

**THE EFFECT OF HALAL LABEL AND TRUST ON
REPURCHASE INTENTION WITH PERCEIVED USEFULNESS
AS AN INTERVENING VARIABLE ON HALAL FOOD
PRODUCTS IN SHOPEE MARKETPLACE**



**Submitted as a Partial Fulfillment of the Requirement for Obtaining a Bachelor
of Management at the Faculty of Economics and Business**

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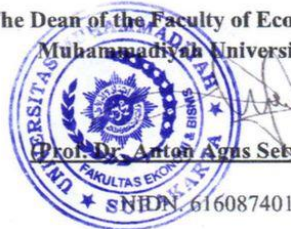

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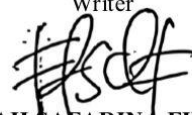
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Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh label halal dan kepercayaan terhadap niat membeli kembali melalui manfaat yang dirasakan. Penelitian ini dilakukan pada konsumen makanan halal di Shopee Surakarta dengan teknik pengambilan sampel menggunakan purposive sampling dan diperoleh jumlah sampel sebanyak 138 responden. Penelitian ini menggunakan empat variabel yang meliputi dua variabel bebas, satu variabel terikat, dan satu variabel mediasi. Variabel independen meliputi label halal dan kepercayaan, variabel dependen adalah niat membeli kembali, dan manfaat yang dirasakan sebagai variabel mediasi. Analisis data yang digunakan adalah metode penelitian kuantitatif dengan menggunakan Structural Equation Modeling (SEM) dengan software SmartPLS 3.0. Hasil analisis data menunjukkan bahwa label halal memiliki pengaruh positif signifikan yang lebih tinggi terhadap manfaat yang dirasakan dan niat membeli kembali di pasar Shopee dibandingkan dengan kepercayaan.

Kata kunci: Label Halal, Kepercayaan, Kebermanfaatan yang Dirasakan, Niat Membeli Kembali

Abstract

This study aims to analyze the effect of halal labels and trust on repurchase intention through perceived benefits. This research was conducted on halal food consumers at Shopee Surakarta with a sampling technique using purposive sampling and obtained a total sample of 138 respondents. This study uses four variables which include two independent variables, one dependent variable, and one mediating variable. The independent variables include halal label and trust, the dependent variable is repurchase intention, and perceived usefulness as a mediating variable. Analysis of the data used is a quantitative research method using Structural Equation Modeling (SEM) with SmartPLS 3.0 software. The results of data analysis showed that halal labels have a significantly higher positive effect on perceived usefulness and repurchase intentions in the Shopee marketplace compared to trust.

Keyword: Halal Label, Trust, Perceived Usefulness, Repurchase Intention

1. INTRODUCTION

The emergence of online shopping is an innovation in shopping activities that can change people's lifestyles. Lifestyle changes caused by online shopping are the

consumptive quality of society, meaning that people continuously shop and consume something preferred and new. Nowadays, most people use the internet to fulfil their needs. All consumer demands and goals influence the shopping process for a product or food. However, it is undeniable that offline buying and selling are still in a great market (Lendo, 2013).

Online sales are growing in terms of service, effectiveness, security, and popularity. Presently, online shopping is not a strange thing. Consumers don't need to spend a lot of energy when shopping online; by looking at the website, consumers can immediately make purchase transactions (Harahap, 2018). For most people, e-commerce is the perfect solution for shopping. The increasing number of e-commerce today would provide convenient services to the public for shopping.

The increasing penetration of smartphone users has made PT Shopee International Indonesia see new e-commerce opportunities. Shopee is the e-commerce site with the most prominent monthly website visitors in Indonesia. IPrice data shows, Shopee is ranked first from the fourth quarter of 2019 to the fourth quarter of 2020. In 2021 Shopee was ranked second in the first and second quarters. Shopee's monthly web visits amounted to 127 million in quarter II-2021, a slight decrease of 0.3% from the previous quarter's 127.4 million.

Thus, Tokopedia dominates the number of Indonesian visitors for two consecutive quarters. Tokopedia's monthly web visitors reached 147.8 million in the second quarter of 2021. Then, Bukalapak is in the third position with 29.5 million visitors. Lazada as many as 27.7 million and Blibli 18.4 million. Furthermore, Bhinneka with an average monthly site visit of 7 million, Orami 6.3 million, and Ralali 5.1 million. JD ID and Zalora are in the following position with 3.8 million and 3.4 million, respectively.

