

ANALYSIS OF HALAL LABELLING TOWARDS PURCHASE QUANTITY AND CONSUMER SATISFACTION IN MAOMAO (THAI TEA)

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ABSTRACT

The development of halal industry is growing rapidly in various sectors so that it becomes a trend of human lifestyle throughout the world. Maomao (Thai Tea) is one of the UMKM that has not been certified as halal, which sells beverage products made from raw tea of Thailand that is rife among the public and is able to spread outlets quickly and broadly in the three regions of Cirebon. In this, case it is interesting to study consumer awareness of halal labels on food and beverages. The research conducted by the author aims to determine the effect of halal labeling on the quantity of purchase and customer satisfaction at Maomao UMKM in Cirebon City. The author uses research methods with a qualitative approach and descriptive analysis as well as approaches from various sources of literature, such as books, journals, reports, and previous reports on research outcomes. Based on the research carried out, according to the author's analysis halal labeling on Maomao (Thai Tea) does not affect the level of purchase and customer satisfaction. Because the majority of consumers have believed that Maomao (Thai Tea) has guaranteed halal for the product. This is known from the ingredients in producing Maomao (Thai Tea) (although for the Maomao brand itself has not been certified as halal) and hygienic manufacturing procedure. Through this paper, it is expected that the government or related parties to facilitate the process of halal certification, so that the businessmen prioritize halal labels on their products.

Keywords: Halal Labelling; UMKM; Purchase Quantity; Consumer Satisfaction;

INTRODUCTION

The halal industry has experienced rapid development in recent years. Halal lifestyle which is identical to Muslims spreads to various countries, even to countries with minority Muslim populations. Halal is a universal indicator for guaranteeing product quality and living standards (Gillani, Ijaz, and Khan, 2016). Halal is usually only associated with material things. However, halal in Islam includes actions and work or commonly referred to as Muamalah (Qardhawi, 1993).

The halal industry has experienced rapid development in several sectors including halal food, finance, travel, *fashion*, cosmetics and medicine, media and entertainment, as well as other sectors such as *healthcare* and education. *The State of Global Islamic Economy's report 2016/2017* by Thomson Reuters, in table 1, shows the total revenue obtained by each sector in 2015 along with the projected income in 2021. From the results of a survey conducted by the Organisation of Islamic Cooperation (OKI) in 76 countries, shows that the financial and halal food sectors are at the forefront compared to the contribution of other sectors. With a potential income of \$ 1.9 Trillion in 2021.

Of all sectors, Indonesia ranks 10th as the most incessant country in developing the halal industry. Indonesia in a survey conducted by the *State of the Islamic Economics Report 2018/2019* from the halal food sector is not part of the top 10 countries. The country of Indonesia is a country with the largest Muslim population in the world. Based on data reported by *The Pew Forum on Religion Public Life*, adherents of Islam in Indonesia amounted to 209.1 million people or 87.2 percent of the total population. That number represents 13.1 percent of all Muslims in the world. Yet, the level of public and government awareness is still low in developing the halal food industry in Indonesia. It is evident that Indonesia is not included in the *10 Top Countries* in the Development of Halal Food.

Even though Indonesia is not yet a country that takes the largest share in the development of the halal food industry in the world, however, it can optimize efforts to develop the halal food and beverage industry by involving the community. One of the real sectors that can be empowered to increase the development of halal food and beverage sales is the *Usaha Mikro*

Kecil Menengah (UMKM) or Micro, Small, and Medium Business scale. UMKM is a productive business unit that stands alone, which is carried out by individuals or business entities in all economic sectors (Tambunan, 2017). The existence of UMKM is exceedingly helpful in the welfare of the community because through UMKM it will be able to increase community income, a forum that will increase people's creativity and reduce unemployment. In practice, UMKM experience several obstacles such as marketing, capital, and halal product labeling.

Maomao is one of UMKM in Cirebon that sells Thai Tea beverage products. At the present time, Thai Tea is becoming a trend among folk especially the people of the city in Cirebon. Nevertheless, the absence of halal certificates on Thai Tea products makes the authors curious regarding the legality of the products (halal) because of the widespread distribution of Maomao's outlets in the three regions of Cirebon, in addition regarding consumer behavior which is consumptive towards Thai Tea products, signifying the inconsistency between the importance of halal labeling on consumption levels.

