

# Halal Certification and Repeated Purchase: How is Social Accounting Implemented (Case Study at One of the Famous Cake and Bakery Shop in Indonesia)

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**Abstract**---This study raises the issue of social accounting which is a non-economic factor for companies to obtain and increase profits. One of the non-economic factors is halal certification for products related to the buyer's decision to buy the product again continuously. In Indonesia, with a large population and the majority are Muslim, paying attention to non-economic factors such as halal certification is very important. At present amid the development of sharia in Indonesia, the halal lifestyle is a matter of great concern. Using simple regression analysis, the results of the study show that there is a significant effect of halal certification on the buyer's decision to buy the same product again in the future. This research was conducted on consumers of one of the very famous cake and bread shops in Indonesia.

**Keywords**---Social Accounting, Halal Lifestyle, Halal Certification, Repurchase.

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## I. INTRODUCTION

Social and environmental accounting has long been a concern of accountants. This accounting is important because companies need to convey information about social activities and environmental protection to company stakeholders. The company not only conveys financial information to existing investors and creditors as well as potential investors or corporate creditors, but also needs to pay attention to the social interests in which the company operates (Saudi, 2018). The recent development of the concept of sharia in the business world in Indonesia has brought a change in business direction. Consumers become more selective in choosing products and producers, including the halal of a product. Whether a product is halal or not can be seen from the packaging that includes the halal logo issued by the Indonesian Ulema Council (MUI) as the party that has the authority to provide halal certification. Of course, to get the logo, the product must go through a series of tests according to the procedure set by the MUI.

Social accounting views whether or not halal is a product produced by a company as an effort of social responsibility towards the community, especially consumers who are Muslim. Indonesia itself is one of the countries with the largest Muslim population in the entire world, and will be a very potential market share for producers or companies that really pay attention to the halal of their products both in terms of raw materials, processes until the product reaches the consumers. Although from an accounting point of view this is related to the company's non-economic activities, but it will indirectly affect activities that are economic (profit).

The concept of halal is a very principle for Muslims. A Muslim is served consuming halal products (permitted) and *toyyiban* (beneficial). Halal-certified products also indicate the cleanliness, quality and hygiene of a product. Halal certificate gives a positive image in the form of consumer confidence in the product. This will be in line with the positive attitude of a Muslim to prefer halal certified products over products without halal certificates. Especially at this time imported products, especially food and beverages are very many and compete with local products.

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The increasing awareness of the Muslim community on halal products is not always followed by the large number of producers who have halal certification so that this can cause unrest for the community, especially Muslim communities in Indonesia. Quoting Dr. Ir. Lukmanul Hakim Director of LPPOM MUI at [Republika.co.id](http://Republika.co.id), Jakarta that so far one of the famous cake and bread companies in Indonesia does not yet have halal certification (Yulianto, 2018). Based on the retweet of the news, most of the comments chose to be more selective in buying products, especially products that do not have halal certification. Does this affect consumer interest in buying products that are not halal certified? That is what is trying to be examined from an accounting point of view.

## II. LITERATURE REVIEW

Gray and Walters (1993) in (Sugiono, 2013) stated that there are two reasons that encourage accountants to be involved in social and environmental issues, namely:

1. Social and environmental problems are basically business problems. This can result in market changes and will have an impact on the business world and accountants are required to pay attention and participate from determining costs, determining asset values to calculating the level of risk caused by environmental damage as a result of business activities.
2. Environmental problems require audit activities (in the technical language of accounting, audits are defined as, among others, procedures for auditing financial statements, from reviewing documents to giving recommendations).

The form of corporate responsibility and to whom the company is responsible can be explained by several theories. Thus, corporate responsibility is not only to investors or to creditors, but also to other stakeholders, for example employees, consumers, suppliers, government, society, media, industrial organizations, and other interest groups not only something that has an impact on the environment but also one of the social impact products that are halal certified from the country issued by the MUI. This has a social impact considering that most of Indonesia's population is Muslim.

Consuming halal food is a form of belief in a Muslim community and has been guaranteed by legislation especially regarding consumer protection number 8 of 1999 and consuming halal products has become an obligation for every Muslim. In meeting food needs and changes in consumer behavior can occur due to the advancing lifestyle of people who become consumptive who want to be fast and easy. And the increasing number of imported foods that have more appeal to consumers in Indonesia, this is due to the high demand and buying interest of the community (Hasan, 2014).

