CHAPTER I

INTRODUCTION

1.1. Research Background

Indonesia is a big and beautiful country, which is famous of its diverse culturals, various ethnics and multilingual society. Indonesia is one of the big country that based on Muslimism religion. That is one of the reason why Indonesian is dominated by Muslims. Yogyakarta is a part of Indonesia which is well known of its culinary food, culture, and this city also well known as city of education or city of students. There are also a lot of Muslim based universities in Yogyakarta such as UMY (Universitas Muhamadiyah Yogyakarta), UII (Universitas Islam Indonesia), UIN (Universitas Islam Sunan Kalijaga), and etc. Most of the students here in Yogyakarta prefer to eat outside, because most of them are come from other city, so there are many food stands (Warung makan) and restaurants in Yogyakarta specially near the University.

Since there are many Muslim students in Yogyakarta, many restaurants really care about Halal. Although the owner of the restaurant is not a Muslim, but to get more customers and get an attention from the Muslim customers, they need to have a Halal brand on their restaurant to attract the Muslim customers and this might be one of the marketing strategy for them to get more customers. The other thing is, the owner of the restaurant also needs to get the licensing of this Halal brand from the MUI. Beside of that, the researcher does not want to see an

incident happened in 1988 which all of the Muslims blacklist some restaurants because they believed that some companies using Gelatin from pork in their products again. Some of the products also had been suspected because it was Syubhat (doubt between Halal and non-Halal). The Muslim did not want to take any risk, so that doubtful product also had been blacklist and then many consumers stop consuming that product. A lot of companies faced the bankruptcy and some still can survive with a very low profit. They loss more than 50% profit each month. The Muslims started to be more careful in choosing their product to consume at that time, and all of the companies need to spend a lot of money to convince the consumer that their product is free from pork (Halal). The suspected companies at that time are Camay body soap, Colgate toothpaste, Indomie, Dancow, Bango, ABC soy sauce, and etc. Some of that companies claimed that is rumor to their company, it is because of market competition. Therefore, the researcher does want this incident happened for the second time because it could also cause a big problem for our own country, which is the customers stop consuming their own country's product and prefer to buy the product from other countries. This incident might give some bad impacts to our country such as the bankruptcy of the Indonesia Companies, unemployment and of course, our GDP will decrease as well, so the welfare of our people will decrease as well. Especially for those that claim the pork issues in their company are a rumor, of course we do not want rumors happened in our company because it might give a bad impact not only for the company but also to our country. It is believed that when a company is associated with a negative rumor, it may lose credibility; the

company needs a third credible party to persuade consumer to come back (Koenig, 1985; Iyer & Debevec, 1991).

The other problem nowadays is the restaurants number in Indonesia are keep growing every years and the Halal brand is also needed in every places but the question is that whether the Muslim people really concern about this Halal brand or not and what are the factors that make the Muslim society choosing Halal restaurant. Popularity of *halal* has boosted its marketing value (Shaari & Ariffin, 2010) and Halal brand (Nooh et al., 2007).

Most Muslim will only dine at a Halal restaurant; though the expectation or perception of 'halalness' of a restaurant might differ from one to another. Halal certification or Halal Logo is meant to solve this different in opinion (Shaari & Ariffin, 2010).

In this era, globalization has changed many people, some people do not care in their food, they need a fast and quick food service rather than see whether the food is Halal or not, like it is stated in the previous study, it is stated that most of the people has been a part of the culture living in a particular type of "lifestyle of not so strict" and other factors might change people nowadays. Lifestyle can change people in this globalization. So the researcher focuses more to the youngster in Yogyakarta especially for the student itself because there is a lot of university student in Yogyakarta. The researcher wants to see whether the Muslim in Yogyakarta is still concern about the Halal issues or not, whether the lifestyle has changed them like in previous study or not. That is why we need to test some

variables to see what variables that really affect or influence the Muslim confidence level in choosing the restaurant. The other reason why the researcher chooses the Muslim students is because the researcher believes this youngster will become a potential consumer in the future that should be concern from nowadays.

Why brands can become such of a big problem for the customer? The researcher takes one statement from the other research article that explains why a brand is really important. Building on Holt's (2002) position articulated in "Why brands cause trouble", this research presents an adjunct position, which focuses on the effects of halal ingredient branding. Holt (2002) asserts that brands dictate tastes, through becoming cultural products. In doing so, brands afford companies the opportunity to dodge civic obligations.