Currently, the world is in a bad situation with the Covid-19 pandemic. The pandemic has a wide range of effects on e-commerce, technology, business travel, and

the economy (Waliul Hasanat et al., 2020). Thus, online purchase has grown as a popular modern channel for Indonesian, driven by high community internet usage and the Covid-19 pandemic. According to Waliul Hasanat et al., (2020), the pandemic causes restrictions on community activities so that crowd events are prohibited, always maintaining social distancing, resulting in some activities are hampered. Therefore, people are hesitant and worried about going to the market to buy a product, encouraging people to shop online. The impact is people's interest has decreased for offline purchases to reduce face-to-face transactions as what generally happened before the pandemic. In practice, it is almost the same as offline market activities, such as marketing, ordering, payment processing, and shipping services, all of which are carried out online.

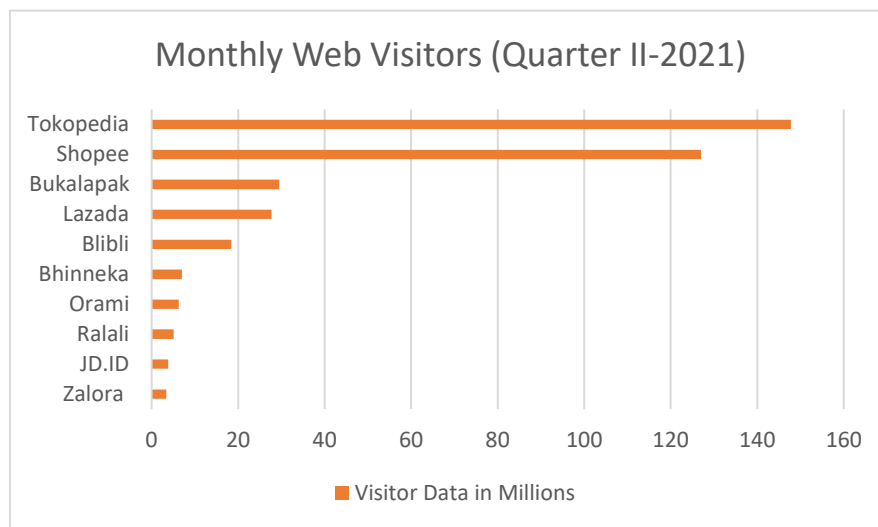


Figure 1. E-commerce Competition in Indonesia

Online shopping relies on consumer perceptions of activities carried out through the internet. Although the Internet provides some risks, the internet also offers many benefits for consumers from a different perspective. Customers would like to purchase online because they find the advantages of using it (Tanadi et al., 2015). According to Kim et al., (2008), perceived usefulness is a consumer's belief about the extent to which he will be better off from online transactions with a particular website.

Shopee is engaged in buying and selling online in applications that make it easier for users to do shopping activities without the hassle of using a computer device. Offering a wide variety of products to daily necessities. Currently, Shopee is also one of the most popular online food and beverage marketing platforms that competes with GoFood & GrabFood that offers a variety of halal food products, from meat, instant food, fast food to spices, and more computer device. Offering a wide variety of products to daily necessities. Currently, Shopee is also one of the most popular online food and beverage marketing platforms that competes with GoFood & GrabFood that offers a variety of halal food products, from meat, instant food, fast food to spices, and more.

The trend of halal products has been increasing lately globally (Setiawan & Mauluddi, 2019). Halal products continue to be promoted by various parties who are aware of how important it is to sell and buy halal products. It is undeniable that halal products are one of the fastest-growing consumer segments globally (Setiawan et al., 2020). The halalness of a product is a mandatory requirement for every consumer, especially Muslim consumers. Whether it's a product of food, medicine, or other consumer goods (Charity, 2017). Consumer awareness of halal food and products is sufficient because consumers consider halal products to be healthier; they have a greater interest in increasing awareness based on their respective knowledge (Ambali & Bakar, 2014).

The concept of halal is closely related to the values of each personality. Personality values are seen as things that can influence a person's behaviour to choose a product (Hansson & Lagerkvist, 2015). In addition to religious values, consumer attitudes can be influenced by psychological factors, such as trust in the halal product. Trust is a variable that generates consumers commitment. Trust is something considered as high reliability and integrity, which relates to quality. Particularly high involvement situation in which its effect is strong in assessment as whole contentment (Afzal et al., 2009).

In this era of globalization, products are processed and produced through various operations and stages before they reach the end consumers and are consumed. The end consumers usually don't know about the manufacturing processes involved as well as the ingredients used in the products which cause uncertainty and suspicion among the consumers about food safety (Ahmed et al., 2019). On the other hand, Indonesian consumers are mostly Muslim. Perhaps, they must consume the food and beverages allowed by the religion (halal food). Therefore, the halal label is crucial in the halal food sector. According to YazdiZadeh, (2018), the halal label is an authorized statement in food packages to indicate the condition of a product. In Indonesia, some institutions are licensed to publish the mark. The institute is licensed to issue legal goods. Therefore, the label helps convince Muslim consumers to repurchase the food. Pardede et al., (2018) state that repurchase intention is the process in which a person intends to repurchase similar goods or services based on the previous purchase experience or the intention to repurchase or buy more about a product.

