Consumer Preferences on Halal Supply Chain Implementation in Food and Beverage Franchise Firms in Mataram City

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Article Information	Abstract
	This study aims to determine consumer preferences for implementing halal supply chains in food and beverage franchise firms in Mataram City. Customer preference theory is measured using the hierarchy of effect model. The research method uses multiple linear regression analysis and partial test (t-test) to answer the research hypothesis. The sampling technique used was the purposive sampling method, with a total of 384 respondents determined based on the Krejcie and Morgan table. The results of this study reveal that the variables of customer awareness, customer liking, and customer preference significantly affect the implementation of halal supply chains in food and beverage franchise companies. Meanwhile, customer purchases have an effect but are insignificant in implementing halal supply chains in food and beverage franchise companies. Meanwhile, customer knowledge and customer conviction/intention to buy do not affect the implementation of the HSCM in food and beverage franchise firms.

INTRODUCTION

The global market for halal products has seen a consistent upward trend. One of the contributing elements to the observed increase can be attributed to the global expansion of the Muslim community. The global Muslim population has reached a total of 1.8 billion individuals, with projections indicating an anticipated increase to 2.2 billion by the year 2030 (Sukono, Wiryawan, & Kusnadi, 2020). The understanding of the significance of consuming halal food is expanding in tandem with the rise in the Muslim population. The halal food market has emerged as a substantial sector within the global economy. The halal food market had a valuation of approximately USD2,537 billion in 2019, accounting for 21 percent of global expenditure (Talib, M. S., & Zulfakar, 2015). The Ministry of Industry in Indonesia reported a growth rate of 9.23% in the food and beverage industry in 2017 (Sukono, Wiryawan, & Kusnadi, 2020). This sector also made a significant contribution of 34.33% to Indonesia's non-oil and gas gross domestic product (Sukono, Wiryawan, & Kusnadi, 2020). This shows how much the food and beverage industry contribute to the national industrial world.

In Islam, halal food has a very important meaning for Muslims. The concept of halal indicates that something is allowed by Islamic law to be consumed. It covers not only food and beverages (f&b), but also involves the marketing process and the entire supply chain (Sumardi, 2022). Halal food is now in great demand not only as

a marketing strategy, but also because of consumer awareness about the importance of the halalness of the products they consume (Isnaeni, 2020). The high awareness of consumers about halal products is driven by several factors, including belief in product halalness, health aspects, and perceived values. Consumers are now increasingly inclined to choose halal food products because of the belief that these products meet the halal standards set by Islamic law, thus providing a sense of comfort and safety when consumed.

The halal product market in Indonesia is substantial, making it the leading consumer of halal products in the f&b industry, with a significant value of USD 155 billion (Tieman, Van, & Ghazali, 2012). The significant demand for halal items in Indonesia underscores the paramount significance of adhering to Islamic dietary guidelines for the Muslim populace within the nation. The significance of halal products extends beyond the Muslim community, encompassing non-Muslim consumers as well. Consumers' preference and willingness to consume halal products indicates a positive perception and reaction to the quality of products that comply with halal standards. Consumer preference is an individual's subjective taste for various goods measured by utility (Indarto, 2011). Various product attributes including halal status or halal labeling, can influence consumer preferences in choosing products (Chris, Tanika, & Irene, 2016). Consumer preferences are formed through the evaluation of various brands in the available product choices (Kotler & Keller, 2012). Consumers today are more likely to choose products that are transparent in the halal supply chain management (HSCM), so that they can find information about the production process and the origin of the product (Sakti, 2023). The implementation of HSCM is becoming increasingly important for that firms in satisfying consumer demand for quality halal products, including for franchise companies in the f&b firms in Mataram City, West Nusa Tenggara Province. The significance of HSCM has been growing in prominence, particularly in light of the enactment of Law Number 33 of 2014 by the government, which pertains to the assurance of halal product compliance. This legislation places significant emphasis on the requirement for all products in circulation inside Indonesia to possess halal certification. Franchise companies operating in the f&b sector are required to adhere to this legislation by implementing HSCM practices, thereby ensuring the halal certification of the items they offer. HSCM covers the entire process from upstream to downstream, including supplier selection, production processes, storage, and distribution, ensuring that products remain halal and avoid contamination with non-halal substances (Hashim & Shariff, 2016). The management of the HSCM encompasses the oversight and coordination of various processes involved in the movement of halal products, starting from the origin of raw materials to the end consumer. It is imperative that all these activities adhere to the principles outlined in Islamic Sharia (Mohamed, Abdul Rahim, & Ma'aram, 2020). Halal food encompass items that adhere to the guidelines set forth by Islamic law. These guidelines primarily pertain to the origin of the food and products, ensuring that they comply with the permissible standards outlined in the Quran and Hadith (Khan, Haleem, & Khan, 2021). The objective is to uphold the halal status of the product throughout its journey, commencing from the origin of the raw materials and concluding with its receipt by the consumer. This is achieved by adhering to Islamic principles at each stage of the supply chain (Khan, Haleem, & Khan, 2021).

