

The Effectiveness Of Halal Labels As Moderated Variables Influence Between Product Quality, Brand Image, And WOM To Decisions On Purchase Of FAZZA Drinking Water Products

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Abstract

This study aims to determine the effect of product quality, brand image, and WOM on Fazza's (Drinking Water Product) purchasing decisions with a halal label as a moderating variable. The population in this study were all consumers of Fazza Product located in Lumajang Regency. The sample selection method uses a purposive sampling method and obtained a sample amount of 100 respondents. The method of data collection is done by questionnaire, interview, observation and literature study. The data analysis technique used in this study is the moderated regression analysis technique or MRA. The results showed that product quality, brand image, and WOM significantly influenced the purchase decision of Fazza Drinking Water Product. While the halal label cannot be moderated or doesn't play a role in strengthening the influence relationship between product quality, brand image, and WOM on the purchase decision of Fazza Drinking Water Product. The magnitude of the coefficient of initial determination (R square) is equal to 0.522 or 52.2%. This means that 52.2 % of the variation changes dependent variable is the purchase decision can be explained by the three independent variables which are product quality, brand image, and WOM, while the remaining 47.8% is explained by other causes beyond the model.

Keywords: product quality, brand image, WOM, halal label and purchasing decisions.

INTRODUCTION

Community needs for water for daily consumption continues to increase, as well as the needs of people who want the product practically and efficiently create a business opportunity new in the world of business. This is the rationale for business actors to meet the needs of the community by doing business in the field of packaging drinking water or commonly referred to as bottled drinking water (AMDK) . The bottled drinking water industry

in Indonesia has a fairly large market share from the soft drink industry group, with a market share reaching 85 percent and there are more than 500 companies, 90 percent of which are small and medium industries (IKM). Even the Ministry of Industry noted, the growth of the beverage industry in January-September 2018 reached 10.19 percent. Increasing number of businesses that engage in the business of packaging of bottled water requires para industry manufacturers to design and implement a marketing strategy that is appropriate and effective as the capital to compete with the existing competitors .

Competition in the bottled drinking water business makes business actors compete to attract customers by presenting products that can provide satisfaction to customers. Of the many choices, of course, consumers will tend to choose products with the best quality so that their needs and desires can be satisfied .

The brand of a product is also one of the concerns and considerations of consumers in deciding to buy a product. The selection of a product *brand* depends on the inherent *image* of the product. A brand can indicate a certain level of quality of a product so that satisfied consumers can make repeat purchases of the product .

Promotion is no less important than product quality and *brand image*. Among the types of promotions that exist, namely WOM (*Word of Mouth*) or better known as word of mouth promotion , where WOM is a type of effective marketing tool with low costs. Furthermore, halal product also became one of the factors that must be considered before purchasing a product consumers drinking water, this is because the concept of halal of a product can not be separated from the life of society in which the majority of Indonesian people are religious Muslims

From such understanding seems clear that the company should be able to create products with attention to what is desired and needed by consumers. Companies must analyze ways to win the competition and explore various factors that influence and become the background of consumer decision making in choosing a product . Among these factors is k Quality of product (Fauzan, et al., 2015), *brand image* (Yanti, 2016), WOM (Asmayati, et al., 2017), and l abel halal (Prasetyo, 201 8).

Based on the phenomena and explanations above, it is necessary to conduct research on the factors that influence consumer decisions in making purchases of AMDK Fazza . The purpose of this study was to u ntuk examination and analysis of the influence of product

quality , *brand image*, and WOM on purchase decisions Fazza drinking water with kosher label as a variable moderation .

RESEARCH METHODS

Types of Research

The data analyzed in this study are data obtained through distributing questionnaires to respondents who are considered eligible to be used as samples from the population in the study. Thus the type of research conducted is causal associative . Causal associative is a type of research with the characteristics of the problem in the form of a causal relationship research that is asking the relationship between two or more variables .

Population and Sample

Sugiyono (2014:148) says that the population is a generalization area consisting of objects or those that have certain qualities and characteristics determined by researchers and then conclusions are drawn . The population in this study are all consumers of AMDK Fazza located in Lumajang Regency.

Sugiarto (2017:136) explains that the sample is part of the population members taken based on certain procedures. Based on the information obtained from the sample, the researcher can draw a conclusion that applies to the population.

