Halal Food Marketing: A Case Study on Consumer Behavior of Chicken-based Processed Food Consumption in Central Part of Java, Indonesia

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Abstract

Global awareness of halal product is rising. Indonesia is a huge market for halal product, and has just legalized regulation on halal product guarantee. The recent dynamics urge the importance of knowledge of consumer’s behavior on halal product. This study attempted to describe consumer’s behavior, especially on the consumption of chicken-based food that is very popular in Indonesia. The case study was done in Yogyakarta and its surrounding. The findings suggest that consumers considered the halal of food, although they put it second after the food taste. The consumer’s knowledge about halal seemed differ among consumer’s groups, but they agreed on perception that religion as well as nutrition were factors influencing their decision to consume halal food.

Keywords: marketing; halal; consumer’s behavior; chicken-based food

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1. Introduction

1.1. Halal product in global trend

Halal food is important in global marketing since its demand is rising nowadays. Food items that are "Halal" not only abide with Islamic law but also are healthy for human consumption because the way they are prepared and processed. The opposite of "Halal" is "Haram" which in context of food items refer to the products that are forbidden. Food that is considered Haram (forbidden) for Moslems are Pork and all its products, animals that have been immolated in name of anyone other than Almighty Allah, alcoholic drinks including all forms of intoxicants, carnivorous animals, birds of prey and any food contaminated with any of these products (Salman and Shiddiqui, 2011). Global awareness of the importance of halal food cited by FAS USDA (2013) as it mentioned about the importance of halal certification, and many other countries in the world that concern about its trade with countries of moslem majority, specifically Indonesia. The regulation on Indonesia Halal Product Guarantee was just legalized through the soon application of the law within five year time of transition (DPR RI, 2014). This definitely will influence Islamic community in Indonesia as a huge population, that according to national census in 2010 the number was 87% out of 237 million of total population (BPS, 2011).

1.2. Chicken-based food consumption

Indonesian mostly consume chicken product, as its important source of protein, twice as beef (IMB, 2011). Chicken is very popular in Indonesian diet. A study on consumer preferences for poultry products in Indonesia (Muladno and Thieme, 2009) revealed that despite the Highly Pathogenic Avian Influenza (HPAI) that time, consumers continue buying live poultry and its products in traditional markets and from street vendors. Eating outside the home is common and increasingly trendy. Most results of the survey are in general similar for consumers in both Jabodetabek and Yogyakarta. Some respondents commented about the safety of officially inspected poultry products sold at the markets, and they urged that the products should be labelled, halal certified with expire date information. In Malaysia, especially in Klang Valley, Chamburi and Batt (2013) showed that factors influencing consumers’ choice of retail stores for fresh meat included chicken related with halal assurance was second after freshness of the product. In Susilowati (2010), Moslem consumers in Banten where has a predominantly Moslem population highly concerned halal and haram food before eating meat, fish and vegetables. They consistently put a high priority on the halal issue when they purchase food, buy meat, or select a restaurant. Furthermore, this high concern positively correlated with the degree of religiosity, but there was no parallel relation between education level and halal food consumption.

1.3. The case study

This case study based on a survey to 292 respondents of three kinds of outlet, namely local cuisine of grilled chicken in Wonogiri district, a local chain of fried chicken in Sleman district, and a local angkringan, a traditional food seller, in Yogyakarta. The sample producers claimed they sell halal product and halal certified. Further information was gathered through in-depth interviews. Using consumer behavior model that indicates a buying decision process influenced by internal as well as external stimuli (Kotler, 2012) through a descriptive and qualitative approach attempted to describe consumers’ behavior upon consuming chicken-based processed food in local outlets, especially as halal product.

2. Consumer behavior of chicken-based processed food

2.1. The respondents

The characteristics of the sample respondents were in line with the national figure where Moslem were majority. Some 88% of the respondents were Moslem. There was a relatively balance between male (52%) and female (48%) buyers. The buyers were also well-educated (high school and above), mostly from considerably young (average of
25 years) generation as averaged-income buyers, according to the regional minimum wage rate, with spending on food taken about 50% of their income.