However, the mitigation, monitoring and implementation of HSCM must be recognized as very difficult to control, the implementation of halal supply chain still holds several challenges in its application. In Indonesia, research related to HSCM is still limited, compared to other countries such as Malaysia which has a majority Muslim population. Therefore, research on customer preferences for HSCM is important to support the development of the f&b franchise industry that applies the principles of HSCM in Indonesia. The development of franchise companies engaged in the food and beverage sector in Mataram City has recently been increasingly found, among the new brands entering Mataram City such as Xie Xie Boba, Mixue Ice Cream, Janji Jiwa, J.CO and BreadTalk. Various franchise brands attract attention because it is known that some do not have halal certificates (Agustiani & De Yusa, 2023). Thus, objectively this research seeks to be part of understanding consumer preferences for the implementation of the HSCM in food and beverage franchise firms in Mataram City and to help develop the halal industry in Indonesia to meet consumer demand and ensure product quality in accordance with halal standards.

Research Hypothesis

Based on the results of previous researchers and research framework, the following frame of mind can be developed:

H1: Customer awareness have a significant effect on the implementation of the HSCM in f&b franchise firms.

H2: Customer knowledge have a significant effect on the implementation of the HSCM in f&b franchise firms.

H3: Customer Liking have a significant effect on the implementation of the HSCM in f&b franchise firms.

H4: Customer preference have a significant effect on the implementation of the HSCM in f&b franchise firms.

H5: Customer conviction / intention to buy have a significant effect on the implementation of the HSCM in f&b franchise firms.

H6: Customer purchase have a significant effect on the implementation of the HSCM in f&b franchise firms.

RESEARCH METHOD

This research adopts a quantitative approach, using predetermined statistical methods to organize information in the form of numbers. The utilization of narrative models in this research is motivated by the intention to focus on systematically explicable, empirically grounded, and detailed representations pertaining to the phenomena and characteristics under investigation. The population studied was the society in Mataram City. The purposive sampling method was used to select 384 samples that had previously been determined based on the Krejcie and Morgan table, which were people who had shopped for franchised food and beverage products in Mataram City (Krejcie & Morgan, 1970). Data collection was carried out through a questionnaire using Google forms, using a likert scale which contains respondents' responses to statements that are rated from strongly disagreeing, namely 1 to strongly agreeing, namely 5 (Likert, 1932). The data analysis technique uses IBM SPSS 25 software and uses partial test (test) multiple linear regression and analysis to answer the research hypothesis. The regression equation is:

$Y= \alpha + \beta1X1 + \beta2X2 + \beta3X3 + \beta4X4 + \beta5X5 + \beta6X6 + e$ (1)

Information:
  Y = Dependent Variable
  a = Constant
  b1, b2, b3, b4, b5, b6, b7 = Regression coefficient of each independent variable
  X1, X2, X3, X4, X5, X6, = Independent
  variable
  e = error.

