Image

Brand is a name, term, sign, symbol, design, or its combination intended to identify the goods or services of a person or group of sellers, and to distinguish them from competing products (Kotler & Keller, 2009). Brand is very important, it implies the quality (Beckwith, 2007), has a segmentation function (Rangkuti, 2004 in Sangadji & Sopia, 2013), serves as legal protection (Kotler & Gary, 1991 in Alma, 2011) also facilitates the identification, differentiation, and provides a sense of emotional impression for consumers (Pride & Ferrell, 1995 in Sangadji & Sopia, 2013). Brand can create image (Alma, 2011). Image is a total perception of subject formed through the processing of information from various sources over time (Assael, 1987 in Alma, 2011). So brand image is the total perception of a product brand, which is formed through the processing of various information such as product attributes, benefits, usage situations, users, and manufacturer/marketer characteristics. Brand image, in this study, is defined as the expression or image of all known objectively, impression, individual or group prejudices associated with local SME food brands. Brand image is measured using the parameters of Keller (1993) quoted in Ghazali (2014), i.e.: a) the favorability of brand association; b) the strength of brand association; c) the uniqueness of brand association.

2.3. Purchasing Decision

Everyone is always facing a decision-making process of his/her life (Darmawan, 2013). Decision is to choose one of two or more alternatives that are optional (Schiffman & Kanuk, 2008). Purchase is defined as processes, ways, or acts to purchase something (KBBI, 2014). Purchasing decisions, therefore, indicate the actions of individuals, groups or organizations in choosing two or more things when purchasing goods and/or services. Consumer decision making is a problem solving in order to fulfill consumer wants and needs (Sangadji & Sopiah, 2013). In the context of this research, purchasing decision is defined as the selection of an action of two or more alternative options in purchasing local SME food products. Purchasing decision is measured by parameters according to the Consumer Decision Making Model in Shiffmann and Kanuk (2005), namely: a) Trial Purchase; b) Repurchase; c) Long-term purchasing commitment.

2.4. Hypotheses Development

2.4.1. The Effect of Halal Label on Brand Image

The image is formed through the accumulation of perception about an object, what is thought, known, experienced that goes into one's memory based on inputs from various sources over time (Alma, 2011). Zakaria (2008) stated that halal products are becoming widely acknowledged as a new standard for safety and quality assurance. According to the Indonesian Ulema Council quoted in the Ministry of Communications and Information Technology Republic of Indonesia (2014) and research done by Samat and Rodzi (2010) that halal label or logo is positively perceived by consumers. Ghazali (2014) also concluded that the logo of a company (agency/organization) can elevate its brand image, then on that basis a hypothesis can be made:

- H₁: The existence of halal label (logo) positively and significantly affects Brand Image

2.4.2. The Effect of Halal Label Existence on Purchase Decision

Some researches such as Sandi, Rahmawanto and Marsudi (2011) and Agustian and Sujana (2013) revealed that the existence of halal label can influence consumers' decisions, even some consumers rely on halal labels when making their decision (KEMKOMINFO RI, 2014). In Abdul, Ismail, Hashim & Johari (2009) mentioned that an effective label may be a sign of quality, which can lead to purchase. Zakaria (2008) stated that Muslim customers buy goods and food that have halal sign on the packaging because they commonly feel comfortable and rely on the halal label, sign or mark in deciding their purchase. Therefore, a hypothesis can be made:

- H₂: The existence of halal label (logo) positively and significantly affects purchasing decisions

2.4.3. The Effect of Brand Image on Purchase Decision

Positive brand image provides benefits for producers to be better known to consumers. Consumers will make a choice to buy products that have a good image. In contrast, negative brand image tends to be avoided and doubted by consumers (Sangadji & Sopiah, 2013). The meaning and description of the brand is a powerful driver of consumer decision making, which explains why strong brands tend to be market leader in sales and profits (Hawkins & Mothersbaugh, 2013). Brand image is also an important factor in consumer behavior based on the reason that brand can be a symbol which translates the concept and identity of a consumer (Barnes & Lough, 2006). Bian and Moutinho (2011) in Fatlahah (2013) mentioned that the brand image formed in the minds of consumers has an influence on intention to buy and ultimately result in purchasing decisions. Therefore, a hypothesis can be made:

- H₃: Brand Image positively and significantly affects purchase decisions

3. Research Method

3.1. Data Collection Method

This research is field research, including also a category of causality research. The population is the general public which is consumers of local SME food products that the amount is definitely unknown. Samples taken by accidental sampling from 120 respondents refer to the feasible quantity of samples for path analysis that is 10 times the number of estimated parameters (Kline, 1998 in Statistics Solutions, 2017), which the number of parameters in this study is twelve (12). In the process of data collection, respondents were questioned about their personal experiences regarding any local SME food products they had purchased, through a survey using questionnaires as tool to obtain data that directly distributed in crowded places in Mataram City such as shopping center (Ruby Supermarket), exhibition (Mataram Expo 2017), educational centers, traditional markets, place of worship and recreation (Islamic Center Hubbul Wathan West Nusa Tenggara), etc. A total of 179 questionnaires were distributed, of which 156 were successfully collected or returned. Of the 156 questionnaires, 27 were incomplete and 129 were completely filled. However, to adjust to the research plan, data from 9 respondents were excluded from the analysis, then only data from 120 respondents were analyzed by path analysis using SPSS. The conceptual research framework can be seen as follows:

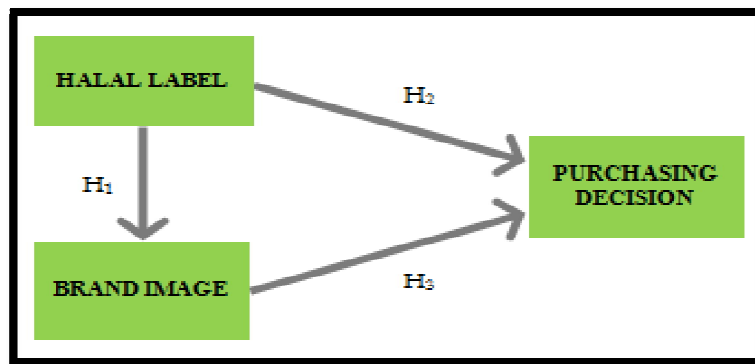


Figure 1

4. Result and Discussion

4.1. Profile of Respondents

Respondents were 76 women (63.33%) and 44 men (36.67%). In terms of age, the average respondent was at the productive age of 25 years 5 months 8 days. The youngest respondent was 18 years old, while the oldest was 48. Most of the respondents were in the age range between 21 to 25 years old, which amounted to 45 people or 37.50%. As for no information amounting to 4 people were respondents who did not provide age information on the questionnaire collected or returned. Most of the respondents were college graduates totaling 65 people or 54.17 %, followed by high school 40.83% and junior 0.83%. Meanwhile, 5 people or 4.17% did not provide their educational information. In terms of religion, most of the respondents were Muslim totaling 115 people or 95.83%, 2 people were Christians and 1 Catholicism. Moreover, 2 people did not report their religion information. For details see the following table:

Respondent's Characteristic	Category	Frequency	Percentage
Sex	Men	44	36,67
	Women	76	63,33
Age	16-20	25	20,83
	21-25	45	37,50
	26-30	24	20,00
	31-35	14	11,67
	36-40	4	3,33
	41-45	2	1,67
	46-50	2	1,67
	NoInformation	4	3,33
Education	Junior High School	1	0,83
	Senior High School	49	40,83
	Collage Graduate	65	54,17
	NoInformation	5	4,17
Religion	Islam	115	95,83
	Christianity	2	1,67
	Catholicism	1	0,83
	NoInformation	2	1,67

Table 1

4.2. Data Analysis

4.2.1. Description of Research Variables

Response to each variable described below.

Variables	Average Score	Keterangan
Halal Label	4,29	Agree
Brand Image	4,19	Agree
Purchasing Decision	4,21	Agree

Table 2

The responses are explained as follows:

- Respondents' responses to halal label on local SME food products are generally accepted, rated and/or believed to be an informative label of halal status and a marketing instrument;
- Respondents' responses to brand image of local SME food products indicate an average score of 4.19, meaning that in general the local SME food product have a good (positive) image in the respondents' minds;
- And the responses of respondents to the decision to purchase local SME food product indicate that in general consumers' decision to buy local SME food products is strong which is indicated by average score of 4,21.

4.2.2. Test of Validity and Reliability

This study used questionnaires containing 50 items of statement answered by respondents using Likert scale scoring. The validity test has been performed to assess the accuracy of each item statement in measuring what's measured. The test can be conducted using Pearson Product Moment Correlation (Riduwan & Kuncoro, 2012; Wijaya, 2012). Correlation technique is the most widely used in validity test (Masrun, 1979 in Sugiyono, 2013). The test can be done by correlating the item score with the total score of the item in question, if it is positively correlated and greater than the inter-item correlation, then the item is valid. The critical point of the instrument that is considered valid if the correlation coefficient is greater than or equal to 0.3 (Sugiyono, 2013).