The Ministry of Religion explained in Ministry of Religion of Republic of Indonesia No.518 of 2001 concerning Food Inspection and Determination that Halal is: "... does not contain any illicit elements or ingredients or is prohibited for consumption by Muslims, and their processing does not contradict Islamic law". In addition to halal food and drinks, there are also foods and drinks that are forbidden because of their causes or substances (Imamuddin, 2017)

According to the Indonesian Ulema Council (MUI, 2017) food products must meet their halal requirements, namely:

1. The material used is not from pig and does not contain pig material.
2. Does not contain khamar and its derivative products.
3. All material from animals must come from halal animals which are slaughtered according to Islamic shari'ah procedures.
4. Does not contain other ingredients that are forbidden or classified as unclean, such as blood, materials derived from human organs, feces and so forth.
5. All storage, processing sales and transportation equipment for products may not be used by pigs or other non-halal goods. If it has ever been used for pigs or other non-halal items and will later be used for halal products, it must first be cleaned in accordance with the rules governed by Islamic Shari'ah.
6. Interchangeable use of production facilities for halal and non-halal products is not permitted.

According to (Simanjuntak & Dewantara, 2014) Halal label is a label on food that is justified according to Islamic Sharia, is quality, and does not endanger health. The purpose of the Halal Label itself is to meet market demands (consumers) in general. Economically, business people (industrialists) of Indonesia will be able to become a country that is responsible for all products marketed, another very basic goal is to protect the faith of consumers, especially those who are Muslim. That is, with the halal label, consumers do not need to hesitate anymore in consuming the food needed.

One of the main business processes, especially for trading companies is the buying and selling process. Of course, companies expect their products to be purchased continuously and repeatedly by customers in order to get and can increase profits. But now customer awareness of the product has increased considerably. Moreover, awareness to live with shar'i is a necessity. The buyer will consider buying the product and become a customer by taking into account several economic factors such as price and non-economic factors such as whether or not a halal product is evidenced by the halal logo from the MUI on the product packaging. With the halal logo, buyers can be more confident to consume the product and have the potential to purchase the same product continuously. Therefore non-economic factors or related to social accounting become very important things to pay attention to the company so that in addition it is expected to increase profits as well as business continuity.

The purchasing decision is a selection between two alternative choices or more consumers during the purchase process (Putro, Semuel, & Brahmama, 2014). Consumers every day will make various decisions regarding every aspect of their daily lives. Sometimes when making these decisions without thinking about how to make decisions and what is involved in the decision making process. Alternative choices must be available to someone when making a purchase decision (Putro et al., 2014). Based on the description above, it can be drawn halal certification hypothesis significantly positive effect on repeated purchase.

### III. RESEARCH METHODOLOGY

The research methodology used in this study is descriptive and verification. The variables in this study are two variables, namely the independent variable (free) and the dependent variable (dependent). Descriptive type of research aims to make descriptive images, factual and accurately understand the phenomenon being investigated for example behavior, actions, perceptions, etc. This study aims to find out whether there is an influence between the variables of halal certification (X) and repeated purchase (Y). Hypothesis testing is done using simple regression analysis then conclusions are drawn from the results of the regression.

### IV. RESULT AND DISCUSSION

#### IV.I. Result

##### a. T-test

T-test basically aims to determine whether the halal certification variable (X) influences repeated purchases (Y). T table values in this study were obtained from the t distribution table at  $\alpha$  and degree of freedom (df), where  $df = n - k = 60 - 2 = 58$ , then with  $df = 58$  and  $\alpha = 5\%$  (0.05) obtained t table of 1.67. Furthermore, the t table value will be compared with the calculated t value to determine the decision to accept  $H_0$  or reject  $H_0$ . Statistical test results show the t-value and significance level of the halal certification variable on repeated purchases are as follows:

**Tabel 2: t-test Result**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	24.06	5.192		4.634	0
	X1	0.301	0.097	0.376	3.086	0.003

Source:SPSS

Based on table 2 shows that t arithmetic (3.086) is greater than t-table (1.67) which means that  $H_0$  is rejected and  $H_a$  is accepted with a probability level of 0.03 less than  $\alpha = 0.05$  so it can be concluded that halal certification has an effect positive and significant towards repeated purchase. This means that the higher the halal status of a product is proven by the existence of a halal certificate on the product, it will influence consumers to buy the product again.

