

Price, Halal Awareness, Halal Label, and Product Quality Effects on Purchase Decisions of Halal-Packaged Foods: The Mediating Role of Brand Image

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Abstract

The rapid growth of the halal industry has positioned halal certification and branding as central elements in food marketing. This study examines the effects of price, halal awareness, halal label, and product quality on purchase decisions of halal-packaged foods, with brand image as a mediating variable. A survey was conducted among 96 Muslim consumers in Banjarmasin, Indonesia, and analyzed using structural modeling techniques. The findings reveal that halal awareness and product quality significantly enhance brand image, while price and halal label do not. In turn, brand image strongly influences purchase decisions, confirming its role as a mediator. These results underscore the importance of building strong halal brand associations through consumer awareness and quality improvement, rather than relying solely on price competitiveness or certification logos.

Keywords: brand image, halal awareness, halal label, product quality, purchase decision

Introduction

The halal industry has grown rapidly in recent years, becoming not only a religious necessity but also a universal indicator of product quality and ethical standards. According to the State of the Global Islamic Economy Report 2019/2020, global halal food consumption reached USD 1.37 trillion in 2018 and is projected to rise to USD 2 trillion by 2024. In Indonesia, the world's largest Muslim-majority nation with approximately 87% of its 265 million people identifying as Muslim (BPS, 2019), halal food accounted for an estimated USD 173 billion in household spending (Reuters, 2019). The government has supported this development through the Masterplan Ekonomi Syariah Indonesia 2019–2024 (Kementerian Perencanaan Pembangunan Nasional, 2018). In South Kalimantan, where 97% of residents are Muslim (BPS, 2021), halal food plays a vital role in consumer welfare and economic development.

Research in consumer behavior has identified several factors influencing halal food purchase decisions. Price is commonly viewed as a measure of value and quality (Swastha, 2010; Kotler & Keller, 2016). Halal awareness, defined as consumers' knowledge and concern regarding halal obligations and processes, has also been linked to stronger purchase intentions (Ahmad, Abaidah, & Yahya, 2013; Yunus et al., 2014). The halal label functions as a visual assurance of safety and religious compliance (Ghadikolaei, 2016; Widyaningrum, 2017). Product quality remains a consistent predictor of consumer loyalty and brand trust (Tjiptono, 2018; Lutfie et al., 2016; Furqon, 2020). Yet, prior findings remain inconsistent, especially regarding the influence of price and halal labeling.

Despite the increasing number of halal-certified products, many consumers in Indonesia continue to purchase from outlets that lack formal halal labels (Republika, 2019). Some studies find halal labels and price important (Simbolon, 2019; Alfian & Marpaung, 2017), while others find no significant effect (Hasibuan et al., 2017). These discrepancies suggest that such variables may exert influence indirectly, mediated through brand image. However, little research in

Indonesia, particularly in South Kalimantan, has explored the mediating role of brand image in halal product decisions.

This study fills that gap by testing the effects of price, halal awareness, halal label, and product quality on purchase decisions, mediated by brand image. By analyzing consumer responses in Banjarmasin with a structural approach, this study contributes to halal marketing research and provides actionable insights for practitioners and policymakers.

Research Methods

This study adopted a quantitative, hypothesis-testing approach. The research framework included four independent variables (price, halal awareness, halal label, product quality), one mediating variable (brand image), and one dependent variable (purchase decision).

Population and Sampling

The population consisted of Muslim consumers in Banjarmasin aged 18 years and above, who had purchased halal-packaged foods. Using purposive sampling, 96 valid responses were collected.

Table 1. Sample Characteristics

Category	Frequency	Percentage (%)
Gender		
Male	27	28.1
Female	69	71.9
Age		
18–20 years	9	9.4
21–30 years	63	65.6
31–40 years	18	18.8
41–50 years	6	6.2
Monthly Expenditure		
< IDR 1 million	11	11.5
IDR 1–2.5 million	42	43.8
IDR 2.5–4 million	28	29.2
> IDR 4 million	15	15.6

Source: Processed data

Instrument and Measurement

The population consisted of Muslim consumers in Banjarmasin aged 18 years and above, who had purchased halal-packaged foods. Using purposive sampling, 96 valid responses were collected.

Table 2. Operationalization of Variables

Variable	Indicators
Price	Affordable Competitive Fair compared to benefits
Halal Awareness	Religious obligation Knowledge of halal Checking process
Halal Label	Provides assurance Identifies halal status

Product Quality	Health value
	Performance
	Conformance
Brand Image	Aesthetics/design
	Easy to recall
	Halal packaging
Purchase Decisions	Positive association
	Certainty
	Habit
	Recommendation
	Repurchase

Source: Adapted from Kotler & Keller (2016); Tjiptono (2018); Ahmad et al. (2013); Yunus et al. (2014); Authors' analysis

Data Analysis

Data were analyzed using PLS-SEM (SmartPLS 3.0). The steps included:

- Measurement model: factor loadings > 0.70, AVE > 0.50, CR > 0.70, Cronbach's alpha > 0.60, discriminant validity via Fornell-Larcker.
- Structural model: R², path coefficients, and significance via bootstrapping (5000 resamples).
- Outlier detection: Mahalanobis distance (p < 0.001).