RESEARCH METHODS

Data Collection Techniques

Data collection techniques in this research are to use a qualitative approach. Data collection methods used are (1) Interview; Interviews in this data collection were conducted between authors and the Manager of Maomao (Thai Tea) UMKM and also the interview between authors and Maomao consumers. Through this method, it will be obtained in detail related to the effect of halal labels on the level of purchase and consumer satisfaction at the UMKM's studied. (2) Documentation; Data in this paper was also obtained from the documentation of observations and interviews related to the things studied. (3) Literature Study; Data collection in this writing is also carried out by finding references from books, journals, articles, and data related to the object under study.

Data Analysis

analysis in this writing uses a descriptive analysis method, which is explained about the facts of objects that have been obtained. After the data has been analyzed, it then interprets the results of the analysis which can then be drawn conclusions and can provide answers to each problem statement.

RESULT AND DISCUSSION

Halal Food and Beverage

Food and drink is a basic requirement in human life. Only with food and drink cells in our body will be formed so that our bodies can grow normally. If someone lacks food or drink, the body will feel weak and can cause illness. (Suryana & Nurhakim, 2012)

Halal food and drink is food that is permitted for Muslims to eat. The types of food include the following: (Suryana & Nurhakim, 2012)

1. foods derived from other than animals

foods derived from other than animals are foods derived from plants, fruits, tubers, objects (bread, cakes, and so forth), in the form of liquids (water in all its forms) or processed and packaged foods in factories.

2. food derived from animals

animals, if viewed from a place of habitation there are two kinds, namely land animals and aquatic animals. Land animals are also divided into two kinds, namely tame animals and wild animals. The shape of the animal with both kinds is halal except that is forbidden by the Shari'a. There are several kinds of land animals that are forbidden in the Qur'an. Among them are pigs, carcasses, and animals slaughtered not in the name of Allah. Blood is also an object or part of the human body and animals that are forbidden to consume. Meaning: "Forbidden to you (eat) carcasses, blood, pork, and (meat) animals slaughtered not in the name of Allah." (Surat al-Maidah: 3)

UMKM

Usaha Mikro Kecil Menengah (UMKM) or Micro, Small and Medium Business scale are productive business units that are independent, which are carried out by individuals or business entities in all economic sectors. In Indonesia, the definition of UMKM is regulated in the Law of the Republic of Indonesia Number 20 of 2008 concerning UMKM. In Chapter I (General Provisions), Article I of the Act, it is stated that UMI is a productive business owned by an individual and/ or an individual business entity that meets the UMI criteria as regulated in the Law. UK is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or non-branch companies that are owned, controlled,

or become a part either directly or indirectly of UM or UB that meet the UK criteria as referred to in The law. Whereas UMKM are productive economic businesses that stand-alone, which are carried out by individuals or business entities that are not subsidiaries or non-branch companies that are owned, controlled, or become part, either directly or indirectly from UMI, UK, UB that meet the criteria UM as referred to the Act. (Tambunan, 2017)

Halal Products

1. Regulation of Halal Products

In the Law of the Republic of Indonesia Number 33 Year 2014 Regarding Halal Product Guarantees, what is meant by products are goods and/ or services related to food, beverages, medicines, cosmetics, chemical products, biological products, genetic engineering products, as well as things that are used, or utilized by the community. Then what is meant by Halal Products is products that have been declared halal in accordance with Islamic law.

Halal Product Process, hereinafter abbreviated as PPH, is a series of activities to guarantee the halal status of the product including the supply of materials, processing, storage, packaging, distribution, sale, and product presentation.

2. Procedures for Obtaining a Halal Certificate

To obtain a Halal Certificate, things must be done is to make an Application for a Halal Certificate submitted by a Business Actor in writing to the BPJHP. Requests for Halal Certificates must be accompanied by documents: (UU RI No.33 of 2014. Chapter 4 Article 29)

Then, the Halal Product Guarantee Agency (BPJHP) establishes a Halal Examining Agency (LPH) in charge of carrying out inspection and/ or testing of halal activities as well as product. The determination of LPH is done within a maximum period of 5 (five) working days from the date the application document is declared complete. (UU RI No.33 of 2014. Chapter 4 Article 30)

- a. Businessman Data;
- b. Product name and type;
- c. List of Products and Materials used; and
- d. Product processing The

Inspection and/ or product halal testing is carried out by the Halal Auditor. The product inspection is completed at the business location during the production process. In the case of product inspection, there is a substance that is doubtful of its halal nature, it can be tested in a laboratory. In carrying out the inspection at the business location, Businessmen must provide information to Halal Auditor. (UU RI No.33 of 2014. Chapter 4 Article 31)

LPH submits examination results and/or product halal testing to BPJPH. BPJPH submits the results of the inspection and/or testing of product halal to MUI to obtain the determination of Product halal. (RI Law No.33 of 2014. Chapter 4 Article 32).