#### IV.II. Koefisien Determinasi ( $R^2$ )

Here are the results of processing for testing ( $R^2$ ), namely:

**Tabel 3: Coefficient of Determination.**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.392 <sup>a</sup>	0.154	0.124	4.02

a. Predictors: (Constant), X2, X1

b. Dependent Variable: Y

Based on table 3, the  $R^2$  value of 0.154 is obtained, meaning that the contribution of the independent variable to the dependent variable is 15.4% and the remaining 84.6% is influenced by other factors outside the model. The  $R^2$  result of 0.154 indicates that the variables in this research model have low influence.

## V. DISCUSSION

Based on the results of regression tests that have been carried out on this research model, it is known that halal certificates affect repeated purchased consumers in buying a product with a t-statistic value that is 0.086 greater than the t-table value (1.67). This means that an increase in halal-certified products will encourage consumers to re-buy products that have halal certification. The influence of the halal certification variable on the behavioral intention variable is 0.301 or the performance expectation variable influences the behavioral intention variable by 30.1%.

These results indicate that the higher or better the halal certification of a product, the better is someone's repeated purchased to buy the product. This supports the research conducted (Rosaliana, 2018), that someone will buy back a product because it has a positive experience with the product. This positive experience can be interpreted as a product clarity and for Muslim consumers, the product clarity is marked by the halal nature of the product itself.

This research has also been supported by several studies that explain the effect of halal products on repurchasing these products including research conducted by (Ali, Ali, & Sherwani, 2017; Ismail, Nik Abdullah, Ahmad, & Sidek, 2018; Jeaheng, Al-Ansi, & Han, 2019; Samori, Ishak, & Kassan, 2014; Siala, 2013; Talib, 2015; WULAN SARI, 2013; Zailani, Omar, & Kopong, 2011) stated that the positive increase of someone to repurchase a product is influenced by the clarity of the product brand and the clarity of the product brand is the presence of halal certificates in the product. So we can be sure that products that already have a halal certificate will increasingly influence consumers to buy back the product.

The acceptance of the halal certificate variable as one of the factors that influence consumers to repurchase a product is caused by the awareness of consumers of the clarity of a product because consumers consider products that already have a halal certificate as a product that is safe for consumption (Marzuki, Hall, & Ballantine, 2012). Consumers repurchase the product is a characteristic of the product has quality because there are already parties who guarantee the issuance of halal certificates on the product (Ismail et al., 2018).

Thus, it can be concluded that based on the findings in this study that are associated with empirical results of previous studies, namely the influence of the halal certificate of a product with consumer repurchase of a product, so the results of this study are appropriate and support some of the results of previous research.

Indonesia with the fourth largest population in the world and the population of most Muslims is a very potential market. But in practice the company must of course be able to adjust to the conditions that exist in Indonesia. The halal label from MUI as mentioned above is not just a logo but also reflects the guaranteed quality of the product to be consumed by Muslim residents. The buyer's slogan is king is not too excessive, because with good and halal product quality coupled with good service creates a synergy and becomes a magnet for customers. Customers will certainly choose products that pay attention to all aspects not only of economic factors (price) but also non-economic such as halal and whether or not the product is not only for itself but benefits for as many creatures in the world.

The development of sharia products and businesses in recent years has caused companies to quickly respond to these developments. Companies must improve their social responsibility (social accounting) by paying more attention to raw materials and all production processes better and paying attention to the halal and goodness of these products for the community. On the other hand companies that pay attention to this will benefit not only from the non-economic side but also from the economic side (profit) because Indonesia, with its large market share potential, is also a potential income for the company. Of course the public will prefer halal and good products and will repeat the purchase of halal and good products as evidenced by the existence of halal certification and halal logos on product packaging. In line with the results of research that halal certification influences repeated purchases. This study is also in line with research conducted by (Yunitasari, 2019), with the results of research showing that halal labels have a positive and significant effect on consumer purchases

## VI. CONCLUSION AND RECOMMENDATION

Based on the results of the study it can be concluded that halal certification has a positive and significant effect on repeat purchases by consumers. This shows that when the product already has halal certification, consumers will

return to buy the product. It should also be a concern for the company to pay more attention to the social accounting side related to the halal and goodness of the product to attract customer buying interest.

The recommendations for further research are expected to be able to develop other variables that are likely to affect repurchases such as quality, price, consumer behavior and others. On the other hand this study still has the limitations of research respondents and the limited research variables that allow research results to be less than optimal.

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