

# The Influence of Halal Labelization, Product Quality, Service Quality and Interest on Purchase Decisions and Increasing the Selling Value of Bakery and Chake, Padangsidimpuan City

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## ABSTRACT

The community of Padangsidimpuan City consumes a lot of bakery and chake, which has increased market competitiveness and may have an impact on consumer purchasing decisions and product prices. In order to increase the selling value of the bakery and chake industry in Padangsidimpuan City, this research was undertaken to examine and assess the impact of halal labeling, product quality, service quality, and price on consumer purchase decisions. Quantitative descriptive research is used for the study, and multiple linear regression analysis is used for data analysis with the aid of the IBM SPSS version 23 program. The findings demonstrate a considerable favorable impact on consumer behavior of the independent variables halal labeling, product quality, service quality, and pricing.

**Keywords:** Halal Labelization, Product Quality, Interest, Increasing The Selling Value

## INTRODUCTION

The bakery and chake business is one of the businesses that is currently growing rapidly in Padangsidimpuan City. According to statistical data obtained from the Ministry of Industry for the city of Padangsidimpuan in 2021, the consumption of bakery products such as pastries and bakery and cakes has experienced a growth in market demand such as white bread with a percentage of approximately 100% per year. According to these statistical data, the bakery industry offers very attractive market prospects for the general public and big businesses. This indicates that there is an increasing demand for bakery and cake products. Other Indonesian dishes such as lontong, rendang, mixed rice and meatball noodles did not achieve the same growth percentage. The majority of cake and bread lovers in Indonesia have started little by little to replace their daily diet with bread foods such as white bread, toast and other foods to eat at breakfast and also in certain conditions that are more practical. North Sumatra province has seen tremendous growth in the number of bakeries over the last few years. Aroma Bakery, a local leader with locations across the province, is one such example. Aroma bakery and cake shop offers a variety of flavors that are processed with innovation, taste and hygiene to ensure quality taste and attractive aroma. In North Sumatra, there is stiff competition between bakers, and each has its own unique style and taste. Examples include Aroma Bakery, Madam Lee, The Bites Brownies, Bolu Meranti, Zulaikha Bika Ambon, Ninety Six Bakery, and Affinois. It can be seen from the growth of bakeries in North Sumatra Province that people nowadays prefer practical food. Rice can be replaced with bread, especially for those who work a lot and don't have much time to eat.

One of the cities in North Sumatra that has experienced the growth of bakeries and cake distribution is Padangsidimpuan. We can observe this by counting the increasing number of bakeries opened in the city of Padangsidimpuan, including Subur bakery, Horas bakery, Ondo Bakery and Reza Bakery. Naturally, if more and more business people enter this industry to seek wealth and success, the number of bakeries in Padangsidimpuan will increase continuously. Undoubtedly, a company's ability to succeed and prosper depends on how well its marketing plans are executed and how well it treats its customers.

Before choosing to buy a product or not, a buyer will go through several stages and examine a number of factors. Consumers go through a number of stages when deciding what to buy, including before making a selection, during the buying process, and after. According to Kotler (2008) a consumer will determine his needs from the information he gets, whether it comes from the outside world or from within. In addition, consumers will be encouraged to research different aspects of the goods needed once they know what they want, after which they can decide between a

number of different brands. The consumer will then decide whether to purchase the product, and once he has done so, they can assess their level of satisfaction with the product.

Apart from going through various stages, purchasing decisions are also influenced and determined by various factors, including rational factors such as price, product quality, service, and product benefits. Emotional factors such as religious adherence; psychological; and Islamic attributes; and conventional factors such as consumer motivation to buy products, both originating from within oneself and being influenced by others without considering halal and product quality (Putra, 2019).

Muslim consumers' consumption of products that are clearly halal reflects their religious adherence in the decision-making process for their purchases. Therefore, the inclusion of a halal label on product packaging is a standard for Muslim consumers in buying and consuming a product. According to Law Number 33 of 2014 concerning Halal Product Guarantee Article 4, goods that enter, circulate and transact in Indonesian territory must have a halal certificate. The task of halal certification is represented by halal labeling in Indonesia. A written halal fatwa given by the Indonesian Ulema Council forms the basis for a halal certificate, which is granted by the Halal Product Guarantee Agency (BPJPH), an institution with certification authority (Article 1 UU.No. 33 of 2014 concerning Halal Product Guarantee). Therefore, it is emphasized that only business actors who have received a halal certificate from BPJPH are allowed to label their products as halal.