Based on Kashif et al., (2020), the research is to find out whether the pandemic triggers people to shop online or they can still buy products physically. Investigations have concluded that people did not shop more online during the pandemic. They also disagree that they will repurchase to shop online in the future when this pandemic ends if they do not get value utility. While, based on the research results of Vaghela (2016), the study indicates that most of the customers have experience with online shopping. The customer believed that online shopping was a better option than manual shopping; therefore they decided to repurchase the product online.

Product labels provide a range of benefits to consumers, contributing to perceptions of value and usefulness (Tagbata & Sirieix, 2008). According to Jamal & Sharifuddin, (2014), the halal label may similarly provide value-expressive benefits (e.g., consumers feel that they are responsible buyers simultaneously fulfilling religious and market-related roles) by providing opportunities for self-expression and connecting with others.

The halalness of a product is a mandatory requirement for every consumer, especially Muslim consumers. Choosing halal products is based on various reasons. The decision to choose halal products is also influenced by psychological factors such as trust in halal products so that it has an impact on the dependence on these halal products and consumers' desire to repurchase the halal food (Nurrachmi, 2020). Customers who have completed shopping to acquire products efficiently are more likely to show stronger repurchase intentions. If consumers can use perceived technology applications, it can help them find the desired product/service easily (Rajalie, 2014). It is concluded that perceived usefulness is the extent to which consumers believe that online shopping will improve their performance.

Based on the background explanation, the researcher is interested in conducting research phenomena that occur as the topic of research: the effect of halal label and trust on repurchase intention with perceived usefulness as an intervening variable on halal food products in Shopee marketplace.

2. METHOD

2.1 Research design and variables

The method used in this research is a quantitative approach. Quantitative research deals with measuring and analyzing variables to get results. It involves the utilization and numerical data analysis using special statistical techniques to answer questions such as who, how many, what, where, when, and how. It also explains problems or phenomena by numerical data collection (Apuke 2017). The variable used by the researcher in this study is the independent variable, mediation variable, and dependent variable. The independent variable is Halal Label (X1) and Trust (X2), the mediation variable is Perceived Usefulness (M), and the dependent variable is Repurchase Intention (Y).

2.2 Data and data sources

This research will use primary data. According to Sajjad (2016), the primary data is the data collected at the source. This type of information is acquired directly from first-

hand sources through surveys, observations, experiments and is not processing or manipulation of any kind. Primary data were collected during experimental or descriptive research by conducting experiments, surveying, observation or direct communication with the respondents.

2.3 Sampling design

The data collection method in this study was distributed by using a Google form questionnaire. This study provides a questionnaire directly to the Shopee marketplace consumers. According to Siyoto & Sodik (2015), the questionnaire is a method of sampling from a population that enables analysis of the attitudes, beliefs, behaviours, and characteristics of several people in the organization who can be affected by the existing system.

Respondents respond to the questionnaire by determining the level of approval on a statement item from the questionnaire by choosing one of the available scales. The scale used to measure is a scale with intervals of 1-5 from strongly disagree to strongly agree (Sugiyono, 2012).

2.4 Data analysis methods

This research uses SEM (Structural Equation Modeling) PLS (Partial Least Square) technique with mediating effect using SmartPLS software. This analytical technique is a combination of two methodological disciplines, namely the econometric perspective, which focuses on predictions, and psychometrics which can describe the concept of a model with latent variables (variables that cannot be measured directly) but measured through its indicators (manifest variables). SEM essentially offers the ability to perform path analysis with latent variables (Ghozali & Latan, 2015).

3. RESULT AND DISCUSSION

3.1 Outer model analysis

The outer model analysis is carried out to ensure that the measurement used is feasible to be used as a measurement (valid and reliable). The analysis of this model specifies

the relationship between latent variables and their indicators. Analysis of this model uses validity tests (convergent validity and discriminant validity) and reliability tests (Cronbach's Alpha and Composite Reliability).

3.2 Inner model analysis

3.2.1 Coefficient Determination (R^2)

The coefficient of determination value (R^2) is expected between 0 and 1. The value of R square below 0.19-0.33 is declared to have a weak value, then 0.33-0.67 has a moderate/medium value, while the value of 0.67 and above has a strong value. The following are the coefficients of determination (R^2) values from this study:

Table 1. R Square (R^2)

	<i>R Square</i>	Explanation
Perceived Usefulness (Z)	0.097	Weak
Repurchase Intention (Y)	0.523	Moderate/Medium

Based on the table above, R square is used to see the magnitude of the effect of the halal label and trust variables on perceived usefulness with a value of 0.097; then, it can be stated to have a weak value. Then R square is used to see the magnitude of the effect of the halal label variable, the trust variable, and the perceived usefulness variable on the repurchase intention variable with a value of 0.523, so it can be stated to have a medium/moderate value.

