



The Effect of Halal Awareness and Halal Labels on Consumer Preferences in Shopee E-Commerce: Case Study of Shopee Users in Belawan Sicanang Village

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Abstract

This study aims to understand the impact of Halal Awareness and Halal Label on Consumer Preferences in the Shopee E-commerce Platform: A Case Study of Shopee Users in the Belawan Sicanang District. The research employs a quantitative approach. Data collection was conducted by distributing questionnaires and using a Likert scale to measure respondents' responses. The study involved 94 respondents selected through purposive sampling. Multiple regression analysis was used for data analysis using SPSS version 26.

Introduction

The rapid development of technology has impacted various aspects of life, including the way consumers shop, who are increasingly switching from conventional methods to digital platforms. The evolution of the times followed by technological advances has led to the demand for a practical and instant lifestyle. Transactions that previously involved face-to-face meetings between sellers and buyers are no longer required. The combination of technology and the internet has facilitated transactions through Electronic Commerce (e-commerce) services or online shopping platforms (Wibasuri et al., 2020; Full Moon & Princess, 2021; Widharma et al., 2023).

Residents in big cities, including in Belawan Sicanang Village, Medan City, have now integrated e-commerce into their lifestyles. The consumptive behavior of tens of millions of middle-class individuals in Indonesia is a factor driving the growth of e-commerce in the country. E-commerce continues to grow rapidly since the internet began to be widely used for business activities. Therefore, the significant advantages of e-commerce compared to conventional transactions have made it a new lifestyle. Given the rapid advancement of technology, it has also affected the global and domestic economy. It is not only the conventional economy that is experiencing development, but also the sharia-based economy (Nurbaiti, 2019; Arnanda & Hasanah, 2023; Aprilliani & Hasanah, 2022).

Based on data from The Royal Islamic Strategic Studies (RISSC), Indonesia has one of the largest Muslim populations in the world. In 2023, the Muslim population in Indonesia is expected to reach around 240.62 million people. Since the majority of Indonesia's population is Muslim, public awareness of Islamic principles in business transactions has always been high. This has led to a significant increase in Indonesian people's interest in halal products and the use of halal labels, especially from 2016 to 2019. Factors such as high religious aspects, consumer awareness, growing markets, and promotion of halal products have contributed to increased public interest in halal products (Annur, 2023; Nasution & Silalahi, 2022).

The Qur'an instructs Muslims to consume or obtain halal products and avoid products that are haram. It is found in the Qur'an, Sura Al-Baqarah: 168. The verse implies that Muslims are instructed to consume halal products. Products that are considered halal are not only limited to the halal label, but also include production, process, or presentation in accordance with Islamic principles. This is a great potential in supporting the growth of the Islamic economy in Indonesia (Masruroh & Rafikasari, 2022).

Shopee, as a leading e-commerce platform in Indonesia, recognizes the huge potential and interest of Indonesia's sharia market, including in Belawan Sicanang Village, Medan City. They responded by launching a special feature called Shopee Barokah. This feature provides special purchases of halal products and transactions in accordance with Islamic principles (Alamin et al., 2023; Faiza et al., 2022).

The majority of residents in Belawan Sicanang Village, located in Medan City, North Sumatra Province, are Muslims. Shopee Barokah provides a new online shopping experience in accordance with Islamic principles for the Muslim community. However, in reality, many users in Belawan Sicanang are not aware of the existence of the Shopee Barokah feature in the Shopee application. This may be due to the lack of awareness of Shopee users in Belawan Sicanang about features specifically designed to meet the needs of Muslim consumers (Ivanisa, 2023).

Research conducted by shows that halal awareness has a significant influence on buying interest. Research by shows that halal awareness has a significant effect on product purchasing decisions at Shopee. Meanwhile, research by shows that halal labels do not have a significant effect on the buying interest of halal cosmetics (Hamdani et al., 2021; Juliana et al., 2022); Suryowati & Nurhasanah, 2020).

In this situation, research on the influence of halal awareness and halal labels on consumer preferences to shop on Shopee's e-commerce platform is becoming increasingly important. This is because consumer preferences have a significant impact on their purchasing decisions. Therefore, this study aims to determine "The Effect of Halal Awareness and Halal Labels on Consumer Preferences in Shopee E-commerce in Belawan Sicanang Village" (Saputri, 2020).