Muslim customers must behave properly with regard to halal products and food that is healthy to digest. What is meant by "good" are, among others, fit for human consumption, nutritious, and do not contain harmful elements. In this case, a good product can be defined as a high quality product. According to Kotler & Keller (2009), the quality of a product consists of all the special qualities that enable it to please customers either directly or indirectly. According to Kotler & Armstrong (2008), the quality of a product can be a tactical advantage over competitors. Product quality is a trait that a business practices by adding value to the goods it sells to attract customers. Therefore, high quality products will be taken into account by consumers when making purchasing decisions.

Consumers use service quality and price as standards when evaluating and choosing which products to buy, in addition to halal labeling and product quality. Customers want high quality goods and services at generally reasonable prices. Price is the value of a product which is expressed in the amount of money paid by the buyer to buy a product, both products and services (Indrasari, 2019). Price, according to Kotler & Armstrong (2008), plays a significant influence in what buyers choose to buy. Prices provide information about product quality and help ensure that customers receive the greatest benefit.

Currently there are many problems with goods in circulation, such as the availability of goods with illicit substances that are marketed openly in the market. Because of this, Muslim buyers must be careful while making choices about their purchases. The final decision of a consumer before purchasing a product is the alternative choice they take from the many choices. The safest standards that consumers use when choosing products to buy are products that are safe and of high quality, marked as halal, and have prices close to the prices of similar goods. The halal label ensures that a product does not contain substances that are harmful or prohibited by Islamic law, so it is safe for consumption. Even if the price of a product can show how good the product is. Price is a reflection of the quality of the goods produced, both high and low (*good or bad product*). Therefore it is believed that the halal label, product quality, service quality, and price all influence the consumer's decision to buy a product. where consumer purchasing choices can increase the value of company sales.

## LITERATURE REVIEW

According to Ningsih's research findings, from a sharia business perspective, halal labels, product visuals, and prices partially and simultaneously have a positive and significant effect on consumer buying interest in cosmetic products at the Ririnis Shop Bandar Lampung store. In his research findings, Rizki. R. (2018) also noted that product quality has a partial impact on consumer buying interest and price also has a partial impact. As a result, both product quality and price have a positive impact on consumer purchases at Matahari Department Store Mall Ska Pekanbaru. In contrast, Yanti and Darwanto (2021) claim that brand attributes, brand ambassadors, and digital sales have a limited impact on consumer interest in making purchases.

This study will examine the effect of the halal label, product quality, service quality, and price on purchasing decisions based on the background and findings of previous studies. The *novelty* of this research is that researchers will also discuss its impact on increasing the selling value of the Bakery and Chake industry in Padangsidempuan. Considering that this community has a relatively high level of diversity, the population of this study is the population of Padangsidempuan City (measured by the obedience of the community in worshipping at the mosque, studying at Islamic boarding schools, and enthusiasm in carrying out religious activities). In addition, businesses such as Aroma Bakery and Chake, Subur Bakery, and Horas Bakery experienced a lot of growth in the bakery and chake sector in Padangsidempuan City. Judging from the elements of the combination of variables used together with the object and

research subject, this research is different from previous similar studies. The focus of this study is on the consumer's decision to buy bakery and chake products as well as the sector's sales growth.

## METHOD

The form of this research is descriptive quantitative research, which means trying to describe how existing problems are solved by using data and then analyzing and correlating these results (Narbuko, 1999). In this case, the researcher seeks to clarify how halal labeling, product quality, service quality, and price affect purchasing decisions and increase the selling value of bakery and cake products in Padangsidimpuan City.

A researcher can conduct quantitative research by concentrating on a small number of variables because it is based on the idea that symptoms can be categorized and that they are causally related (cause and effect). The pattern of relationship between the variables to be studied is referred to as the following "paradigm", which is defined as a way of thinking that shows the relationship between the variables to be studied and also reflects the type and number of problem formulations. that require research-based solutions. Halal Labeling (X1), Product Quality (X2), Service Quality (X3), and Price are the independent variables of the study (X4). Purchase Decision (Y1) and Increase in Selling Value are the dependent variables (Y2).

The study population was residents in Padangsidimpuan Utara District, Padangsidimpuan City, aged between 18 and 60 years. According to information from the Central Statistics Agency (BPS) for Padangsidimpuan City, there are around 26,325 men and women in North Padangsidimpuan District aged 18 to 60 years. The random sampling method was used to carry out the sampling procedure. According to estimates made using the Slovin formula with a critical value of 10%, 0.30 percent of the population is required for the community sample size.

