

# DO INDIVIDUAL CHARACTERISTICS IMPACT WILLINGNESS TO PAY FOR HALAL FOOD?

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**Abstract:** Eating halal foods is considered an essential part of Islamic practice, as it is compulsory to be a way to maintain physical and spiritual purity. In addition, Muslims are encouraged to consume halal foods as they are believed to benefit their overall well-being and help them maintain a healthy and balanced diet. This study aims to determine the effect of religiosity, religious commitment, and subjective norms on the willingness to pay for halal food. Equipped with purposive random sampling techniques, an online survey with 150 respondents was used to collect the data. The data obtained were then analyzed using Partial Least Square (PLS). This study's findings demonstrate a significant positive influence between religiosity, subjective norms, and religious commitment on willingness to pay for halal food.

**Keywords:** Subjective norms, religiosity, religious commitment, halal food, willingness to pay

## INTRODUCTION

Halal food refers to food that is permissible for Muslims to consume according to Islamic dietary guidelines. In general, halal foods include plant-based foods, grains, fruits, vegetables, and meat from animals that have been slaughtered in a specific way, with the animal's throat slit and the blood drained from the body. Pork and alcohol are considered haram, or forbidden, and are not consumed by Muslims. According to Elseidi (2018), halal is not just a label but an essential part of a Muslim and a moral code of ethics with attitudes that are integrated into everyday life.

The Quran instructs Muslims to consume Halal food and forbids what haram is it also instructs Muslims to avoid doubtful things (Ahmed et al., 2019). People aware of halal tend to have high involvement behavior in elections, including in buying food, because they will avoid risks (Memon et al., 2019). So, therefore, All Muslims must follow all of God's rules in the form of Sharia or Islamic law through various Islamic religious principles. A large number of Muslims in Indonesia can lead to an

increasing demand for halal products. This can affect many companies to produce halal food or drinks that already have halal certification from the government. As a result, such certification can give them greater self-confidence and willingness to purchase Halal goods (Ahmed et al., 2019).

According to the theory of planned behavior, a person's behavioral intentions, such as availability to pay, are based on various factors, such as subjective norms (Ajzen, 1991). This theory of planned behavior develops the theory of reasoned action. The development carried out is the addition of religious commitment factors to predict consumer purchase intentions for products labeled halal. Halal has always been associated with food that does not contain alcohol and pork. Because of this, society must also understand that halal is driven by belief, integrity, and values (Iranmanesh et al., 2020) which influence the daily life of a Muslim. In discussing halal products, religious identity and religious commitment are other factors that can be added to predict the willingness of consumers, especially Muslims, to pay more for halal-certified food. According to

research by Minton et al. (2019) religious identity is influenced by the extent to which a person believes, is involved in teachings, and identifies as affiliated with a religion.

According to the science of religion, religious commitment refers to the extent to which a person adheres to values and applies all knowledge about religion in everyday life. Consumer behavior is greatly influenced by the religious commitment of each individual (Iranmanesh et al., 2020). Therefore, when Muslims are faced with a new product, before buying it, they will reconsider whether the product is against Islamic religious beliefs. Religious commitment in this study is an important matter which aims to prove that norms are essential in terms of consuming halal-certified products, and they are willing to pay for them.

Another factor of individual character that can influence willingness to pay is religious commitment. Religious commitment also includes an individual's belief in the quality of absolute inherent truth and certainty of scriptures and spiritual teachings (Ahmed et al., 2019). Borzooei and Asgari (2014) define religious commitment as vital because it influences consumer behavior concerning intention and loyalty to specific brands in the market.

There has been a significant amount of research on the willingness of consumers to pay for halal food, but this study is different because aims to determine the effect of religiosity, religious commitment, and subjective norms on the willingness to pay for halal food.

## CONCEPTUAL FRAMEWORK

### Religiosity

Religiosity is a belief in specific religious values and ideals held and practiced by a person (Delener, 1990). Religiosity is an attitude or awareness that arises based on one's belief or belief in a religion. Religious

attitude is a condition that exists in a person who encourages him to behave by the level of obedience to the faith. Some views on religiosity are, for example, personal religiosity providing a background to the ethical nature of behavior is interpreted (Magill, 1992).