In the validity test of the halal label instruments, there are two invalid statements i.e. the 34th and the 36th statement as shown that the statements have correlation coefficients below the critical point, respectively -0.007 and 0.249.

No	Item	Coefficient Correlation	Status
15	I pay attention to the authenticity of the halal label on the product	0,803	Valid
16	I can distinguish the halal label from the other labels	0,608	Valid
17	I believe halal label is as an instrument for halal assurance	0,457	Valid
18	I look for halal label products before purchasing	0,861	Valid
19	I tend to choose halal labelled products	0,746	Valid
20	I know what kind of halal label looks like	0,756	Valid
21	Halal label is easy to see on product packaging	0,487	Valid
22	Appearance or form of halal label looks attractive	0,807	Valid
23	I appreciate the presence of halal labels on products	0,849	Valid
24	I pay attention to the halal label of the product so as not to hesitate about its halal status	0,580	Valid
25	Halal label on the product looks simple	0,344	Valid
26	Halal labels may indicate the halal status of the product	0,732	Valid
27	Halal label can facilitate product selection	0,804	Valid
28	The shape and/or image of halal label is easy to remember	0,613	Valid
29	Halal label can give a good impression about the product	0,840	Valid
30	Halal label can remind me the importance of eating halal food	0,567	Valid
31	The presence of halal label is a guarantee of the producers of halal products	0,748	Valid
32	Halal label reflects products may be consumed according to Islamic law	0,758	Valid
33	Halal label shows manufacturers are committed to bringing halal products to the market	0,559	Valid
34	The institution of a halal label publisher must be able to trace its authority	-0,007	Invalid
35	The institution giving the fatwa about halalness of product in Indonesia (i.e. MUI) is credible	0,420	Valid
36	Halal label is easily adoptable for all types of promotional media	0,249	Invalid

Table 3

Next, the validity test of the item statement of brand image shows all items have a correlation coefficient above the critical point 0.3, thereby the items entirely concluded valid.

No	Item	Coefficient Correlation	Status
37	Halal labelled food brands of local SME are healthy or safe to eat	0,698	Valid
38	Halal labelled food brands of local SME have good quality	0,663	Valid
39	There are many different halal-labelled food brands that can be purchased	0,640	Valid
40	Halal labelled food brands are easily available at nearby stores / kiosks	0,309	Valid
41	Halal labelled food brands are quite affordable (price)	0,784	Valid
42	I am willing to pay more if a local SME food brand affixes halal label	0,606	Valid

No	Item	Coefficient Correlation	Status
43	Foods product that attach halal label show its manufacturers aware of consumer rights especially Muslim consumers	0,539	Valid
44	Brand competitiveness can increase when labelled halal	0,363	Valid
45	To halal labelled brands, I rate them good	0,735	Valid
46	Halal labelled brands increase the confidence to buy	0,782	Valid
47	Halal labelled brand provides a positive image regarding the brand	0,689	Valid
48	Buying a halal labelled brands can express religious commitment	0,796	Valid
49	Halal labelled food products of local SME can be a distinguishing identity from unlawful products	0,804	Valid
50	Halal labelled food has more value than the product without the halal label	0,811	Valid

Table 4

The result of validity test of purchasing decision instruments shows all statements have correlation coefficient above the critical point 0,3, hence all items of statement stated valid.

No	Item	Coefficient Correlation	Status
1	When purchasing local SME food for the first time, I bought a reputable brand product	0,742	Valid
2	When buying local SME food for the first time, I always prioritize the halal	0,396	Valid
3	I chose to buy halal food of local SME when I was confused about which option I would buy	0,432	Valid
4	When purchasing local SME food for the first time, I choose a product that is unique in terms of both benefits and attributes.	0,641	Valid
5	I would buy local SME food products only if the product is popular in my community	0,552	Valid
6	I will no longer buy local SME food products if it is proven to contain haram	0,311	Valid
7	If I feel satisfied after trying local SME food products, I will buy them again on another occasion	0,540	Valid
8	I buy more local halal food products when there are not many product choices available	0,465	Valid
9	I will not hesitate to buy more local SME food products that I perceive or I look good	0,527	Valid
10	I will be loyal to buy SME food products that still keep its product halalness	0,679	Valid
11	I am committed to buying local SME food that cares about consumer rights	0,703	Valid
12	I am committed to keep buying local SME food that are clearly halal	0,629	Valid
13	I will stay away from products that are not halal or unclear halal status	0,364	Valid
14	I expect all SME food products sold in the market are halal	0,554	Valid

Table 5

Furthermore, reliability test performed to determine the reliability of research instruments. Invalid items were not opted into testing.