There are various ways that can be used to determine the sample size in research. Because the population in this study is unknown, to determine the sample size taken using the Ferdinand formula (Selestio, 2013)

$$n = \frac{Z^2}{4(Moe)^2}$$

Where:

n = Number of samples

Z = level of confidence required in the determination of the sample is 95%, pad a determination is Z on $\alpha = 0.5$ is 1.96

Moe = Margin of error, ie the tolerable error rate is determined at 10% or (0.1)

Then the calculation is as follows:

$$n = \frac{1,96^2}{4(0,1)^2} = 96,04$$

From the calculation above, it can be obtained that the number of samples to be used in this study is 96.04, to simplify the calculation, the sample is rounded up to 100 samples.

Sampling Techniques

In this study, sampling was done by approaching through the *purposive sampling method*, namely taking based on certain considerations where the requirements were made as criteria that must be met by the sample with the aim of getting a *representative* sample. In this study, samples were taken from the population by *purposive sampling* based on several criteria, namely:

- a. Customers are natives of Lumajang or immigrants who have settled in Lumajang Regency.
- b. The customer is 17 years of age and over.
- c. Customers have purchased Fazza AMDK more than once.
- d. The selection of sample locations was only focused on the distribution area of the authorized Fazza AMDK sales agent in 7 sub-districts including Candipuro, Pasirian, Tempeh, Senduro, Kunir, Lumajang, and Sumbersuko.
- e. Sampling was done by distributing questionnaires to customers who would buy Fazza bottled water at agents' shops, and distributing questionnaires by directly visiting customers' homes.

Identification and Operational Definition of Research Variables

1. Independent Variable

a. Product Quality (X1)

Abdullah and Francis Tantri (2012:158) say that product quality is the ability of a product to carry out its functions, which include durability, reliability, convenience, ease of use and repair, as well as other valuable attributes. The product quality indicators include:

- a. BPOM (Food and Drug Supervisory Agency), namely the Regulation of the Minister of Industry of the Republic of Indonesia Number 75/M-IND/PER/7/2010 concerning guidelines for good *manufacturing practices* (*Good Manufacturing Practices*).

- b. SNI (Indonesian National Standard), namely the Regulation of the Minister of Health of the Republic of Indonesia Number 492/MENKES/PER/IV/2010 concerning the requirements for drinking water quality .

b. Brand Image (X2)

Brand image (*brand image*) according to Sangadji and Sopiah (2013: 327) is an association that arises in the minds of consumers when remembering a particular brand. The association can simply appear in the form of certain thoughts or images associated with a brand. The indicators used to measure *brand image* include:

- a. Image maker / company (*Corporate Image*) .
- b. *User Image* (*User Image*) .
- c. *Product Image* (*Product Image*) .

c. WOM (X3)

Hasan (2010: 24) says that *word of mouth* or commonly referred to as WOM is part of an effort to deliver or convey business messages to consumers, especially the planned target market so that they can find out the advantages of the products they offer in the midst of fierce competition between business ventures. The indicators used in WOM are:

- a. Get information
- b. Get recommendations
- c. Encourage and invite colleagues

2 Moderating Variables

The moderating variable in this study is the halal label (Z) . Based on Law number 33 of 2014 which specifically regulates halal product guarantees, it states that the halal label is the inclusion of halal writing or statements on product packaging to indicate that the product in question is a halal product. The indicators used in this moderating variable are:

- a. Prefer to consume bottled water products if there is a halal label on the packaging
- b. Clarity of halal labels listed on AMDK products
- c. How is the layout of the halal label on AMDK products

Bound Variable

The dependent variable used in this study is the purchase decision (Y). Setiadi (2008:415) says that *consumer decision making* is an integration process that combines knowledge to evaluate two or more alternative behaviors, and choose one of them. The result

of this integration is called a *choice* , which is presented cognitively as a desire to behave. The indicators used in purchasing decisions are:

- a. Needs introduction
- b. Information search
- c. Alternative evaluation
- d. Buying decision

Data Analysis Techniques

Test Instrument Data

1 Validity Test

Sugiyono (2014: 430) says that the main criteria for quantitative research data are valid, reliable and objective. Validity is the degree of accuracy between the data that occurs in the object of research with data that can be reported by researchers .

To find out the test results of a variable can be valid or not is by looking at the value of if $r_{\text{arithmetic}}$ and r_{table} , provided that the data can be said to be valid apabila $r_{\text{count}} > r_{\text{table}}$, and if the significance value (Sig) < 0.05 . Based on the results of the $r_{\text{calculated}}$ test and r_{table} for all independent variables , moderating or dependent variables showed valid results.

