

# Halal Awareness, Social Media Promotion, and Reference Group (Word of Mouth) on Purchase Decision through Purchase Intention as Intervening Variable (Case Studies on MSME in Super Swalayan, Taman Setiabudi Indah, Medan)

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## ABSTRACT

The existence of MSME cannot be eliminated or avoided from today's society because it is very useful in terms of distributing people's income and also able to absorb labor on a large scale considering the large population of Indonesia so that it can reduce the unemployment rate. The purpose of this study is to analyze the effect of halal awareness, social media promotion, and reference group (word of mouth) on purchase decision through purchase intention as intervening variable in MSME in Super Swalayan, Taman Setiabudi Indah, Medan. The population of this research is consumers who shops at Super Swalayan, Taman Setiabudi Indah, Medan with a total sample of 100 respondents. The sampling method used was the accidental sampling method. Data analysis is carried out through IBM SPSS Statistics 24. The results show that halal awareness and reference group (word of mouth) directly have a positive and significant effect on purchase intention, while social promotion have a negative and insignificant effect on purchase intention. Halal awareness, social media promotion, and reference group (word of mouth) have a positive and significant effect on purchasing decision, then halal awareness, and reference group (word of mouth) have a positive and significant effect on purchasing decision through purchase intention, while social promotion has a negative and insignificant effect on purchasing decision through purchase intention.

**Keywords:** Halal Awareness, Social Media Promotion, Reference Group (Word Of Mouth), Purchase Decision, Purchase Intention

## INTRODUCTION

In this era that continues to develop, the dynamics of business competition requires every business that moves to always carry out various strategies in order to win the hearts of consumers. Companies must be able to implement the right strategy in attracting consumers. With buying interest, consumers will assess, acquire and use goods through an exchange or purchase process that begins with a decision-making process. Purchase decisions made by consumers describe how far the level of influence of marketing efforts made on a product. According to Kotler and Keller (2016), purchasing decisions are part of consumer behavior about how individuals, groups and organizations choose, buy, use and how goods, services, ideas or experiences to satisfy their needs and desires.

Currently, consumers in Indonesia in choosing products are more concerned with the religious values they adhere to, such as thinking about whether or not the product to be purchased is halal, especially in the culinary field. According to Abdul and Shahira (2010) halal awareness is the level of knowledge possessed by Muslim

consumers to find and consume halal products in accordance with Islamic law. Muslim awareness is characterized by knowledge about the process of slaughtering, food packaging, and food hygiene in accordance with Islamic law.

In addition to halal awareness, promotion is also very important in making purchasing decisions. In this sophisticated era, promotions carried out by companies have also experienced a shift, where many business owners have switched from promotion through print and electronic media to promotion through the internet, one of which is social media. Promotion through the internet, especially with social media (social networks) can increase sales widely and the costs are relatively low and the information content is large. In addition to social media promotions, purchasing decisions are also influenced by external factors such as references from other people. According to Sumarwan (2011) a reference group is an individual or group of people who significantly influence a person's behavior. Reference groups influence members in at least three ways, namely introducing new behaviors and lifestyles to someone, influencing attitudes and self-concept, and creating comfort pressures that can influence their product choices.

Research related to halal awareness conducted by Nadhilah (2020) with the title "The Influence of Halal Awareness, Knowledge, and Ease of Obtaining Products on Purchase Decisions for Personal Products and Halal Cosmetics" concludes that halal awareness has a significant effect on purchasing decisions for personal care products and halal cosmetics. Research related to social media promotion conducted by Zanjabila and Hidayat (2017) in their research entitled "Analysis of the Effect of Social Media Marketing on Purchasing Decisions at Bandung Techno Park" states that using social media as a promotional tool makes it easier and faster for buyers to get information. discounts and important information. Research related to reference

groups, Anselmus (2018) concludes that reference groups have a positive effect on buying interest.

## **LITERATURE REVIEW**

### **Halal Awareness**

Awareness is the ability to perceive, feel, and become aware of an event or object. Consciousness is the concept of implying understanding and perception of events or subjects. According to Ahmad, et al (2013) halal awareness is something that is known based on whether or not a Muslim understands what halal is, knows the correct slaughter process, and prioritizes halal food for them to consume. Meanwhile, according to Nurcahyo and Hudransyah (2017) halal awareness is the level of understanding of Muslims in knowing issues related to the halal concept. Consciousness has been hypothesized to play an important role in determining intention to vote.

### **Social Media Promotion**

The definition of promotion according to Saladin (2006) is a communication of information between sellers and buyers that aims to change the attitudes and behavior of buyers, who previously did not know to become familiar so that they buy and remember the product. According to Gunelius (2011) social media is the online publishing and communication tools, sites, and goals of Web 2.0 rooted in conversation, engagement, and participation. Social media is an online medium, with its users being able to easily participate, share, and create content including blogs, social networks, wikis, forums and virtual worlds. Blogs, social networks and wikis are the most common forms of social media used by people around the world.