RESULTS AND DISCUSSION
Descriptive Test Results

Descriptive test results from 384 community respondents selected through sampling techniques with the Krejie & Morgen method and are respondents who have shopped for franchised food and beverage products in Mataram City. The criteria based on gender are that female respondents dominate, namely 212 respondents (55.2%), then male respondents, namely 172 respondents (44.8%). Criteria based on age, namely the age range of respondents who dominate the most is age 26-35 years, as many as 167 respondents (50.4%), then age 18-25 years 154 respondents (40.1%) and age 36-46 years 63 respondents (16.4%). Criteria based on the latest education is dominated by high school graduates, namely 229 respondents (59.6%), followed by S1 graduates, namely 149 respondents (38.8%), then Master Degree 6 respondents (1.6%). Criteria based on employment are dominated by students 163 respondents (42.4%), then private employees 103 respondents (26.8), then self-employed 75 respondents (19.5%) and civil servants 43 respondents (11.2%). Criteria based on franchise food or beverage products that have been consumed are dominated by Mixue Ice Cream 101 respondents (26.3%). then BreadTalk 90 respondents (23.4%), then J.CO 79 respondents (20.6%), then Janji Jiwa 64 respondents (16.7%) and Xie-Xie Boba 50 respondents (13%).

Table 1. Demographic Characteristics of Respondent

Characteristic		N = 381	
		Frequency	Percentage
Gender	Female	212	55,2%
	Male	172	44,8%
Age	26-35 years	167	50,4%
	18-25 years	154	40,1%
	36-46 years	63	16,4%
Education	High school	229	59,6%
	Bachelor Degree	149	38,8%
	Master Degree	6	1,6%
Occupation	Students	163	42,4%
	private employees	103	26,8
	self-employed	75	19,5%
	Civil Servant	43	11,2%

Characteristic		N = 381	
		Frequency	Percentage
Franchised food or beverage products that have been consumed	Mixue Ice Cream	101	26,3%
	BreadTalk	90	23,4%
	J.CO	79	20,6%
	Janji Jiwa	64	16,7%
	Xie-Xie Boba	50	13%

Source: SPSS Data Result (2023)

Partial Test Results (t-test)

Based on the partial test results (t test) can be described in table 1.1 below:

Tabel 2. Partial Test Results (t-test)

Model	Unstandardized Coefficient		T	Sig.
	B	Std.Error		
1 (*Constant*)	2.039	0.527	3.870	.000
Customer awareness (X1)	.593	.053	11.227	.000
Customer knowledge (X2)	.031	.056	0.560	.576
Customer Liking (X3)	.253	.053	4.730	.000
Customer preference (X4)	.256	.052	4.898	.000
Customer conviction / intention to buy (X5)	-.054	.060	-.906	.365
Customer purchase (X6)	.089	.052	1.727	0.085

Source: SPSS Data Result (2023)

From the results, only the customer awareness variable (X1) obtained a t-count value of 11.227> 1.648 and a significance value of 0.000. Then followed by the customer liking variable (X3) obtaining a t-count value of 4,730> 1,648 and a significance value of 0.000. Then customer preference (X4) obtained a t-count value of 4,898>1,648 and a significance value of 0.000 and customer purchase (X6) obtained a t-count value of 1,727>1,648 but a significance value of 0.085>0.025. Meanwhile, the customer knowledge (X2) and customer conviction / intention to buy (X5) variables obtained a t-count value of less than 1.648 and a significance value greater than 0.025.