Result and Discussion

Measurement Model

Constructs achieved satisfactory reliability and validity (CR > 0.70, AVE > 0.50).

Table 3. Reliability and Validity Results

Variable	CR	AVE	Cronbach's Alpha
Price	0.820	0.601	0.702
Halal Awareness	0.852	0.591	0.741
Halal Label	0.742	0.590	0.622
Product Quality	0.880	0.647	0.812
Brand Image	0.867	0.620	0.790
Purchase Decision	0.861	0.606	0.773

Source: Processed data

Structural Model

The PLS-SEM results explained 53.0% of variance in brand image (R² = 0.530) and 31.2% in purchase decision (R² = 0.312), suggesting moderate explanatory power. Path coefficients and bootstrapping outcomes are summarized below.

Table 3. Path Coefficients and Hypotheses Testing

Hypothesis	Path	β	t-value	p-value	Result
H1	Price → Brand Image	0.161	1.344	0.180	Rejected
H2	Halal Awareness → Brand Image	0.272	3.439	0.001	Supported
H3	Halal Label → Brand Image	0.080	0.731	0.465	Rejected
H4	Product Quality → Brand Image	0.417	3.967	0.000	Supported

H5	Brand Image → Purchase Decision	0.558	7.470	0.000	Supported
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Source: Processed data

H1: Price → Brand Image (Rejected)

The analysis shows that price does not significantly influence brand image ($\beta = 0.161$, $t = 1.344$, $p = 0.180$). This finding contradicts studies such as Simbolon (2019) and Alfian & Marpaung (2017), which highlighted the role of price in shaping consumer decisions. In the Banjarmasin context, consumers may not associate price with brand strength; instead, price is seen as a basic transactional element rather than a branding determinant. This suggests that for halal-labeled products, price competitiveness alone does not enhance how the brand is perceived.

H2: Halal Awareness → Brand Image (Supported)

Halal awareness significantly influences brand image ($\beta = 0.272$, $t = 3.439$, $p = 0.001$). Consumers who are more aware of halal obligations, ingredients, and processes tend to evaluate brands more positively. This result aligns with Ahmad et al. (2013) and Yunus et al. (2014), who argued that awareness of halal principles reinforces consumer trust and loyalty. In Muslim-majority regions such as Banjarmasin, awareness strengthens emotional and religious ties with the brand, making it an essential factor in consumer evaluations.

H3: Halal Label → Brand Image (Rejected)

The halal label does not significantly influence brand image ($\beta = 0.080$, $t = 0.731$, $p = 0.465$). This finding is inconsistent with Simbolon (2019), who found labels to be a strong predictor of purchase decisions. One possible explanation is that in South Kalimantan, where most products already display halal certification, consumers may consider the label a given rather than a unique brand signal. The halal label has become a “minimum standard” rather than a differentiating feature, reducing its impact on brand image. This aligns with Hasibuan et al. (2017), who also found the halal label to be non-significant.

H4: Product Quality → Brand Image (Supported)

Product quality has the strongest effect on brand image ($\beta = 0.417$, $t = 3.967$, $p = 0.000$). This reinforces prior studies (Lutfie et al., 2016; Furqon, 2020; Tjiptono, 2018) that highlight product performance, conformance, and aesthetics as key brand-building factors. High-quality products not only satisfy consumer expectations but also signal credibility and reliability, which are crucial in building a halal brand image. This finding suggests that product quality is the foundation upon which halal branding can be effectively developed.

H5: Brand Image → Purchase Decision (Supported)

Brand image significantly influences purchase decisions ($\beta = 0.558$, $t = 7.470$, $p = 0.000$), confirming its mediating role. A strong brand image increases certainty, habitual buying, and the likelihood of recommending or repurchasing the product. This finding is consistent with Kotler & Keller (2016) and Ratri (2013), who argue that brand associations reduce consumer risk and enhance loyalty. For halal products, brand image is not only about functional quality but

also about ethical and religious assurance, making it particularly powerful in influencing consumer behavior.

Conclusion and Suggestions

This study concludes that halal awareness and product quality significantly shape brand image, while price and halal label do not. Brand image, in turn, strongly drives purchase decisions, confirming its mediating role.

Businesses should prioritize improving product quality and strengthening consumer awareness of halal values rather than relying solely on certification logos or price strategies. Policymakers should complement halal certification policies with education programs and provide support for SMEs to develop strong halal branding.

Future studies should broaden the sample beyond Banjarmasin, explore additional variables such as trust and religiosity, and employ longitudinal or experimental designs to deepen understanding of halal consumer behavior.

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