2 Reliability Test

Sugiarto (2017: 208) says that reliability is related to consistency, precision and accuracy. Reliability instrument refers to an understanding that the instrument used in the study can be trusted (reliable) as a means of collecting data and be able to uncover the consistency and accuracy of information that is actually happening in the field.

To see whether a data is reliable or not, it can be known through the value of the *Cronbach's Alpha* coefficient , where a data is said to be reliable if the *Cronbach's Alpha* value is more than 0.60 according to the opinion of Guilford (2012). Dari reliability test results known that the value of *Alpha Cronbach* each variable product quality , *brand image* , *wom* , the halal label and purchasing decisions is greater than 0.60 so that answers that respondents trustworthy or dependable / reliable.

Classical Assumption Test

A multiple linear regression model can be said to be a good regression model if it meets the classical assumption test. Therefore, assumption test is needed before performing multiple

linear regression analysis. The classical assumption test itself consists of normality test, multicollinearity test, and heteroscedasticity test.

RESULT AND DISCUSSION

Hypothesis Testing

1. T - test

The t statistic test is basically a test that shows how far the influence of one independent variable individually in explaining the variation of the dependent variable. T statistical test used to test the first hypothesis to the hypothesis to six . The test criteria are : If $-t_{count} < -t_{table}$ Or $t_{count} > t_{table}$ and If sig. $t < 0.05$ then partially there is an influence between the independent variables on the dependent variable and vice versa . From the research results it is known that the significance value of each independent variable is as follows:

- a. Based on the test results for the product quality variable, the results of $t_{count} (4,097) > t_{table}(1,9 84 47)$, and sig $(0, 000) < (0,05)$ which means this indicates that the product quality variable has a significant effect on the quality of the product. significant to the purchase decision (H1 is accepted) .
- b. Based on the test results for the variable of *brand image* is obtained $t_{arithmetic} (3.874) > t_{table}(1.9 84 47)$, and sig $(0, 000) < \alpha (0.05)$ which shows that the variable of *brand image* influence significantly to the decision purchase (H2 accepted) .
- c. Based on the test results for the WOM variable, the results of $t_{count} (2.722) > t_{table} (1.9 84 47)$, and sig $(0.000) < (0.05)$ which indicates that the WOM variable has a significant effect on purchasing decisions (H3 is accepted) .
- d. Based on the test results for the halal label variable, the results of $t_{count} (- 0.042) < t_{table} (- 1.9 84 47)$, and sig $(0.967) > (0.05)$ which indicates that the halal label variable is not a variable moderation or does not play a role in strengthening the relationship between the influence of product quality on purchasing decisions (H4 is rejected).
- e. Based on the test results for the halal label variable, the results of $t_{count} (- 0.767) < t_{table} (- 1.9 84 47)$, and sig $(0.445) > (0.05)$ which indicates that the halal label variable is not a variable moderation or does not play a role in strengthening the relationship between the influence of *brand image* on purchasing decisions (H5 is rejected).

f. Based on the test results for the halal label variable, the results of $t_{count} (-0.251) < t_{table} (-1.9847)$, and $sig (0.803) > (0.05)$ indicate that the halal label variable is not a moderating variable. or does not play a role in strengthening the relationship of the influence of WOM on purchasing decisions (H6 is rejected).

Testing Results The coefficient of determination (R^2)

The coefficient of determination (R^2) essentially measures how much where the model's ability to explain variation in the dependent variable. The value of the coefficient of determination is between zero and one. The value of R^2 small means the ability of independent variables in explaining the variation is very limited dependent variables, the mean value approaching independent variables provide almost all the information needed to predict the variation of the dependent variable .

The coefficient of determination which shows the extent of the contribution of the independent variables, namely product quality, *brand image*, and WOM on the dependent variable of purchasing decisions can be seen in the following table:

Table 6
Table Test coefficient R^2 Early
Model Summary ^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,723 ^a	,522	,507	1,30137

a. Predictors: (Constant), X3, X1, X2

b. Dependent Variable: Y

Source: Secondary data processed 2020.

Table 7
Table Test coefficient R^2 Moderation
Model Summary ^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,756 ^a	,571	,539	1,25910

a. Predictors: (Constant), AbsX3Z, Zscore(X2), Zscore(X1), Zscore(Z), AbsX2Z, Zscore(X3), AbsX1Z

b. Dependent Variable: Y

Source: Secondary data processed 2020.