Tabel 3. Partial Test Results (t-test)

Hypothesis	Results	Sig.	Remarks
H₁: Customer awareness (CAX1) have a significant effect on the implementation of the HSCM in food and beverage franchise firms.	CAX1 have a significant effect on the implementation of the HSCM.	0.000	H₁ accepted
H₂: Customer knowledge (CKX2) have a significant effect on the	CKX2 does not have a significant effect	0.576	H₂ rejected

Hypothesis	Results	Sig.	Remarks
implementation of the HSCM in food and beverage franchise firms.	on the implementation of HSCM.		
H$_3$: Customer Liking (CLX3) have a significant effect on the implementation of the HSCM in food and beverage franchise firms.	CLX3 have a significant effect on the implementation of the HSCM.	0.000	H$_3$ accepted
H$_4$: Customer preference (CPX4) have a significant effect on the implementation of the HSCM in food and beverage franchise firms.	CPX4 have a significant effect on the implementation of the HSCM.	0.000	H$_4$ accepted
H$_5$: Customer conviction / intention to buy (CCIX5) have a significant effect on the implementation of the HSCM in food and beverage franchise firms.	CCIX5 does not have a significant effect on the implementation of the HSCM.	0.365	H$_5$ rejected
H$_6$: Customer purchase (CPCX6) have a significant effect on the implementation of the HSCM in food and franchise firms.	CPCX6 have a significant effect on the implementation of the HSCM.	0.085	H$_6$ accepted

Source: *SPSS Data Result (2023)*

This study was conducted to determine customer preferences based on the hierarchy of effect model on the implementation of the HSCM in food and beverage franchise companies in Mataram City. Decision making is based on the t-count value and a significance of 0.025, and if the probability is smaller than 0.025 then a variable has a significant effect and vice versa.

The effect of customer awareness (CAX1) on HSCM implementation in food and beverage franchise firms

The results of statistical testing, the regression coefficient value of the customer awareness variable is 0.593, which means that every increase in the customer awareness variable by 1 unit can increase the level of implementation of the HSCM in f&b franchise firms by 0, 593. The t-count value on the customer awareness variable is 11.227 and the significance value of 0.000 <0.025, so it can be concluded that customer awareness has a significant effect on the implementation of the HSCM in f&b franchise firms. Thus, Hypothesis 1 is accepted because respondents give a high value that customers are aware of the halal food and minimal products they consume and are preferences that must be met. As a result, the higher the level of customer awareness, the greater the implementation of the HSCM in franchised f&b products. This research is in line with the results of previous research conducted by Lubis & Yafiz, that consumer awareness of halal products can increase

the trust of Muslim communities in Medan City to consume these products (Lubis & Yafiz, 2023).

The effect of customer knowledge (CKX2) on HSCM implementation in food and beverage franchise firms

The results of statistical testing, the regression coefficient value of the customer knowledge variable is 0.031, which means that each increase in the customer knowledge variable by 1 unit can increase the level of HSCM implementation in f&b franchise firms by 0, 031. However, the t-count value on the customer knowledge variable is 0.560 and the significance value of 0.576 > 0.025, so it can be concluded that customer knowledge does not have a significant effect on the implementation of the HSCM in f&b franchise firms. Thus, hypothesis 2 is rejected because respondents give low value to customer knowledge related to the HSCM in food and minimal companies that they consume. As a result, if customer knowledge increases, customer preference for HSCM implementation in f&b franchise companies will also increase This research is in line with the results of previous research conducted by Maknunah, Rahma, & Amal that consumer knowledge in the implementation of Halal Supply Chain Management in the Food Business can increase consumer preferences in food products (Maknunah, Rahma, & Amal, 2020).

The effect of customer liking (CLX3) on HSCM implementation in food and beverage franchise firms

The results of statistical testing, the regression coefficient value of the customer liking variable is 0.253, which means that each increase in the customer liking variable by 1 unit can increase the level of implementation of the HSCM in f&b franchise firms by 0253. The t-count value on the customer liking variable is 4.730 and the significance value of 0.000<0.025, so it can be concluded that customer liking has a significant effect on the implementation of the HSCM in f&b franchise firms. Thus, hypothesis 3 is accepted because respondents give a high value that customers like halal food and minimal products that they consume and are preferences that must be met. As a result, the higher the level of customer liking, the greater the implementation of HSCM in franchised f&b products.