The determination of the halal product is carried out by MUI in the Halal Fatwa Session. MUI Halal Fatwa Session includes experts, elements of ministries/institutions, and/or related agencies. Halal Fatwa Session shall decide the halal of the Product no later than 30 (thirty) working days after the MUI receives the results of the examination and/or product testing from BPJPH. The decision on the Determination of Halal Products is signed by MU and then submitted to BPJPH to be the basis for the issuance of Halal Certificates. (UU RI No.33 of 2014. Chapter 4 Article 33).

In the case of the Halal Fatwa Session, stipulating halal on the Product being applied for by the Businessmen, BPJPH issues the Halal Certificate. However, if at the Halal Fatwa Session, there is a product that is declared as not halal, then BPJPH returns the application for Halal Certificate to Businessmen accompanied by reasons. (UU RI No.33 of 2014. Chapter 4 Article 34).

Halal Certificate issued by BPJPH no later than 7 (seven) working days from the decision on the halal product received from MUI. The issuance of halal certificates must be published by BPJPH. (UU RI No.33 of 2014. Chapter 4 Article 35 and Article 36).

BPJPH establishes a form of Halal Label that applies nationally. Businessmen who have obtained Halal Certificates must include Halal Labels on: (UU RI No.33 of 2014. Chapter 4 Article 37 and Article 38).

- a. Product Packaging
- b. Certain parts of the product; and/or
- c. Certain places on the Product.

The inclusion of Halal Label must be easy to see and read and not easily deleted, removed, and tampered. Further provisions regarding Halal Label are regulated in Ministerial Regulation. (UU RI No.33 of 2014. Chapter 4 Article 39 and Article 40).

Businessmen who include Halal Labels that do not comply with the provisions of Article 38 and Article 39, will be subjected to administrative sanctions in the form of : (UU RI No.33 of 2014. Chapter 4 Article 41).

- a. Verbal reprimands;
- b. Written warning; or
- c. Revocation of Halal Certification.

Renewal of the Halal Certificate is valid for 4 (four) years since it was issued by BPJPH unless there is a change in the composition of the ingredients. This Halal Certificate must be extended by Businessmen by submitting a Halal Certificate renewal at the latest 3 (three) months before the Halal Certificate validity period ends. Every person involved in administering the BPJPH process must maintain the confidentiality of the formula contained in the information submitted by the Businessmen. (UU RI No.33 of 2014. Chapter 4 Article 42 and Article 43).

The Halal Certification Fee is charged to Businessmen who apply for Halal Certificates. In the case of Businessman is a Micro, Small, and Medium Business scale, the cost of Halal Certification is facilitated by another party. (UU RI No.33 of 2014. Chapter 4 Article 44).

3. Benefits of Halal Certificates on a Product

The existence of halal certification on a product certainly has benefits for the people. The benefits of halal certification according to Musyfikah Ilyas: (Ilyas, 2017)

- a. Protection of Muslims in carrying out their religion's rules.
- b. Give justice.
- c. Health.
- d. Legal certainty as a citizen.

In addition to the benefits above, the authors argue that the existence of halal certification on a product can optimize sales because of the halal label, consumers increasingly believe in cleanliness, safety, and quality of products sold.

Consumer's Interest on Purchasing

Buying interest is the possibility that consumers will make a purchase by finding information from various sources (Wahyono, 2016). Consumers will find information about products, brands, or stores from various sources such as newspapers, magazines, radio, the internet (social media), and television. (Sumarwan, 2011). According to Nulufi & Murwatiningsing, quoted by (Wahyono, 2016), consumers who already have a positive perspective towards a product or brand, will arouse interest in purchasing the product or brand.

From the explanation above, it can be concluded that buying interest is the desire of consumers to buy a product that is valued as a necessity. So consumers find information about the product they are interested in through various sources as a consideration before making a purchase.

Consumer Satisfaction

Satisfaction or dissatisfaction is a feeling of contented or disappointed by someone who comes from the comparison between his impression of the real/actual product performance with the expected product performance. The word *satisfaction* comes from the Latin *satis* (meaning pretty good, adequate) and *facio* (doing or making). In simple satisfaction can be interpreted as an effort to fulfil something or make something adequate (Tjiptono, 2014)

Consumer satisfaction states that satisfaction and dissatisfaction are the consumer's response to the evaluation of conformity (*disconfirmation*) felt between previous expectations (other performance norms) with the actual performance of the product felt after its used. (Arif, 2012).