### **Reference Group**

Reference groups are groups that have a direct or indirect influence on a person's attitudes and behavior. Groups that have a direct influence are groups where the individual is a member and interacts with

each other, while groups that have an indirect influence are groups where individuals are not members of the group. These influences will expose individuals to certain behaviors and lifestyles.

Nadiastika et al (2016) also suggested that reference groups consist of two or more people who interact with each other to achieve certain goals. Reference groups involve one or more people who are used as a reason for comparison or reference in forming affective responses and cognitive responses and performing behavior. Reference groups can be of any size (from one person to hundreds of people) and are palpable or non-palpable and symbolic.

### **Purchase Intention**

Purchase Intention is how likely consumers are to buy a brand or how likely consumers are to switch from one brand to another. Febiana (2014) states that interest is one of the psychological aspects that has a considerable influence on behavioral attitudes. Consumers' assessment of the product depends on their knowledge of information about the actual function of the product, thus consumers who are interested in purchasing a product are influenced by the information received.

### **Purchase Decision**

Consumer purchasing decisions are initiated by the desire to buy that arises because there are various influential factors such as family, desired price, information provided, and the benefits or benefits that can be obtained from the product or service. According to Kotler and Armstrong (2014), "Consumer buyer behavior refers to the buying behavior of final consumers-individuals and households that buy goods and services for personal consumption". both individuals and households that buy goods and services for personal consumption.

## **MATERIALS & METHODS**

The type of research used by the author is associative research. According to

Sugiyono (2012), associative research is research that aims to determine the effect or relationship between the independent variable and the dependent variable. This research was conducted on buyers at Super Supermarket Komplek Setia Budi Indah, Jl. Crysant V Block C No.1, Medan City, North Sumatra 20122 with the number of population to be studied is an infinite population, because researchers do not know the exact number of visitors to the UMKM Super Supermarket Area, Tasbih Medan Complex every day. Therefore, to find out the number of samples that represent the population for an infinite population in Yuswianto (2003) is as follows:

$$n = \frac{(Z\alpha)^2(p)(q)}{d^2}$$
$$n = \frac{(1,96)^2(0,5)(0,5)}{(0,1)^2}$$
$$n = 96,04$$

Based on the above calculation, the sample in this study was 96.04 respondents and rounded up to 100 respondents.

## **STATISTICAL ANALYSIS**

### **Respondent's Descriptive**

Where in this study it is known that the age of the respondents is the dominant age of 38-44 years as many as 32 respondents (32%), while the next dominant is in the age range of 24-30 years as many as 21 respondents (21%) and the age of 31-37 years as many as 20 respondents (20%). For gender, it is known that the respondents in this study were male dominant as many as 55 respondents (55%) while the remaining 45 respondents (45%) were female. Based on the occupation, it is known that the respondents in this study predominantly work as employees, namely 40 respondents (40%), then there are entrepreneurial jobs as many as 35 respondents (35%) and the rest are students/students as many as 20 respondents (20%) and others as many as 5 respondents (5%).

## Data Analysis Results

### Path Analysis

The test of this research uses path analysis. Path analysis is an extension of multiple linear regression analysis. Regression analysis was performed twice. The first regression analysis was to determine the strength of the relationship of the independent variable) to the mediating variable. The second regression analysis to determine the strength of the relationship of the independent variable to the dependent variable.

Table 1: Direct and Indirect Effect

Model	Beta	t	Sig	F	R <sup>2</sup>
<b>Equation of Sub Structure I (X to Z)</b>					
Sub I = P <sub>1</sub> XZ + e <sub>1</sub>	0,256	2,777	0,070	7,910	0,198
Sub II = P <sub>2</sub> XZ + e <sub>1</sub>	0,038	0,417	0,678		
Sub III = P <sub>3</sub> XZ + e <sub>1</sub>	0,340	3,701	0,000		
<b>Substructure Equation II (X and Y through Z)</b>					
Sub IV = P <sub>YX1</sub> + pYZ + e <sub>2</sub>	0,151	2,000	0,048	24,380	0,507
Sub V = P <sub>YX2</sub> + pYZ + e <sub>2</sub>	0,247	3,408	0,001		
Sub VI = P <sub>YX3</sub> + pYZ + e <sub>2</sub>	0,299	3,868	0,000		
Sub VII = PYZ + e <sub>2</sub>	0,429	5,330	0,000		

In the path model, this study will explain the direct and indirect effects of exogenous variables on endogenous variables. The direct and indirect effects on this research are as follows:

#### 1. Direct Effect

- The direct effect of X1 on Z = 0.256
- The direct effect of X2 on Z = 0.038
- The direct effect of X3 on Z = 0.340
- The direct effect of X1 on Y = 0.151
- The direct effect of X2 on Y = 0.247
- The direct effect of X3 on Y = 0.299
- The direct effect of Z on Y = 0.429

#### 2. Indirect Effect (Indirect Effect)

- Indirect effect of X1 on Y through Z  
 $PZX1 * PYZ = (0.256) * (0.429) = 0.1098$
- Indirect effect of X2 on Y through Z  
 $PZX2 * PYZ = (0.038) * (0.429) = 0.0163$
- Indirect effect of X3 on Y through Z  
 $PZX3 * PYZ = (0.340) * (0.429) = 0.1458$

#### 3. Overall Effect (Total Effect)

- Overall Effect of Halal Awareness Variables

$$PZX1 + (PZX1 * PYZ) = (0.256) + (0.256 * 0.429) = 0.3658$$

- Overall Effect of Social Media Promotion Variables

$$PZX2 + (PZX2 * PYZ) = (0.038) + (0.038 * 0.429) = 0.0543$$

- Overall Effect of Reference Group Variables

$$PZX3 + (PZX3 * PYZ) = (0.340) + (0.340 * 0.429) = 0.4858$$

### Sobel Test

To perform the Sobel test, it can also be calculated through the Sobel Test Calculator for the Significance of Mediation Dr. Daniel Soper as follows:

- Sobel Test The Effect of Halal Awareness on Purchase Decisions Through Purchase Intentions

Based on the results of the Sobel test statistic calculation, it is 2.696 and when tested with  $t_{count} 2.6964 > t_{table}(1.988)$ , and p-value  $0.007 < 0.05$ , it can be concluded that halal awareness has a positive and significant effect on purchasing decisions through buying interest as intervention variable.

- Sobel Test The Effect of Social Media Promotion on Purchase Decisions Through Buying Interest

Based on the results of the Sobel test statistic calculation, it is 0.621 and when tested with  $t_{count} 0.621 < t_{table}(1.988)$ , and p-value  $0.53 > 0.05$ , it can be concluded that social media promotion has a negative and insignificant effect on purchasing decisions through interest. buy as an intervening variable.

- Sobel Test of the Effect of Reference Groups on Purchase Decisions Through Purchase Intentions

Based on the results of the Sobel test statistic calculation is 2.748 and when tested with  $t_{count} 2.748 > t_{table}(1.988)$ , and p-value  $0.005 < 0.05$ , it can be concluded that the buying interest variable positively and significantly affects the reference group variable indirectly to the decision. purchase.

## RESULT

This study examines the effect of halal awareness, social media promotion, and reference groups on purchasing decisions through purchase intention as an intervening variable for MSMEs in the Tasbih Super Supermarket Complex, Medan. Overall, the results of testing the data using the SPSS 24 program prove that the existing hypothesis is acceptable. Testing the hypothesis in the study which states that there is an influence between halal awareness, social media promotion, reference groups, buying interest, and purchasing decisions can be proven.

## DISCUSSION

### 1. The Effect of Halal Awareness on Buying Interest

Based on the results of the tests that have been carried out, it is known that there is a positive and significant influence on the halal awareness variable on buying interest in MSMEs in the Tasbih Super Supermarket Complex, Medan when viewed with a significant value of the halal awareness variable  $(0.007) < (0.05)$  and  $t_{count} (2.777) > t_{table} (1.987)$ . This is in line with research conducted by Windisukma (2015) which concludes that halal awareness has a significant influence on people's buying interest.

### 2. The Effect of Social Media Promotion on Buying Interest

Based on the results of the tests that have been carried out, it is known that there is a negative and insignificant effect on the halal awareness variable on buying interest in MSMEs in the Super Supermarket Area, Tasbih Complex, Medan when viewed with a significant value of the social media promotion variable  $(0.678) < 0.05$  and  $t_{count} (0.417) > t_{table} (1.987)$ . This is contrary to research. Research conducted by Kumala (2012) entitled, "Promotion Through Social Media Against Buying Interest" concluded that promotion through Instagram social media had a positive and significant effect on culinary buying interest on followers of

the @kulinerdisolo account in the city of Surakarta.

### 3. The Influence of Reference Groups on Buying Interest

Based on the results of the tests that have been carried out, it is known that there is a positive and significant influence on the reference group variable on buying interest in MSMEs in the Super Supermarket Area, Tasbih Complex, Medan when viewed with a significant value of the reference group variable  $(3,701) < 0.05$  and  $t_{count} (3.701) > t_{table} (1.987)$ . This is in line with Janah's research (2018) which states that friends are a fairly effective source of information in providing information.