Primary data from the field, including answers to questionnaires from the community and the bakery and chake industry in Padangsidimpuan City, are the source of study data. With the help of the IBM SPSS version 23 application program, research data were processed using research instrument tests, traditional assumption tests, and research hypothesis tests.

## RESEARCH RESULTS AND DISCUSSION

### Validity test

*Pearson Product Moment* formula is used to test the validity of all research variables. The  $r_{table}$  value is 0.1966 when the sample size is 100 and a significance threshold of 5% (0.05) is used. The value of  $r_{count} > r_{table}$  and a significance value of 0.05 is generated based on the results of calculating the validity test of each item of questionnaire questions on variables X1, X2, X3, X4 and Y1, Y2, so that all question items in the questionnaire used in this study are considered valid.

### Reliability Test

The reliability test in this study applies *Cronbach's Alpha theory*. A variable can be said to be reliable if the *Cronbach's Alpha value* is greater than 0.60. Where the reliability test results obtained are as follows:

**Table 1**  
**Reliability test results**

Variable	Cronbach's Alpha	Accuracy	Information
Halal Labeling	0.647	0.60	Reliable
Product quality	0.876	0.60	Reliable
Service quality	0.680	0.60	Reliable
Price	0.850	0.60	Reliable
Buying decision	.710	0.60	Reliable
Increase in Selling Value	0.621	0.60	Reliable

Source: IBM SPSS Processing Version 23, Year 2021

The *Cronbach's Alpha* value of all variables obtained from the reliability test results above is > 0.60, which means that all the variables in this questionnaire are declared reliable.

**Normality Test**

The normality test aims to determine whether the data is regularly distributed or not. A model with regularly distributed data is a good model. The results of the *Kolmogorov-Smirnov* analysis of normality test are as follows:

**Table 2**  
**Normality Test Results**  
*Kolmogorov Smirnov One-Sample Kolmogorov-Smirnov Test*

Unstandardized			residual
N			100
Normal Parameters, b	Means		.00001
			.01
std. Deviation			1.785352
			.868
Most Extreme Differences	absolute		.087
	Positive		.087
	Negative		-.068
Test Statistics			.095
asymp. Sig. (2-tailed)			.026c
Monte Carlo Sig. (2-tailed)	Sig.		.298d
	99% Confidence Intervals	LowerBound	.303
		Upperbound	.313

- a. Normal test distribution.
- b. Calculated from data
- c. Lilliefors Significance Correction
- d. Based on 10,000 sample table with 2,000,000 initial seeds.

Source: IBM SPSS Version 23 Test Results, Year 2021

Based on these results, it is known that the data is normally distributed because a significance value of 0.298 (greater than 0.05) is obtained.

**Multicollinearity Test**

In the multicollinearity test, all variables are tested partially, so it can be concluded whether the data is affected by *multicollinearity* or not. The results of the multicollinearity test are presented in the following table:

**Table 3**  
**Coefficient Multicollinearity Test Results**

Model	Unstandardized Coefficients		Standardized Coefficients		Q	Sig.	Collinearity Statistics	
	B	Std. Error	Betas				tolerance	VIF
	(Constant)	4,142	1,097					3,479
Halal Labeling	.412	.105	.354		3,795	.000	.633	1,446
Product quality	.374	.057	.623		3,079	.001	.257	3,368
Service quality	.359	.045	.571		3,032	.000	.263	3,198
Price	.397	.091	.502		4,157	.000	.369	2,736

a. Dependent Variables

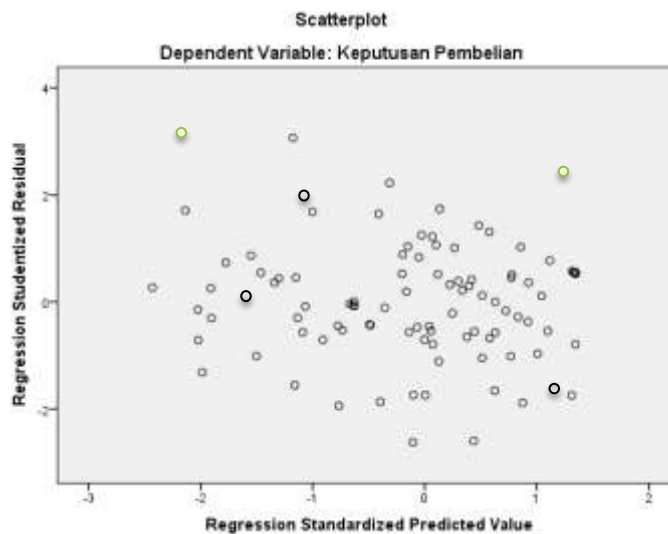
Source: IBM SPSS Version 23 Test Results, Year 2021