The effect of customer preference (CPX4) on HSCM implementation in food and beverage franchise firms

The results of statistical testing, the regression coefficient value of the customer preference variable is 0.256, which means that each increase in the customer preference variable by 1 unit can increase the level of HSCM implementation in f&b franchise firms by 0.256. The t-count value on the customer preference variable is 4.898 and the significance value of 0.000<0.025, so it can be concluded that customer preference has a significant effect on the implementation of the HSCM f&b franchise firms. Thus, hypothesis 4 is accepted because respondents give a high value that customers have a high preference for halal food and minimal products that they consume. As a result, the higher the level of customer preference, the greater the implementation of the HSCM in f&b products.

The effect of customer conviction or intention to buy (CCIX5) on HSCM implementation in food and beverage franchise firms

The results of statistical testing, the regression coefficient value of the customer conviction or intention to buy variable is -0.054, which means that every increase in the customer knowledge variable by 1 unit can increase the level of HSCM implementation in f&b franchise firms by 0, 054. However, the t-count value on the customer conviction / intention to buy variable is -0.906 and the significance value of 0.365 > 0.025, so it can be concluded that customer conviction / intention to buy does not have a significant effect on the implementation of the HSCM in f&b franchise firms. Thus, hypothesis 5 is rejected because respondents give a low value to the desire to buy products that customers do not know the HSCM that exists in f&b firms that they consume.

The effect of customer purchase (CPCX6) on the implementation of the HSCM in food and beverage franchise firms

The results of statistical testing, the regression coefficient value of the customer purchase variable is 0.089, which means that every increase in the customer purchase variable by 1 unit can increase the level of implementation of the HSCM in f&b franchise firms by 0.089. The t-count value on the customer purchase variable is 1.727 and the significance value of 0.085 > 0.025), so it can be concluded that customer purchase has an effect but not significantly on the implementation of the HSCM in f&b franchise firms. Thus, hypothesis 6 is accepted because respondents give a high value that customers decide to buy halal food and minimal products that they consume. As a result, the higher the level of customer purchase, the greater the implementation of the HSCM in franchised f&b products.

CONCLUSION

Customer awareness has a significant effect on the implementation of the HSCM in f&b franchise firms. This is indicated by the variable significance value of 0.000 <0.025. As a result, the higher the level of customer awareness, the greater the implementation of the HSCM in f&b products. Customer knowledge does not have a significant effect on the implementation of the HSCM in f&b franchise firms. This is indicated by the variable significance value of 0.576 > 0.025. As a result, if customer knowledge increases, customer preference for HSCM implementation in f&b franchise firms will also increase.

Customer liking have a significant effect on the implementation of the HSCM in f&b franchise firms. This is indicated by the variable significance value of 0.000 < 0.025. As a result, the higher the level of customer liking, the greater the implementation of the HSCM in franchised f&b products. Customer preference have a significant effect on the implementation of the HSCM in f&b franchise firms. This is indicated by the variable significance value of 0.000 < 0.025. As a result, the higher the level of customer preference, the greater the implementation of HSCM in franchised f&b products.

Customer conviction / intention to buy does not have a significant effect on the implementation of the HSCM in f&b franchise firms. This is indicated by the variable significance value of 0.365 > 0.025. So, it can be concluded that customer conviction / intention to buy does not have a significant effect on the implementation of the HSCM in f&b franchise firms. Customer purchase have a significant effect on the implementation of the HSCM in f&b franchise firms. This is indicated by the variable significance value of 0.085 > 0.025, so it can be concluded that customer

purchase has an effect but not significantly on the implementation of the HSCM in f&b franchise companies. As a result, the higher the level of customer purchase, the greater the implementation of the HSCM in franchised f&b products.

It is expected that future researchers can add other variable items related to the implementation of the HSCM that are not included in this study such as third-party suppliers and distributors who are partners of franchise companies so that the entire HSCM can be known specifically the implementation process and that future researchers can use a grand theory that is different from the hierarchy of effect model used in this study so that it can provide a different perspective in measuring consumer preferences in the implementation of the HSCM.

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