Furthermore, in response to this phenomenon, the anti-branding movement seeks to address this trend − and here is where the battleground lies. (Wilson, 2010). In this research article, the researcher uses some factor which is devoutness, awareness, and lifestyle. Therefore, the researcher is going to make a replication research from the previous research using the same factors but the demographic is different. The researcher will take place in Yogyakarta so the researcher can easily reach the target in some universities since the researcher is living in Yogyakarta as a university student as well.

Then what actually Halal is? Based on Islamic Council of Victoria in 2014. Halal is an Arabic word meaning lawful or permitted. In reference to food, it is the dietary standard, as prescribed in the Qur'an (the Muslim scripture). The

opposite of halal is haram, which means unlawful or prohibited. Halal and haram are universal terms that apply to all facts of life. These terms are commonly used in relation to food products, meat products, cosmetics, personal care products, pharmaceuticals food ingredients, and food contact materials.

While many things are clearly halal or haram, there are some things which are not clear. Further information is needed to categorise them as halal or haram. Such items are often referred to as mashbooh, which means doubtful or questionable.

In general every food is considered halal in Islam unless it is specially prohibited by the Qur'an or the Hadith . By official definition, halal foods are those that are:

1. Free from any component that Muslims are prohibited from consuming according to Islamic law (Shariah).

2. Processed, made, produced, manufactured and/or stored using utensils, equipment and/or machinery that have been cleansed according to Islamic law.

Muslims eat to maintain a strong and healthy physique in order to be able to contribute their knowledge and effort for the welfare of the society. Muslims are supposed to make an effort to obtain the best quality nutritionally. It is mentioned in a Hadith that the prayer of a person is rejected by Allah if the food consumed is prohibited (haram).

All foods are considered halal except the following (which are haram):

1. Alcoholic drinks and intoxicants

2. Non-Halal Animal Fat

3. Enzymes* (Microbial Enzymes are permissible)

4. Gelatine* - from non-Halal source (fish gelatine is Halal)

5. L-cysteine (if from human hair)

6. Lard

7. Lipase* (only animal lipase need be avoided)

8. Non-Halal Animal Shortening

9. Pork, Bacon / Ham and anything from pigs

10. Unspecified Meat Broth

11. Rennet* (All forms should be avoided except for plant / microbial / synthetic - rennet obtained from halal slaughtered animal is permissible).

12. Stock* (a blend of mix species broth or meat stock)

13. Tallow* (non-Halal species)

14. Carnivorous animals, birds of prey and certain other animals

15. Foods contaminated with any of the above products

Foods containing ingredients such as gelatin, enzymes, emulsifiers, and flavors are questionable, because the origin of these ingredients is not known. In the meat and poultry food industry, animals such as cows, veal, lamb, sheep, goats, turkeys, chickens, ducks, game birds, bison, venison, and etc are considered halal, but they must be prepared according to Islamic laws in order for their meat to be suitable for consumption (see below).

Fish and seafood (with the exception of crocodiles, alligators and frogs) are generally acceptable for Muslims but as always check first, as there may be a personal dietary preference or allergy. The preparation of the fish or seafood should not include alcohol (such as batter or wine, or anything considered haram).

In cases of necessity, prohibited things may become permissible (halal) for the duration of the emergency or need, as Islam puts a priority on life over death. Refer to Qur'an at Chapter 2:173 (Al Baqarah).

From the other source, it is also stated Wilson and Liu (2010, p. 108) suggest that halal will always be an enigma: "What is deemed halal is ultimately governed by the heavens and subsequently therefore can never remain in its entirety within materialist branding frameworks". (Wilson, 2010)

While many things are clearly halal or haram, there are some things which are not clear. Further information is needed to categorise them as halal or haram. Such items are often referred to as mashbooh, which means doubtful or questionable.

Since Haram or Non-Halal is prohibited and unlawful for the Muslim, so In Indonesia, it is also become one of the big consideration for the restaurant since most of the poeple in Indonesia are Muslim. But we still do not really know whether these Muslim people really care about this Halal brand or not and what makes them sure that such of the restaurant sell the Halal food or not because to get the Halal brand in Indonesia is not difficult and not strict since the law in Indonesia is not very strict in some cases.

Then, we can see from the university in Yogyakarta. Most of the famous university is Muslim based university. Such as UIN,UII and UMY but the researcher also wants to compare the Muslim in Muslim based university with Muslim in Non-Muslim based university such as UAJY, STIE YKPN and UGM. The researcher will not distribute the questionnaire for the staff and lecturer because the target of this research is to get the consumer behaviour of the youngster because usually the youngster in Yogyakarta live in the boarding house and buy their food from the outside or restaurant. That becomes the needs and also the lifestyle of the people nowadays in eating outside their own house or boarding house.