Variable	Cronbach's Alpha	Number of Item
Halal Label	0,930	20
Brand Image	0,893	14
Purchasing Decision	0,798	14

Table 6

The results indicate that 48 items of statement have met the criteria of consistency so that it can be used to measure the relevant variables. This is based on the overall value of Cronbach's Alpha of more than 0.5 as the limit of tolerance of reliability in several social studies (see Kerlinger & Lee, 2000 in Salman & Siddiqui, 2011). Cronbach's Alpha values are also more than 0.7 as a minimum requirement for reliability (Sekaran, 2003 in Wijaya, 2012).

4.2.3. Test of Classical Assumption

The test of classical assumption consists of multicollinearity, autocorrelation, heteroscedasticity, and normality test (Wijaya, 2012). Multicollinearity test is to determine whether there is correlation among independent variables in the regression model. The decision of multicollinearity on a given model is considered through Variance Inflation Factor (VIF) > 10. Based on the test result, VIF value is 2.938 or less than 10 with Tolerance value of 0.340, hence it can be concluded that there is no multicollinearity problem.

Then, autocorrelation test performed to determine whether there is a correlation between the confounding error in period t with $t-1$ on the regression model. Autocorrelation assessed using Durbin Watson test. The test result indicates Durbin Watson value of 1.988 or is in the range d value 1.55 - 2.46 which means there is no autocorrelation.

Next, heteroscedasticity test conducted to determine whether there is a change in residual variance from one to another observation. If the residual variance is not equal, then there is heteroscedasticity problem. The result of the heteroscedasticity test indicates the distribution of random points around the number 0 of the Y axis and does not form a clear pattern on the scatterplot, this result is reinforced by the Glejser test results showing Sig. (0,718 and 0,389) greater than alpha 5%, therefore it can be concluded that there is no heteroscedasticity problem.

And lastly, normality test conducted to determine whether the data for each variable normally distributed. Normality test results show bell-shaped curves on the histogram display, as well as the Normal PP Plot of Regression Standardized Residual graph shows the pattern of spreading the dots around and follows the direction of the diagonal line, this result is also strengthened by Kolmogorov-Smirnov test result that indicates the value of Asymp Sig. 0.781 is greater than alpha 0.05, hence it can be concluded the data are normally distributed.

4.2.4. Hypothesis Testing

The research hypothesis was tested using path analysis. Path analysis is an extended technique of regression analysis and is used to test the direct and indirect effect between exogenous (independent) variables and endogenous (dependent) variables (Supriyadi, 2013). Path analysis results are shown below in Table 7. The results indicate that the existence of halal label positively and significantly affect brand image with beta coefficient of 0.812 and significance level 0.000 at Alpha 5%. The determinant coefficient of halal label toward brand image is 66%, thus the remaining 34% influenced by other variables out of the model. Halal label also positively and significantly influence purchasing decision with a beta coefficient of 0.498 and a significance at 0.000. Therefore, the results of this analysis support hypotheses 1 and 2. Meanwhile, the effect of brand image on purchasing decisions is positive and insignificant, where the beta coefficient is 0.109 with significance level of 0.395 or greater than the Alpha 5%. Then, it can be concluded that these results reject hypothesis 3. The results also indicate the determinant coefficient (R^2) is 0.348, it means that the contribution of halal label and the brand image in influencing the variation of consumer's purchasing decision of 34.8% and the remaining 65.2% influenced by other variables out of the research model. Furthermore, the indirect effect of halal label on purchasing decisions is $0.812 \times 0.109 = 0.088$, it shows that halal label influences consumers' purchasing decisions through brand image of 0,088, although this effect is insignificant due to the beta coefficient of brand image toward purchasing decision is 0.109 at significance of 0.395.