Customer satisfaction is formed by the perception of the value of offers and expectations, customers who are very satisfied or happy will have an emotional bond and have high loyalty to the brand. The creation of customer satisfaction can provide several benefits, including the relationship between the company and the customer being harmonious, providing a good basis for repeat purchases. (Tjiptono, 2015)

According to Kotler (2005) in the book (Etta Mamang Sangadji, 2013), satisfaction measures how far a product level is perceived according to buyer expectations. Consumer satisfaction is defined as a condition in which consumer expectations of a product are in accordance with the reality received by consumers. If the product is far below expectations, consumers will be disappointed. Conversely, if the product meets expectations, consumers will be satisfied. Consumer expectations can be known from their own experiences when using these products, information from other people, and information obtained from other advertisements or promotions. Consumer satisfaction is also measured by how much consumer expectations about products and services that are in accordance with the actual performance of products and services. Consumer satisfaction is a feeling of pleasure or disappointment that arises after comparing perceptions or impressions with the performance of a product and its expectations.

Maomao (Thai Tea) UMKM Towards The Requirements of Halal Labelling

According to Agus Nurrahman Shiddiq as Manager of the Maomao UMKM branch office in the three regions of Cirebon, said Maomao was indeed does not have the halal label, because halal labeling could be traced back to the rules of labeling of the Home Industry Food (PIRT), as the understanding of Agus regarding halal labeling that food products that have a resistance under 24 hours or fast food without the presence of PIRT can also be directly sold because the most important thing is seen from ingredients, health, and hygiene. For Maomao UMKM that sells Thai Tea products themselves the ingredients used are ingredients that have halal labels such as Thai tea, sugar, milk, cream, and water which are also used from certified refill. For manufacturing and packaging also uses tools and materials that are clean and hygienic.

Halal labeling is obviously an obligation for the product owner plus the producer also sees the market share that is the segmentation, 95 percent of the market segment is Muslim. Maomao's UMKM wants to label the *brand of* Maomao with the halal statements, although it is clear that without labeling it is already halal because it looks at the halal, safe, and hygienic ingredients, processes and packaging. But it would feel different if the *brand* Maomao itself put the halal label. Besides, Agus also said that today Indonesia has become orientation for *halal lifestyle*, both from *fashion*, cosmetics, travel, and food. Every UMKM in a city should have a halal label on its products, especially food. Food is the first spotlight because the majority of the population is Muslim and the halal label itself can guarantee the quality of the products sold so

that sales can be easily spread, whether in *supermarkets*, *minimarkets*, and gift shops. Indeed, what the government has done in this thing is very well for encouraging producers, businessmen, and UMKM to register their products that possess the halal label. Agus also said that businessmen must have a good understanding of halal product labeling because foods that have a halal label are definitely good but good food is not certainly halal.

Consumers of Maomao (Thai Tea) UMKM

Based on interviews with various consumers regarding Thai Tea UMKM that does not possess the halal label, it is important to pay attention to halal labels in purchasing of food or beverage products and strongly agree that all food and beverage products require to possess the halal label in order to eliminate doubts to the halal status of a food and beverage products. There are some consumers who really do not pay much attention to halal labeling, because they only enjoy the taste, affordable prices, and trends among consumers. Consumers do need labels in the era of sharia, so consumers will decide to buy or not when there is a halal label. Not only halal labels are considered, but the whole must be halal.

According to Mario, a student in Cirebon said that he pays attention to the halal label on food and beverage products that he consumes because the halal label affects the attractiveness of consumers and agrees if all food and beverage products must be given the halal label. Mario bought Maomao Thai Tea because of a recommendation from a friend and Maomao's price was not a problem for Mario. Attractive packaging, good taste, good service are also the reasons Mario to buy Maomao. He did not doubt the halal nature of Maomao because Mario was sure every businessman wanted to maintain the reputation of his business so that it was always well valued by the community, and Maomao was certainly halal because the majority of buyers were Muslim and the seller was also Muslim.

According to Fikri Oktavia, a woman who works as a *Tour Guide* and has visited various countries, one of them is the country of origin of Thai Tea, namely Thailand, not all food and beverage products require to possess the halal label because both products have universal characteristics, only certain products which need to have a halal label in accordance with Islamic law. Via said she really liked Thai Tea since the first time she bought it in Thailand. The taste of the product is the main reason she buys Thai Tea, compared to its price and or packaging. But

she also paid attention to the halal label when buying food and drinks because to find out the feasibility and safety identity of the product.