Halal awareness is defined as the condition or method of obtaining information about a product before buying and consuming it. Halal awareness is characterized by a Muslim's understanding of the concept of halal, understanding the slaughter process in accordance with sharia law, and prioritizing the consumption of halal food. Halal awareness is an important determining factor in the intention to choose certain products. The higher consumers' understanding of the halal concept, the more careful they are in buying and consuming food or beverages that are generally in the community. From this understanding, halal awareness can be interpreted as the level of understanding of Muslim consumers about the concept of halal, the halal process, and preferences towards the consumption of halal products or foods (Aprilliani & Hasanah, 2022; Septiani & Ridlwan, 2020; Tamara, 2021).

A halal label is a sign or written proof that guarantees that a product has met halal standards by displaying the word "Halal" in Arabic, as well as other official letters and codes issued by the Minister of Religious Affairs. In Government Regulation Number 69 of 1999, halal labels and food advertisements refer to all information contained in the form of images, writing, or a combination of both, which is placed inside, affixed to, or is part of the packaging of food products. According to the provisions of Article 10 Article 9 in the regulation, every individual who produces and packages food to be distributed throughout Indonesia and declares that the food is halal for Muslims must be responsible for the truth of the statement, They are also

obliged to include information about halal on product labels. Based on this definition, it can be interpreted that the halal label is a sign of halal a product (Suryowati & Nurhasanah, 2020; Islah, 2022).

In the Great Indonesian modern Dictionary, Preference means choice, liking, giving preference to a particular behavior towards someone who registers. However, according to the Great Dictionary of Indonesian, Preference is a choice, tendency, privilege or right to give precedence over others. Based on this definition, consumer preference can be interpreted as a condition that expresses a person's liking or choice for a product compared to other types and results from consumer perception of the product. Consumer preferences can also be interpreted as values that consumers pay attention to in determining product choices (Susman, 2017).

Methods

This research was conducted using quantitative descriptive methods. This approach combines a mixed systems approach with data collected from primary and secondary sources. The main data was obtained from questionnaire surveys distributed and assessed using the Likert scale. The sampling technique used is purposive sampling. This study aims to determine the influence of halal awareness and halal labels on Shopee e-commerce consumer preferences in Belawan Sicanang Village. Therefore, respondents were selected from among Shopee users who shop online the least, especially in Shopee e-commerce.

The population in Belawan Sicanang Village, Medan City in 2022 is 17,775 people. The population used in this study is the community of Shopee users in Belawan Sicanang Village, Medan City, which amounted to 1,440 people. In determining the sample, statistical calculations, in particular the Slovin formula, with an accuracy threshold of 10%, are used, as described below.

$$n = N / (1 + (N \times e^2))$$

Information:

n = sample size

N = population size

e = fault tolerance limit

Based on the Slovin Formula, the number of research samples is as follows:

$$n = 1,440 / (1 + (1,440 \times 102))$$

$$n = 1,440 / (1 + (1,440 \times 0.01))$$

$$n = 1,440 / 15.4$$

$$n = 93.50$$

Based on this formula, n is 93.50 rounded to 94 samples, so researchers should take a sample of at least 94 people in this study. In analyzing the information, researchers used SPSS version 26 and multiple linear regression techniques.

Table 1. Research Variables

Variable	Indicators
Halal Awareness	Understanding of halal principles
	Awareness of the benefits of halal products
	Religious obligations

	Attitude towards non-halal products
Label Halal	Introduction of halal label
	Use of halal label
	Trust in halal labels
	Purchasing preferences
Consumer Preferences	Values that matter to consumers
	Information search
	Consumption decisions
	Post-consumption behavior

Result and Discussion

Normality Test

The Kolmogorov-Smirnov statistical test is used to evaluate normality at the level of significance. The normality test results show that data with normal distribution show considerable values above 5% and 0.05, while data with abnormal distribution show significant values below 5% and 0.05. These values are shown in Research Table 2.

Table 2. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		94
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.66080596
Most Extreme Differences	Absolute	.100
	Positive	.100
	Negative	-.098
Test Statistics		.100
Asymp. Sig. (2-tailed)		.020 ^c
Exact Sig. (2-tailed)		.280
Point Probability		.000
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

With a Kolmogorov-Smirnov exact point value of 0.280, which is greater than 0.05, the threshold of significance is greater than $\alpha = 5\%$, which is assumed to be 0.05. It is assumed that each variable used in the analysis has a normal data distribution. Researchers use the Exact P Values approach to test normality, because the data taken is more suitable using that approach than the Asymptotic P Values approach and in accordance with the references / guidelines used by researchers.

Multiple Linear Regression Test

The study will use the correlation hypothesis between the two variables with linear regression analysis aided by a statistical analysis program known as SPSS.