Stage of Analysis	Parameter
Model 1 Independent Variable: Halal Label Dependent Variable: Brand Image	β Halal Label = 0.812 (standardized) $t = 15.121$ Sig. = 0.000 $R^2 = 0.660$
Model 2 Independent Variable: Halal Label and Brand Image Dependent Variable: Purchasing Decision	β Halal Label = 0.498 (standardized) t Halal Label = 3.891 Sig. Halal Label = 0.000 β Brand Image = 0.109 (standardized) t Brand Image = 0.854 Sig. Brand Image = 0.395 $F = 31.240$ Sig. $F = 0.000$ $R^2 = 0.348$
Indirect effect (IE) of halal label on purchasing decision through brand image	$IE = \beta$ Halal Label \times β Brand Image = $0.812 \times 0.109 = 0.088$

Table 7

The analysis results are illustrated in the following figure:

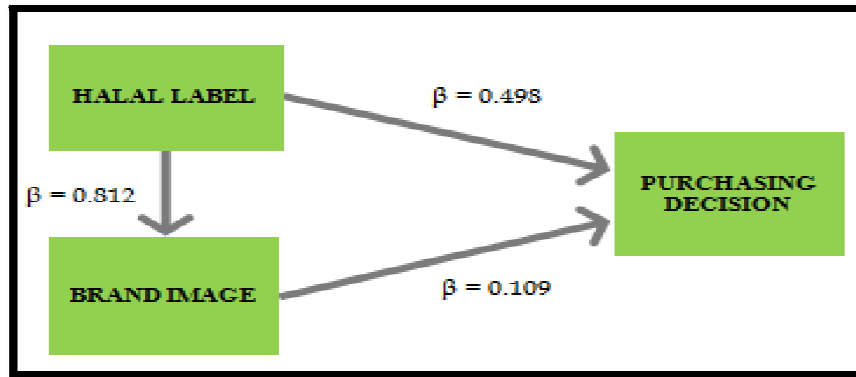


Figure 2

4.3. Discussion

The results show that betacoefficient of halal label on brand image is 0.812 at level of significance 0.000 or less than alpha 0.05, hence halal label has a positive and significant effect on brand image. This means that the more prominent the halal label attached/displayed by manufacturers, the more upraised will be the brand image. This is an important finding as an input to the design of marketing strategies when considering brand image variables in product campaigns such as for differentiation and/or positioning purposes especially in the research area. This finding confirms that halal label is valuable in marketing because it can help establish positive associations in the minds of consumers regarding local SME food products. This finding also confirms the statement of Zakaria (2008) that halal products are becoming acknowledged as a new standard for safety and quality assurance. The statement implicitly points to brand image that halal products are positively linked by consumers or marketing stakeholders as an eligible option. Brand image is very important in the modern marketing era because it can represent brand position and brand equity. The formation of a positive brand image in the minds of consumers will provide benefits for the company both in short and long term. In Kotler and Keller (2009) mentioned that a company can allow changes and/or strengthening of superior bargaining position in the market by changing its brand image completely. Proper brand image communication can create market position and protect the brand against competition (Oxenfeldt & Swann, 1964 in Park, Jaworski & MacInnis, 1986).

This finding can also be aligned with Ghazali's (2014) research result that a logo can help establish brand image, although the study focuses on the influence of the PT Pegadaian's logo. But the red thread lies in the ability of a logo to have an impact in marketing. The PT Pegadaian's logo as well as the halal label can serve as a medium of introduction to the public pertaining to the promises of products or services that may be accepted and/or perceived by consumers. Therefore, halal label as part of product attribute that has the capability of delivering message must be able to be utilized in such a way in effort to market local SME food products by manufacturers and/or marketers.

This finding can be significant for stakeholders, especially in relation to marketing tasks. Stakeholders should pay attention to halalness of product, as well as willing to do halal certification. Moreover, in the Draft of Government Regulation about Halal Product Assurance as a derivative of the Halal Product Warranty Act, each manufacturer is required to certify halal products marketed in Indonesia by 2019, so that any product claimed halal must be assessed and labelled halal by the authority. The consequence of that regulation is halal products will attach halal label on their packaging and/or product advertisement.

Until now, the halal-labelled products have not reached half of all products marketed in Indonesia. Based on the finding of the Research and Development Center of the Ministry of Religious Affairs, that the certified manufacturers (for halal status) amounted to much smaller than the existing manufactures in Indonesia (Republika, 2016). This can be utilized as a marketing opportunity by those who are aware of and understand the consumer rights by providing benefits through halal certification and attached halal label that can be accounted for so that it is expected to form positive brand image for their products.