Other interviewees such as Maeyasih, who is a college student, also pay attention to the halal label on food and beverage she buys. Because there is a suggestion for Islam to eat halal food and halal drinks. She also agreed if all food and beverage products are given the halal label, particularly on each component that is the ingredient of a product. Maeyasih did not buy Thai Tea based on a recommendation from a friend or because the price was affordable, as well as the attractive packaging, but because basically she liked the drink which was made from tea. She is more concerned with taste and does not hesitate when going to buy Thai Tea, rather than making sure it has the halal label or not on a Thai Tea product. Because according to her, the tea which is an ingredient or flavor here is clearly halal.

Alvian Hamzah, who is an employee, does not pay much attention to the halal label on the food and drinks he will buy. He was interested and did not feel hesitant to buy Thai Tea because he saw plentiful Muslim buyers on the outlet. This shows that Thai Tea is guaranteed it's halal as well as tastes good. Both of these factors influenced his decision to buy Thai Tea. Alvian was pleased with the service provided when buying Thai Tea because according to what Alvian saw, cleanliness was maintained and the servants wore *hand clove*.

According to Mrs. Ria as a Housewife revealed that she did not pay too much attention to the halal label on food or beverage products that she consumed because many products were not listed as halal, yet Ms. Ria agreed if all food and beverage products were labeled halal since she was a Muslim, in order to make clear and can distinguish between halal and non-halal products. In purchasing Maomao, Mrs. Ria did not get a recommendation from anyone and bought Maomao Thai Tea because she merely wanted to try comparing to its prices and taste. Maomao's packaging is attractive and according to Ms. Ria, the perception of a halal product is more important than the taste as well as being convinced that the Maomao Thai Tea product is halal.

According to Diana, an Employee of a Company, that it is very important to put the information as halal labels on the products consumed because if there is no halal label on a product, there are doubts about the halal status of a product and it is feared that it will have a negative impact. Diana strongly agreed that all food and beverage products are must possess a halal label. Diana bought Maomao Thai Tea because she was interested and curious about the

taste. Affordable prices and neat Maomao packaging made Diana interested in buying the product also regarding the absence of the halal label on the Thai Tea products she asked before buying. Diana was a little hesitant about Thai Tea products because she heard that the tea came from Thailand. The service provided is quite good, Diana believes that the Thai Tea she bought is halal because she is familiar with the seller who is also a Muslim and the promotions offered are attractive making Diana interested in buying Thai Tea.

Analysis of Halal Labels on Purchase Levels and Consumer Satisfaction

From the results of interviews conducted, then it can be concluded that the response of the community to the halal label still does not pay attention to the importance of halal labels on food or beverage products, but the community responds well when all food and beverage products can be given the halal label. As for the level of consumer purchases of tea drinks from Thailand or commonly known as Thai Tea (Maomao) is not influenced by the halal label because consumers believe that Thai Tea (Maomao), which is becoming a trend nowadays is halal. The majority of people's buying interest is because they are curious about the taste of the Thai Tea and are also influenced by the recommendations of their friends. While overall customer satisfaction based on the results of the interview is influenced by the taste, price, and services provided by the Maomao UMKM.

CONCLUSION

Based on the results of research on Thai Tea (Maomao) on the necessity of labeling the conclusion is drawn, that for beverage products such as Maomao which is as fast food and cannot stand up to 24 hours it is no problem if it has no halal label. However, Agus supports the existence of a halal label on Thai Tea (Maomao) products, which later have to get a decision from the *owner* in the central office who has more authority about it. Regulation on the provision of PIRT and halal labeling for a product is really needed by businesses considering that Indonesia is currently developing the industrial sector so that it becomes the center of the *halal lifestyle of the world*, halal labeling is used for product development and quality assurance or the quality of products to be consumed. the regulatory process that takes a long time and requires a quite huge nominal, makes the mindset of business people prioritize sales first while the

ingredients, as well as product manufacturing processes, are clearly halal, safety and cleanliness even though the *brand* product itself has not the halal label.

The community does not pay too much attention to the halal status of a product, yet regarding the labeling of halal-certified LPPOM MUI to all food and beverage products, the community responds well to this. halal labeling food and beverage products sold does not affect purchasing decisions and customer satisfaction, since the taste, price, and good service are factors that are the reasons for consumers to buy Maomao products.

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