### 4. The Effect of Halal Awareness on Purchase Decisions

Based on the results of the tests that have been carried out, it is known that there is a positive and significant influence on the halal awareness variable on purchasing decisions at MSMEs in the Tasbih Super Supermarket Area, Medan, when viewed with a significant value of the halal awareness variable  $(0.048) < 0.05$  and  $t_{count} (2,000) > t_{table} (1,988)$ . The results of this study are in line with Nasrullah's (2015) research on the Effect of Awareness, Islamic Branding and Product Ingredient on Buying Interest in Luwak White Koffie Products, showing that there is an influence of halal awareness on purchasing decisions.

### 5. The Effect of Halal Awareness on Purchase Decisions

Based on the results of the tests that have been carried out, it is known that there is a positive and significant influence on the social media promotion variable on purchasing decisions at MSMEs in the Super Supermarket Area, Tasbih Complex, Medan when viewed with a significant value of the social media promotion variable  $(0.001) < 0.05$  and  $t_{count} (3.408) > t_{table} (1,988)$ . The results of this study are in line with research conducted by Zanjabila (2017) with the title the effect of promotion

through Instagram social media on purchasing decisions for Saka Bistro & Bar products.

## 6. The Influence of Reference Groups on Purchase Decisions

Based on the results of the tests that have been carried out, it is known that there is a positive and significant influence on the reference group variables on purchasing decisions at MSMEs in the Super Supermarket Area, Tasbih Complex, Medan when viewed with a significant value of the reference group variable  $(0.0) < 0.05$  and  $t_{count} (3.868) > t_{table} (1,988)$ . The results of the study are in line with previous researchers conducted by Nadiastika et al (2016) with the title The influence of brand image prices and word of mouth on consumer purchasing decisions.

## 7. The Influence of Purchase Interest on Purchase Decisions

Based on the results of the tests that have been carried out, it can be concluded that buying interest has a positive and significant effect on purchasing decisions on MSMEs in the Tasbih Super Supermarket Complex, Medan when viewed from the significant value of the buying interest variable  $(0.000) < 0.05$  and  $t_{count} (5.330) > t_{table} (1,988)$ . This is in line with research conducted by Agus and Aris (2019) which states that buying interest has a positive and significant effect on purchasing decisions.

## 8. The Influence of Halal Awareness on Purchase Decisions through Purchase Intention

Based on the results of the Sobel test statistic calculation is 2.696 and when tested with  $t_{count} 2.6964 > t_{table} (1.988)$ , and  $p\text{-value} 0.007 < 0.05$ , it can be concluded that the halal awareness variable has a positive and significant effect on purchasing decisions through buying interest as intervening variable.

## 9. The Effect of Social Media Promotion on Purchase Decisions through Buying Interest

Based on the results of the Sobel test statistic calculation, it is 0.621 and when tested with  $t_{count} 0.621 < t_{table} (1.988)$ , and  $p\text{-value} 0.53 > 0.05$ , it can be concluded that the social media promotion variable has a negative and insignificant effect on purchasing decisions through interest. buy as an intervening variable. This will certainly have a fairly bad impact on MSMEs in the Tasbih Super Supermarket Area, Medan Tasbih Complex because it will affect the purchasing decisions of new consumers and old consumers because they are less interested in MSMEs in the Medan Tasbih Super Supermarket Area.

## 10. The Influence of Reference Groups on Purchase Decisions through Buying Interest

Based on the results of the Sobel test statistic calculation, it is 2.748 and when tested with  $t_{count} 2.748 > t_{table} (1.988)$ , and  $p\text{-value} 0.005 < 0.05$ , it can be concluded that the reference group variable has a positive and significant effect on purchasing decisions through buying interest as an intervening variable. The results of this study support the theory of Kotler and Armstrong (2014) which concludes that external stimulation will enter the minds of consumers, buyer characteristics, and decision-making processes and will ultimately result in consumer purchasing decisions.

## CONCLUSION

Based on the analysis and discussion, several conclusions and suggestions can be drawn as follows:

1. Halal awareness has a positive and significant effect on buying interest.
2. Social media promotion has a negative and insignificant effect on buying interest.
3. The reference group has a positive and significant effect on buying interest.

4. Halal awareness has a positive and significant impact on purchasing decisions
5. Social media promotion has a positive and significant effect on purchasing decisions.
6. The reference group has a positive and significant effect on purchasing decisions.
7. Purchase intention has a positive and significant effect on purchasing decisions.
8. Halal awareness has a positive and significant effect on purchasing decisions through buying interest as an intervening variable.
9. Social promotion has a negative and insignificant effect on purchasing decisions through buying interest as an intervening variable
10. The reference group has a positive and significant effect on purchasing decisions through buying interest as an intervening variable.

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