Table 3. Multiple Linear Regression Test Results

Coefficients ^a						
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.851	1.551		1.838	.069
	Halal Awareness	.147	.075	.165	1.964	.053
	Label Halal	.709	.089	.671	7.988	.000
a. Dependent Variable: Consumer Preferences						

Based on the flea linear regression test in table 2 earlier, the following regression was obtained:

$$Y = 2.851 + 0.147 (X1) + 0.709 (X2) + e$$

The preceding equation can be interpreted as follows: (a) A constant value of 2.851 indicates a positive number indicating a unidirectional influence between the dependent and independent variables. This shows that if the dependent variable Halal Awareness and Halal Label are 0 or unchanged, then the Consumer Preference variable (Y) will be 2.851; (b) The value of the Halal Awareness Coefficient (X1) is 0.147 which is positive, showing a unidirectional relationship between halal awareness variables and consumer preferences. This implies that if the Halal Awareness variable (X1) increases by 1 point, then the Consumer Preference variable (Y) will increase by 0.147 or 14.7%, assuming the other variables remain or do not change; (c) The value of the Halal Label Coefficient (X2) is 0.709 which is positive, indicating a unidirectional relationship between halal label variables and consumer preferences. This indicates that if the Halal Label variable (X2) increases by 1 point, then the Consumer Preference variable (Y) will increase by 0.709 or 70.9%, assuming the other variables remain or do not change.

Test Coefficient of Determination (R²)

This test aims to determine how much influence is given by the variables Halal Awareness (X1) and Halal Label (X2) on the Consumer Preference Variable (Y). Here are the test results:

Table 4. Test Results of Coefficient of Determination (R²)

Model Summary ^b				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.786a	.618	.610	1.679
a. Predictors: (Constant), Halal Label, Halal Awareness				
b. Dependent Variable: Consumer Preferences				

Based on the calculations shown in Table 3 above, it is known that the value of the determinant coefficient or R Square is 0.618 or 61.8%. This R Square value of 0.618 comes from the square of the value of the correlation coefficient or "R", which is $0.786 \times 0.786 = 0.618$. The magnitude of the coefficient of determination (R Square) is 0.618 or 61.8%. The figure shows that the variables Halal Awareness (X1) and Halal Label (X2) simultaneously (together) affect the variable Consumer Preference (Y) by 61.8%. While the rest ($100\% - 61.8\% = 38.2\%$) are influenced by other variables outside this regression equation or variables that are not studied.

Partial Test (Test t)

The t test is used to determine whether or not there is a partial (individual) influence given by the independent variables Halal Awareness (X1) and Halal Label (X2) on the dependent variable Consumer Preference (Y). Here are the results of the t:

Table 5. Test Results t

Coefficients ^a						
Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.851	1.551		1.838	.069
	Halal Awareness	.147	.075	.165	1.964	.053
	Label Halal	.709	.089	.671	7.988	.000
a. Dependent Variable: Consumer Preferences						

The halal awareness variable (X1) based on data analysis, especially partial t test results, illustrates that X1 affects consumer preferences (Y) with a calculated t value of 1.964 < a table t value of 1.986, and a significance value of 0.053 > 0.05. That is, the halal awareness variable has no effect and is not significant on consumer preferences on Shopee e-commerce.

The calculated t value of 7.988 > the table t value of 1.986, and the significance value of 0 < 0.05 indicate that the halal label variable (X2) has an influence on consumer preferences (Y), which is supported by data analysis, especially partial t test results. As a result, the halal label is very influential and significant on consumer preferences on Shopee e-commerce.

Simultaneous Test (Test F)

Test f is used to determine whether or not there is a simultaneous influence (together) given by the independent variables Halal Awareness (X1) and Halal Label (X2) on the dependent variable Consumer Preference (Y). Here are the results of the f test:

Table 6. Test F

ANOVA ^a						
Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	414.970	2	207.485	73.605	.000b
	Residuals	256.520	91	2.819		
	Total	671.489	93			
a. Dependent Variable: Consumer Preferences						
b. Predictors: (Constant), Halal Label, Halal Awareness						

Based on Table 5 above, the calculated F value is 73.605, which is greater than the table F value of 3.10 which can be found at $\alpha = 0.05$. With a significance value of less than 0.05, according to the regression model, it can be concluded that in this study, halal awareness and halal labels simultaneously have a significant effect on consumer preferences, namely $0.000 < 0.05$.

Conclusion

The conclusion that can be drawn from this study is that the study aims to determine the influence of halal awareness and halal labels on consumer preferences on Shopee e-commerce in Belawan Sicanang Village. The results of the research conducted concluded that halal awareness has no effect and is not significant on consumer preferences on Shopee e-commerce.

However, on the contrary, the halal label has proven to be very influential and significant on consumer preferences on Shopee e-commerce.

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