According to Delener (1994), religiosity is an individual's appreciation and practice of his beliefs. It is one of the most important cultural aspects that influence consumer behavior. It is believed that religion has an important role, one of which is, in this case, the behavior of consumers in space in the theory of planned behavior and its influence on the intensity of paying or willingness to pay. Therefore the hypothesis that is formed is:

H1 = religiosity has an influence on the willingness to pay for halal food.

### Subjective Norms

Ajzen (1991) explains that subjective norms (SN) are a person's opinion regarding social pressure and influence or other people to do or not to do a behavior. Subjective norms (subjective norms) can be in the form of references from opinions or perceptions of people other than themselves that are considered significant by that person in carrying out a behavior. Usually, other people will give their subjective judgment to judge whether someone should or should not do the behavior. Therefore the hypothesis that is formed is:

H2 = Subjective norms have a positive influence on the willingness to pay halal food

### Religiosity Commitment

Ajzen (1991) explains that subjective norms (SN) are a person's opinion regarding social pressure and influence other people to do or not to do a behavior. Subjective norms (subjective norms) can be in the form of references from opinions or perceptions of people other than themselves that are considered significant by that person in carrying out a behavior. Usually,

other people will give their subjective judgment to judge whether someone should or should not do the behavior. Likewise, according to Nilsson et al. (2004) subjective norms are norms of ideas that explain one's beliefs to refer to the influence of other parties in behaving in a certain way and are motivated by certain references. Therefore the hypothesis that is formed is:

H3 = Religiosity commitment has a positive influence on the willingness to pay for halal food

### Willingness To Pay

Willingness to pay or willingness to pay is the largest (maximum) amount agreed upon by an individual to pay for a product or service According to Riaz and Tanveer (2012), willingness to pay is the way consumers compare products that vary in price and perceived quality (by features or brand name) and the way these products are displayed in stores (by brand or model type) willingness to pay more for additional features or a more well-known brand. Willingness to pay is used to determine the maximum value consumers are willing to pay for the quality of a product (Priambodo and Najib 2014). So, Willingness to pay is a person's willingness to pay the maximum for a product or service that has the appropriate quality of the same brand.

## RESEARCH METHODS

This study uses quantitative approach. The population used in this study is the people in Surabaya, East Java, Indonesia. Data collection technique using convenience sampling. Data were obtained through online questionnaires distributed to 150 respondents. The data obtained were then analyzed using SmartPLS 3.0.

## RESULTS AND DISCUSSION

### Results

#### 1. Convergent Validity

Convergent validity is an analysis to measure whether an indicator is

declared valid. Chin and Lee (1999) explained that the indicator can be considered valid if it has a value more than 0.6.

**Table 1. Convergent validity**

Variable	Indicator	Outer Loading	Criteria
<b>Subjective Norms (SN)</b>	SN1	0.801	Valid
	SN2	0.809	Valid
	SN3	0.813	Valid
	SN4	0.899	Valid
	SN5	0.868	Valid
<b>Religiosity (RE)</b>	RE1	0.800	Valid
	RE2	0.835	Valid
	RE3	0.863	Valid
	RE4	0.822	Valid
	RE5	0.857	Valid
<b>Religious Commitment (RC)</b>	RC1	0.781	Valid
	RC2	0.716	Valid
	RC3	0.700	Valid
	RC4	0.714	Valid
	RC5	0.742	Valid
<b>Willingness to Pay Halal Food (WTP)</b>	WTP1	0.814	Valid
	WTP2	0.863	Valid
	WTP3	0.801	Valid
	WTP4	0.881	Valid
	WTP5	0.814	Valid

#### 2. Average Variance Extracted (AVE)

AVE is a measurement to compare whether there is a correlation between the constructs in the model. The results of the AVE value must be  $> 0.05$  to be declared valid (Ghozali & Latan, 2014).

**Table 2. AVE**

Variable	Average Variance Extracted (AVE)
Subjective Norms	0.689
Religiosity	0.642

Variable	Average Variance Extracted (AVE)
Religious Commitment	0.791
Intention to Visit	0.769

### 3. Composite Reliability and Cronbach's Alpha

Evaluation of composite reliability and Cronbach's alpha can be used to help test reliability. According to Hair et al. (2014), data with a composite reliability value > 0.7 has high reliability, while Cronbach's alpha is expected to have a value > 0.6.