The result also indicates that the beta coefficient of halal label on purchasing decision is 0.498 at significance level 0,000, hence the existence of halal label has a positive and significant effect on purchasing decision. This means that the more prominent the halal label displayed by manufacturers, the more increased will be the consumer's decision to buy their products. This finding confirms that halal label can facilitate respondents in their purchasing decision of local SME food products. Thus, halal label can be considered by manufacturers and/or marketers as a marketing instrument that can be employed to stimulate target market especially in the research area. Sangadji and Sopiah (2013) mentioned that an understanding of what affects consumers' decisions can provide marketers a knowledge on how to strategize and implement better marketing communications.

The result of this study is parallel to the conclusion of Zani, Deoranto and Efendi (2013) on halal label that affects consumers' purchasing decisions of food products, as found by Syahputra and Hamoraon (2013), too. It was also found that

some consumers make the existence of halal label as a reference when purchasing a product (KEMKOMINFO, 2014). However, the result of this study is not in accordance with the results of research done by Astogini, Wahyudin and Wulandari (2011) as well as Huda and Muchlisin (2014) in which they concluded that halal label is meaningless in influencing consumers' purchasing decisions.

The result also indicates the beta coefficient of brand image in relation to purchasing decision is 0.109 with significance of 0.395 or greater than Alpha 5%, hence brand image has a positive and insignificant effect on consumer's purchasing decision. It indicates that consumers' decision to buy local SME food products will not significantly increase, even if the manufacturer lifts their brand image. This finding may be specific to this study that may occur because there is no brand image of local SME food products that is predominantly formed in the minds of consumers so that it doesn't significantly affect their purchasing decisions.

5. Conclusion

5.1. Conclusion

The conclusions of this study: 1). halal label has a positive and significant effect on brand image reinforced by this research finding. The result shows a positive and significant effect with beta of 0.812 and Sig. 0.000, 2). halal label has a positive and significant effect on purchasing decision as evidenced by the research finding. The result shows a positive and significant effect with beta 0.498 and Sig. 0.000, and 3). Brand image has positive and significant effect on purchasing decision is not proven based on this research finding. The result shows that brand image has insignificant effect on purchasing decision with beta coefficient of 0.109 and Sig. 0.395 and, thereby, the indirect effect of halal label on consumers' purchasing decision through brand image is also insignificant.

5.2. Recommendation

Halal label may affect brand image; hence the manufacturers and/or marketers of processed food products of local SMEs may consider this aspect in communicating their products to build, strengthen, develop, or remind the image to consumers. Halal label can also influence consumers' purchasing decisions, thus halal label can be used as marketing stimulus to the target market. Amongst the holistic marketing sections is the dimensions of sales, and sales will not exist without the consumer's decision to buy. The purchasing decisions of target consumers need to be aroused by specific instruments through various means of communication, one such as the halal label found to contribute to the variability of purchasing decisions. Accordingly, halal label can be featured in product campaign activities such as publications, advertisements, direct sales, online sales, etc.. Local SMEs in the field of food can consider the findings of this research as an opportunity. The gap between existing products and halal certified products is still quite wide. Thus, if they able to attend as a pioneer of halal in particular product categories can give them benefits. As for SMEs with limited financial resources should be assisted or facilitated by the government and/or the authorized institutions to obtain halal certificates because one of the SMEs constraints in certifying their products is lack of money for certification costs. The authorities also need to intensively socialize about the halal urgency and halal production management training for manufacturers (SMEs) because besides being important to produce halal products, such proactive actions can also support the halal tourism that currently being developed in the region. In addition, it is also necessary to educate the public to be aware of the importance of consuming halal products and being cautious of products consumed, such as through public service advertising.

5.3. Limitations and Need for Further Research

This study has several limitations that can be considered for future research. This research does not delineate the unaccountable halal labels so that future research can consider this aspect. In addition, this study does not examine the capabilities of halal labels in bringing either financial or non-financial benefits such as brand strength through established brand image; and future research can also examine the effect of halal label on other brand aspects such as brand trust or brand loyalty. This study also does not examine perceptual differences regarding the original halal label with the illegal (unilateral claims of manufacturer without certification procedures) and pertaining to public awareness toward halal products consumption. Future research may also consider other or wider range of research areas, such as West Lombok, Central Lombok, East Lombok, North Lombok, Sumbawa, Dompu, Bima, etc. to delineate the market reaction comprehensively.

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