It is known that halal labeling, product quality, service quality, and price have a tolerance value of > 0.10 and a VIF value of 10.00 based on the findings of the multicollinearity test mentioned above. Therefore, it can be said that none of the variables used have a multicollinearity problem.

**Heteroscedasticity Test**

The results of the heteroscedasticity test can be seen in the following *scatterplot image* :

**Figure 1**  
**Heteroscedasticity Test Results**



Source: IBM SPSS Version 23 Test Results, Year 2021

The results of the heteroscedasticity test show that the regression model is not heteroscedasticity based on the *scatterplot images* generated by the IBM SPSS version 23 application program described above. The data points in the graph, which are scattered randomly and are either above, below, or in the middle around 0. In addition, the graph also shows plots that are not patterned.

**Multiple Linear Regression Analysis**

This analysis was conducted to predict whether there is influence from the independent variable on the dependent variable. The results of the multiple linear regression test obtained are:

**Table 4**  
**Coefficients Multiple Linear Regression Test Results <sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.	Collinearity Statistics	
	B	Std, Error	Betas			tolerance	VIF
(Constant)	4,142	1,097		3,479	.003		
Halal Labeling	.412	.105	.354	3,795	.000	.633	1,446
Product quality	.374	.057	.623	3,079	.001	.257	3,368
Service quality	.359	.045	.571	3,032	.000	.263	3,198
Price	.397	.091	.502	4.157	.000	.369	2,736

a. Dependent Variables

Source: IBM SPSS Version 23 Test Results, Year 2021

The multiple linear regression equation obtained based on the table above is:

$$Y = 4,142 + 0,412X_1 + 0,374X_2 + 0,359X_3 + 0,397X_4 + e$$

The constant value of the equation is 4.142. This means that if there is no halal labeling (X1), product quality (X2), service quality (X3) and price (X4), then the bakery and chake purchasing decision (Y1), and the increase in selling value (Y2) of the bakery and chake industry is 4.142 . The regression coefficients of the four independent variables are positive, meaning that any increase in halal labeling, product quality, service quality and price will increase purchasing decisions and increase selling value, and vice versa.

The X1 coefficient is 0.412 which means that halal labeling influences purchasing decisions. The X2 coefficient is 0.374 which indicates that product quality influences purchasing decisions. The X3 coefficient is 0.359 which indicates that service quality influences purchasing decisions. Then X4 is 0.397 which means that price influences purchasing decisions. The effect value applies if the other independent variables are considered constant.

#### Partial Test (T Test)

The t test is used to test the hypothesis and determine the significance of the relative contribution of each independent variable to the variance in the dependent variable. The  $t_{table\ value}$  is 1.98498 and the significance threshold is 0.05.  $H_0$  is rejected and  $H_a$  is accepted in the decision-making process if  $t_{count} > t_{table}$  or a significance of 0.05, indicating that the independent variable only partially has a significant effect on the dependent variable.  $H_0$  is accepted and  $H_a$  is rejected if  $t_{count} > t_{table}$  or Significance > 0.05, which indicates that the independent variable partially affects the dependent variable in a statistically significant way. The following is the research hypothesis:

$H_0$ : The independent variables X1, X2, X3, X4 partially have no significant effect on the dependent variables Y1 and Y2.

$H_a$ : The independent variables X1, X2, X3, X4 partially have a significant effect on the dependent variables Y1 and Y2.

**Table 5**  
**Partial Test Results (T Test) Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.	Collinearity Statistics	
	B	Std, Error	Betas			tolerance	VIF
(Constant)	4,142	1,097		3,479	.003		
Halal Labeling	.412	.105	.354	3,795	.000	.633	1,446
Product quality	.374	.057	.623	3,079	.001	.257	3,368
Service quality	.359	.045	.571	3,032	.000	.263	3,198
Price	.397	.091	.502	4.157	.000	.369	2,736

a. Dependent Variables

Source: IBM SPSS Version 23 Test Results, Year 2021



calculated t value of the three variables is greater than the t<sub>table value</sub> (1.98498) with a significance value <0.05 so that all independent variables significantly reject Ho and accept Ha. This means that the independent variables partially have a significant effect on purchasing decisions and increasing selling points.