**Table 3. Composite Reliability and Cronbach's Alpha**

Variable	Cronbach's Alpha	Composite Reliability
Subjective Norms	0.802	0.961
Religiosity	0.853	0.901
Religious Commitment	0.892	0.911
Willingness to Pay Halal Food	0.862	0.925

### 4. R<sup>2</sup> Analysis

The inner model is part of the hypothesis testing that is useful for testing the significance of the independent variable on the dependent variable and the R-Square (R<sup>2</sup>). According to Ghazali and Latan (2014). The R<sup>2</sup> value has several criteria, including weak (0.19), moderate (0.33), and high (0.67).

**Table 4. R<sup>2</sup> Analysis**

Variable	R Square	Criteria
Willingness to Pay Halal Food	0.861	High

### 5. Hypothesis Testing

The test results include direct influence. The sign (») indicates the direction of influence between one variable on another variable. The following are the results of hypothesis testing:

**Table 6. Hypothesis Testing**

Variable	Original Sample (O)	P Values
Subjective Norms » Willingness to Pay Halal Food	0.672	0.001
Religiosity » Willingness to Pay Halal Food	0.547	0.002
Religiosity Commitment » Willingness to Pay Halal Food	0.735	0.002

### Discussion

#### Subjective norms on willingness to pay

Ajzen (1991) explains that subjective norms (SN) are a person's opinion regarding social pressure and influence or other people to do or not to do a behavior. Subjective norms (subjective norms) can be in the form of references from opinions or perceptions of people other than themselves that are considered significant by that person in carrying out a behavior. Subjective norms received by individuals can affect individual behavior, one of which is the availability of buying halal food

products. This means that the higher the subjective norms that individuals accept for halal products, the higher the individual's willingness to buy halal food products. These subjective norms are not only specific to Muslim communities, but non-Muslim communities can also be affected by the surrounding environment because halal food is not only consumed by Muslims. Islam. Subjective norms that have developed in society, namely halal food, have a guarantee that the food contains halal ingredients and is not harmful to the body, even now many non-Muslim people also see the existence of a halal logo because they feel that products with a halal logo are safe for consumption. The research also supports this by Afendi et al. (2014) and Ngah et al. (2020), which explains that there is a positive and significant relationship between subjective norms and willingness to pay for halal food.

### **Religiosity on willingness to pay halal food**

Religiosity is defined as the subjective acquisition and interpretation of religion. Understanding "religious acts" as those whose meaning is marked by reference to human powers (Wibawa et al., 2021). Religiosity can be interpreted as religion being identified as an essential part of everyday life. This means that religiosity that exists within the individual can influence the individual's consumption behavior. As Muslims are required to consume halal food, Muslim consumers will tend to choose halal products.

This study's results explain a positive and significant relationship between religiosity and willingness to pay for halal food with a p-value of 0.002. This can be interpreted that the higher a person's religiosity, the higher the availability to pay for halal food. This is supported by research by Iranmanesh et al. (2021) who also explain that religiosity has a significant influence on willingness to pay.

### **Religiosity commitment on willingness to pay halal food**

According to Paloutzian (1996), religious commitment is divided into several dimensions: the belief, the ritual, the appreciation, the intellectual, and the consequential. The dimensions were created to show the difference between what people believe in the truth of their religion, what they do in practice as part of what they think, how emotions and experiences are consciously involved in their faith, and what they know from their beliefs, and how their religion influences their daily life.

The results of this study explain that religious commitment has a positive and significant relationship to the willingness to pay for halal food with a p-value of 0.002 meaning that the higher the religious commitment in a person, the higher the desire to pay for halal food because consuming halal food is an Islamic law. The research also supports the findings from Vanany et al. (2019) and Ratih et al. (2022) explain that there is a positive relationship between religious commitment and willingness to pay for halal food.

### **CONCLUSION**

Based on the results obtained, it can be concluded that

1. Based on the study findings, it is explained that subjective norms have a significant positive relationship with willingness to pay with a p-value of 0.001. This means that the higher the subjective norms accepted by the individual, the higher willingness to pay for halal food.
2. The results explain that religiosity has a significant positive relationship with willingness to pay for halal food with a p-value of 0.002. This means that the higher the religiosity in a person, the higher willingness to pay for halal food.

- It is explained that religious commitment has a positive and significant relationship with willingness to pay with a p-value of 0.002. This means that the higher a person's religiosity commitment, the higher the willingness to pay for halal food.

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