Now the problem is sometimes we do not know whether the restaurant provides Halal food or not. We also do not know whether the Muslim always consider the restaurant got the Halal brand or not. So in this case, the researcher is going to see what factors that affect Muslim in Yogyakarta in choosing the restaurant that they are going to visit. By knowing the confidence level in choosing the Halal restaurant, it might help some of the restaurant to see what

criteria should be fulfilled beside the Halal brand to get more customer in their restaurant. This research is not only for the needs of the researcher, but it might also help the society and also the restaurant owner to have more Muslim customer by knowing their confidence level in choosing the Halal restaurant in Indonesia.

1.2. Research Questions

Based on the literature, some questions, which arose related to the confidence level in choosing halal restaurant, are:

1) Does devoutness influence Muslim confidence level in choosing halal restaurant?

2) Does awareness influence Muslim confidence level in choosing halal restaurant?

3) Does lifestyle influence Muslim confidence level in choosing halal restaurant?

4) Is the confidence level in choosing restaurant of Muslim students different based on university status?

5) Is the confidence level in choosing restaurant of Muslim students different based on their gender?

6) Is the confidence level in choosing restaurant of Muslim students different based on their income?

7) Is the confidence level in choosing restaurant of Muslim students different based on their living place?

1.3. Research Scopes

The scopes of the research to capture the exact phenomenon that would like to be obtained are:

1. This study was a modified replication of a research titled, "Halal Restaurant: Lifestyle of Muslims in Penang" by Jamal Abdul Nassir Shaari, Muhammad Khalique, Nurul Izza Abdul Malek in 2013 ". There were some differences in variable and demography for the study which is there is some additional variable of hypothesis in this study to make a deeper knowledge about the Muslim behavior in Yogyakarta which is "The behavior of Muslim based university students are different with the behavior of Non-Muslim based university students".

2. This study used the samples from Daerah Istimewa Yogyakarta, where the author conducted this research.

3. This study uses 6 universities in Yogyakarta to measure and analyze the behavior of Muslim in Yogyakarta, 3 Muslim based universities and 3 Non-Muslim based universities.

1.4. Research Objective

This study is examining about the behavior of Muslim n Yogyakarta. Those objectives are:

1. To see whether devoutness influence muslim confidene level in choosing halal restaurant or not.

2. To see whether awareness influence muslim confidene level in choosing halal restaurant or not.

3. To see whether lifestyle influence muslim confidene level in choosing halal restaurant or not.

4. To see whether the confidence level in choosing restaurant is different based on the university status.

5. To see whether the confidence level in choosing restaurant is different based on the gender.

6. To see whether the confidence level in choosing restaurant is different based on the Income.

7. To see whether the confidence level in choosing restaurant is different based on the living place.

1.5. Benefits of Research

This research will give us some information about the Muslim people behavior specially in their lifestyle. By knowing this information, whether they concern about the Halal brand in the restaurant or not, we can make a conclusion and also can consider more on running some food business in Yogyakarta for that branding concern .

The other benefit of this research is we can know more about the variables that really affecting the confidence level of Muslim people in choosing the Halal restaurant in Yogyakarta. If the people that has a restaurant already know the variable that can increase the confidence level of the Muslim people,

then it will be easier for them to get more Muslim customer. And by knowing the level of the confidence level in choosing halal restaurant, they can make an estimation of the customer monthly or yearly. This might really help them in the financial of the business and not only that, it will also help them to make some decision such as what place they should open the business and who is their target customer. So this research can be very important for the restaurant owner. Beside that, by knowing the variables that affecting the confidence level in choosing the halal restaurant, the friend of the Muslim poeple or the family that is Non-muslim can also be more aware and be more careful while asking the muslim friend to have dinner or lunch in such of the restaurant.

1.6. Research Report Outline

This study was divided into five chapters; each chapter explained different part of study.

Chapter 1:   Introduction

This chapter consisted of the research background of this study, research question, limitation of research, objective of research, benefit of research, and research report outline.

Chapter 2:   Literature Review

This chapter described the theoretical background of the study, previous research, and the development of the hypothesis.

Chapter 3: **Research Methodology**

This chapter explained the population and sample used in this research, data and data gathering, measurement of variables, and method of analysis.

Chapter 4: **Data Analysis**

This chapter presented the finding of the study, data analysis, and comparison between previous and present study.

Chapter 5: **Conclusion**

The last chapter of this study contained the conclusion of the research, managerial implications, limitations of the research, and further research direction.