2.2. Perception on halal food

Among the respondents, there were some different knowledge about halal concept. Some 65% of the respondents explained the concept as it related with Islamic shariah. Others explained halal as it simply without haram content, and moreover they also further mentioned about halal ingredients and processes. Some 18% of them directly related it with halal logo or label. Halal was also merely understood as no-pork food. It seemed that consumer alert more about halal-haram food in area where Moslem was a minority. Based on some experiences they gave examples about halal food in Bali, Tana Toraja, Batak area, and even Semarang or Chinatown in Singapore. In these areas, they would seek vendors with explicit or even provoking halal logo or asking the sellers about it. It was interesting to know that some buyers were just assumed it halal by the outfit of the sellers such as wearing jilbab to indicate the halal product. These finding revealed that there is still a need for further teaching about halal food not only for producers, but even for Moslem buyers.

2.3. Decision to consume halal food

Among the consumers, chicken-based meal was popular as it was consumed almost once a week among 56%, and even more for 32% of the respondents. Most of them (92%) planned to buy again. The global chain’s product become important choice among 34% of the respondents regardless they were consuming local product, while local chain was more preferable as it was chosen by 48% of them. Halal chicken-based food has a huge market. Although buyers prefer local produce, with the assurance of halal product, non-local or global producers have good market as well.

2.4. Influencing factors in halal food consumption

Outside stimuli that influencing decision to buy the products were taste (59%), halal (27%), while variation, texture, and packaging only considered by 8%, 5%, and 1%, respectively. The halal food buyers considered prices of the halal food as it worthy the quality and also affordable. Accessible and easy-to-find outlets were more important for buyers rather than the comfortable and crowded ones. Food with taste fit the buyers preferences will enjoy words-of-mouth promotion among the buyers. The second worthy way to promote were electronic media such as ads in television and radios. Price factor must be important, because other important way to attract buyers is price discount. Membership program is not yet an attractive choice for buyers. Souvenirs bundled with certain buying was only attractive to few buyers (less than 5% of them), and this mostly applied by global chain.

Regarding halal food decision to buy, family (60%) was the most influencer, and then friends and co-workers (27%). The fact that family is very important in buyers behavior suggest that other sources of halal knowledge, such as persons from religion-based institution or even government and non-government institution, must work harder to educate buyers about halal food. With the application of law about halal product guarantee, stakeholders must have a clear agenda to ensure that consumers’ as well as producers’ knowledge supporting the goal of the law enforcement.

3. Conclusion

Knowledge of halal concept varied among respondents. Respondents explained the concept as related with Islamic shariah, without haram content, and moreover they mentioned about halal ingredients and processes. Some of them even directly related it with halal logo or label. Halal was also merely understood as no-pork food. It seemed that consumer alert more in area where Moslem was a minority in consuming food. They would seek a vendors with halal logo, asking the sellers, or just assumed it halal by the outfit of the sellers to indicate the halal product.
Halal product of chicken-based processed food regardless its locality is very important in Indonesia now and even more in the future. Among the consumers, chicken-based meal was popular as it was consumed almost once a week among 56%, and even more for 32% of the respondents. Most of them (92%) planned to buy again. The global chain’s product become important choice among 34% of the respondents regardless they were consuming local product, while local chain was more preferable as it was chosen by 48% of them.

Halal is important, but taste and nutrition will be still at the top of priority within consumers’ behavior in consuming chicken-based food. Outside stimuli that influencing decision to buy the products were taste (59%), halal (27%), while variation, texture, and packaging only considered by 8%, 5%, and 1%, respectively. Family (60%) was the most influencer, and then friends and co-workers (27%) regarding the decision to buy halal food.

There is still a room for government, and other related institution to enhance not only producers’ but also consumers’ knowledge about halal food. This is important to ensure the achievement of law on halal product guarantee.

Acknowledgements

This paper is a part of a study conducted with Tian N. Ma’rifat, Resta F. Kafil, Agustina P. Wulansari, Dwi M. Sukowati, and Yanis R. Putri and supported by Faculty of Agricultural Technology, Universitas Gadjah Mada.

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