### Simultaneous Test (Test F)

This Simultaneous Test was conducted to test the significance of the independent variables in influencing the dependent variable simultaneously. Where the significance level is 0.05 and the F<sub>table value</sub> is 2.70. The offered Ha is accepted in this test if F<sub>count</sub> > F<sub>table</sub>. Meanwhile if F<sub>count</sub> < F<sub>table</sub> Ha is rejected and Ho is accepted. The simultaneous test results obtained are:

**Table 6**  
**Simultaneous Test Results (F Test) ANOVA<sup>a</sup>**

Model	Sum of Squares	Df	MeanSquare	F	Sig.
Residual Regression	32 4 .5 7 1	3	11 3 .1 7 7	31.8 66	000b _
Total	343.07 4 _	91	3. 573		
	6 7 6. 239	93			

a. Dependent Variables

b. Predictors: (Constant), Halal Labeling, Product Quality, Service Quality and Price.

Source: IBM SPSS Version 23 Test Results, Year 2021

Based on table 1.6 above, it can be seen that the calculated F value > F<sub>table</sub> is 31.866 > 2.70 with a significant value of 0.000 <0.05 and it can be concluded that Ho is rejected and Ha is accepted.

### The coefficient of determination

The coefficient of determination is carried out to measure how far the model's ability to explain the variation of the dependent variable. The results of the test for the coefficient of determination (R<sup>2</sup>) obtained are as follows:

**Table 7**  
**Determinant Coefficient Test Results (R<sup>2</sup>) Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	.691 <sup>a</sup>	.479	.483	1.892403

a. Predictors: (Constant), Price, Halal Labeling, Product Quality

b. Dependent Variable: Purchase Decision

Source: IBM SPSS Version 23 Test Results, Year 2021

The coefficient of determination (R Square) is 0.479 indicating that the independent variable can affect the dependent variable by 47.9%. While the remaining 53.1% is influenced by other variables outside of this study.

### The Influence of Halal Labeling, Product Quality, Service Quality and Interest on Purchasing Decisions and Increase in Selling Value of Bakery and Chake in Padangsidimpuan City.

Based on testing the t-test data, the independent variables (X1, X2, X3 and X4) have t - count values of 3.795, 3.079, 3.032, 4.157, and Sig<sub>counts</sub> of 0.000-0.001 respectively. Thus it is said that Ha is approved and Ho is rejected because t<sub>count</sub> > t<sub>table</sub> is 1.98498 and a significance value is 0.05. halal label regression coefficient of 0.412. Product quality has a regression coefficient of 0.374, service quality 0.359, and price 0.397. A positive coefficient value indicates a positive relationship between the independent variables (halal labeling, product quality, service quality, and price), which have an impact on consumer decisions to buy and increase sales value. Thus the independent variables have a significant and partially beneficial effect on the dependent variable, namely purchasing decisions and increasing bakery and chake sales in Padangsidimpuan City.

The significance value is 0.000, and the calculated F value is 31.866 according to the results of the F test table. Ho is rejected and Ha is accepted because F<sub>count</sub> > F<sub>table</sub> 2.70 and a significance value of 0.000 <0.05 which indicates that halal labeling, product quality, quality service, and price have a big influence on bakery and chake purchasing decisions. 47.9% is the coefficient of determination or the R<sup>2</sup> value of 0.479. Thus it is known that the four independent variables have an influence of 47.9% on buying choices and selling price increases.

## CONCLUSION

Based on the findings of data analysis, the variables halal labeling, product quality, service quality, and price have a positive regression coefficient direction with a  $t_{count}$  greater than  $t_{table}$  and a significance value less than 0.05 which indicates that these variables are likely to be small but have a significant effect on consumer decisions and the growth of the bakery and chake industry in Padangsidempuan City. Furthermore, it increases the selling value of bakery and chake in Padangsidempuan City based on  $F_{count} > F_{table}$  and significance value  $< 0.05$ . These effects coincide with each other. The percentage of purchasing decisions that are influenced by the halal label, product quality, service quality and price is 47.9%. Therefore, bakery and chake businesses in Padangsidempuan City must continue to develop product quality, service quality, and prices that are affordable to people of all economic conditions (low, middle and high). This is done to maintain and boost the added value of sales of industrial goods.

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