3.2.2 The goodness of Fit (GoF)

The goodness of fit assessment refers to the Q-Square value. Q-Square is used to measure how well the conversion value is generated by the model as well as the estimate of its parameter. The value of Q-square > 0 indicates the model has predictive relevance. The Q-Square quantity is $0 < Q^2 < 1$.

The Q square calculation shows a value of 0.569 or 56.9%, which meets the Q square range with a range of $0 < Q^2 < 1$. This means that the diversity of models shown

by independent variables in describing dependent variables is 56.9%, and the remaining 43.1% is still influenced by other factors. In other words, calculations indicate that the research model has predictive relevance.

3.3 Hypothesis testing

3.3.1 Direct effect

The criteria for this analysis is to look at the path coefficients that show the original sample values are positive or negative. Then if the probability/significance value (P-Value) < 0.05 (5%), then it is significant. If the P-Values > 0.05 (5%), then it is rejected.

Table 2. Direct Effect

Hypothesis	Original Sample	P-Value	Conclusion
Halal Label → Perceived Usefulness	0.218	0.037	Positive, Significant
Halal Label → Repurchase Intention	0.250	0.019	Positive, Significant
Perceived Usefulness → Repurchase Intention	0.492	0.000	Positive, Significant
Trust → Perceived Usefulness	0.127	0.349	Positive, Insignificant
Trust → Repurchase Intention	0.194	0.040	Positive, Significant

Based on the table above, the original sample value and P-value directly influence variables. The analysis results show the influence of halal labels on perceived usefulness with an original sample value of $0.218 > 0.05$ and a P value of $0.037 < 0.05$, which is stated to have a positive and significant influence. Then H1: Halal label has a significant impact on perceived usefulness is accepted. Halal labels on repurchase intention with an original sample value of 0.250 and a P value of $0.019 > 0.05$, which is stated to have a positive and significant influence. Then H3: Halal label has a significant impact on repurchase intention is accepted.

The influence of perceived usefulness on repurchase intention with an original sample value of 0.492 and a P value of $0.000 > 0.05$, which is stated to have a positive

and significant influence. Then H5: Perceived usefulness has a significant impact on repurchase intention is accepted. The influence of trust on perceived usefulness with an original sample value of 0.127 and a P value of $0.349 > 0.05$, which is stated to have a positive and not significant effect. Then H2: Trust has a significant impact on perceived usefulness is rejected. The analysis results show the influence of trust on repurchase intention with an original sample value of 0.194 and a P value of $0.040 > 0.05$, which is stated to have a positive and significant influence. Then H4: Trust has a significant impact on repurchase intention accepted.

3.3.2 Indirect effect

The criteria for this analysis is to look at the path coefficients that show the original sample values are positive or negative. Then if the probability/significance value (P-Value) < 0.05 (5%), then it is significant. If the P-Values > 0.05 (5%), then it is not significant.

Table 3. Indirect Effect

Hypothesis	Original Sample	P-Value	Conclusion
Trust → Perceived Usefulness → Repurchase Intention	0.062	0.357	Positive, Insignificant
Halal Label → Perceived Usefulness → Repurchase Intention	0.107	0.044	Positive, Significant

Based on the table above, the analysis of the indirect effect of trust on repurchase intention through perceived usefulness shows the original sample value of 0.062 and P values of $0.357 > 0.05$, which are declared to have a positive and insignificant effect. Then H7: Trust has a significant effect on repurchase intention mediated by perceived usefulness is rejected.

The analysis of the indirect effect of halal label on repurchase intention through perceived usefulness shows the original sample value of 0.107 and P values of $0.044 > 0.05$, which is stated to have a positive and significant effect. Then H6: Halal label has

a significant effect on repurchase intention mediated by perceived usefulness is accepted.

4. CONCLUSION

4.1 Implication of Study

Based on analysis already done, the research can be summed up as follows:

1. The halal label has a significant influence on perceived usefulness.
2. Trust has no significant influence on perceived usefulness.
3. Halal label, trust, and perceived usefulness have significant influence on repurchase intention.
4. The halal label has a significant influence on repurchase intention mediated by perceived usefulness.
5. Trust has no significant influences on repurchase intention mediated by perceived usefulness.
6. The halal label has a higher positive significant impact on perceived usefulness and repurchase intention in the Shopee marketplace compared to trust.

4.2 Suggestion

Some suggestions that are needed for the future and become material for evaluation:

1. SME who used Shopee marketplace should use halal labels, especially in their product.
2. For further researchers, it is expected to further expand research on the influence of halal labels and trust in repurchasing halal food online with research samples not only in Surakarta but also in other cities or regions across Indonesia.
3. Research should be conducted with more respondents with varied characteristics to increase the generalizability and diversity of research results.

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