In Table 6 shows that the coefficient of determination shown by the value of *R Square* of 0, 522. This means that 52.2 % of variation changes dependent variable is the purchasing decision can be explained by t ribs independent variables are product quality , *brand image*, and WOM. while the rest of 47 , 8 % purchasing decision is explained by variables or other causes beyond the mode l.

Furthermore, in table 7 after adding the moderating variable for the halal label, it shows an increase in the *R Square* value from the initial 0.522 or 52.2% to 0.571 or 57.1%. This shows that the existence of a halal label variable that does not act as a moderator but acts as a predictor (independent) is able to increase the ability to explain the independent variable or the dependent variable.

Discussion of Research Results

Effect of Product Quality on Purchase Decision

The test results state that product quality has a significant effect on Fazza's bottled drinking decisions. Hal, indicates that drinking water quality is a product that is sought and needed by consumers to meet daily needs , so if the product quality gets better it will increase the purchasing decisions of consumers against bottled water products. Quality bottled water products are products that are sought after by consumers for the sake of fulfilling satisfaction when using these products, which sometimes consumers will not hesitate to spend more to get them . The quality of the product in this study was measured by an AMDK product that had received a distribution permit from BPOM and had passed the SNI certification. This is of course very reasonable so that ultimately product quality will affect purchasing decisions, because today people are increasingly aware of the importance of using food or beverage products that are completely safe for consumption, where one indication of a food or beverage product is a product that is safe for consumption. is to include BPOM distribution permit and SNI certificate.

Effect of *Brand Image* on Purchase Decision

The results showed that the *brand image* had a significant effect on the purchasing decision of Fazza bottled drinking water . Fazza is an AMDK product that is widely known by consumers and is one of the leading products in Lumajang Regency. With a positive image that is owned makes consumers tend to make purchases of AMDK Fazza products and become loyal consumers. Because after all, a positive or negative image will be more easily recognized by consumers so that producers will try to maintain, improve, and enhance their brand image in the eyes of consumers.

Influence of WOM on Purchase Decision

Based on the results of the study, it showed that WOM had a significant effect on the purchasing decision of Fazza bottled water. This shows that WOM is a form of low-cost marketing strategy that is very effective in attracting consumer buying interest, because WOM not only reduces the time it takes consumers to obtain the required information, but WOM is also able to provide reliable recommendations in solving problems. consumer problems and reduce the risk of errors in purchasing decisions. Thus, if WOM gets better, it will increase consumer purchasing decisions for AMDK products.

The Role of Halal Labels in Strengthening the Influence Relationship Between Product Quality, *Brand Image*, and WOM on Purchase Decisions

The results of this study indicate that the halal label is not able to strengthen the influence relationship between product quality, *brand image*, and WOM variables on the purchasing decision of Fazza bottled drinking water. From the results of the study, it can be seen that the halal label is only a moderating predictor, in this case the halal label variable will be more appropriate if it acts as a predictor variable (independent) in the relationship model being tested. Based on this, it can be seen that the halal concept of an AMDK product is still poorly understood by the Indonesian people, even though the majority of Indonesian people are Muslims.

CONCLUSION

Based on the results of the analysis of research data and discussions that have been described previously , the following conclusions can be drawn:

- a. Product quality has a significant effect on Fazza's bottled drinking decisions.
- b. *Brand Image* has a significant effect on Fazza's bottled drinking decisions.

- c. WOM has a significant effect on Fazza's bottled drinking decisions.
- d. Halal labels do not play a role in strengthening the relationship between product quality, *brand image*, and WOM on Fazza's bottled drinking decisions.

CV. Kembang Jaya must start to dare to open wider marketing outside Lumajang Regency, don't just be complacent about being a superior product in your own city. And also CV. Kembang Jaya should start using the internet or mass media for advertising so that the wider community knows about the quality and advantages of Fazza AMDK products. For further CV. Kembang Jaya should also start find a unique and attractive *brand image* that makes people interested and always remember about Fazza AMDK. Next should CV. Kembang Jaya also provides education to the public about the importance of the halal label on a bottled drinking water product. This is because the majority of people think that every bottled drinking water product circulating in the market is guaranteed to be halal because the main raw material is water. While the fact is that there are several filter materials used in the process of filtering drinking water that come from pig bones, and this is not widely known by the public.

For further researchers who conduct this research again, it is better to add other independent variables apart from the variables used in this study, such as price , promotion mix , service quality, product attributes, distribution channels and others so as to improve the quality of research results. And make the halal label not as a moderating variable, but as an independent variable. And also increase the scope of sampling locations so that the research results can represent the population as a whole.

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