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# HEDONIC AND UTILITARIAN SANTRI IN HALAL PRODUCT CONSUMPTION BEHAVIOR

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## **ABSTRACT**

#### **KEYWORDS**

Halal food consumption; consumption behavior; hedonic value; utilitarian value The global trend towards halal products is considered one of the driving forces for the growing popularity of Halal products among the public. One of the aspects that consumers pay attention to in consuming halal products is whether the product has hedonic or utilitarian values. Some research on hedonic and utilitarian values had been previously conducted in the context of online buying behavior but did not focus on halal products. This study aims to investigate the impact of hedonic and utilitarian values on the consumption behavior of halal products. The study uses a questionnaire survey to collect data from 180 students in Magelang Regency. Structural Equation Model- Partial Least Square (SEM-PLS) analysis was performed to test the validity and hypothesis. The study shows that hedonic and utilitarian values significantly influence the consumption of halal products. The findings of this study indicate that halal products have more important hedonic benefits than utilitarian benefits in increasing consumption behavior.

#### **INTRODUCTION**

The global halal industry is experiencing rapid development. As reported by the State of the Global Islamic Economy Report 2019/2020, the average expenditure of Muslims around the world reached US\$2.2 trillion in 2018 for the food, pharmaceutical, and lifestyle sectors. The report also predicts that Muslims will make up 31% of the global Muslim population globally over the next 45 years. Accordingly, demand in the halal food sector has also increased by US\$1,303 billion, which is projected to reach US\$1,863 in 2023. Therefore, Muslim consumer spending on food and beverages is projected to increase from US\$1.4 billion in 2018 to US\$\$20 billion by 2024 (Wibowo et al., 2022).

In line with that, the Indonesian government launched the 2019–2024 Halal Economic Masterplan to strengthen the national halal industry, specifically increasing the number of legally certified halal food products in Indonesia, of which currently only less than 10% are halal certified (Susanty et al., 2021). The implementation of Indonesian halal food certification relies on the Halal Assurance System 23000 (HAS 23000), which acts as a general guide for production processes and procedures. Therefore, HAS 23000 is used by the Halal Product Assurance Organizing Body, as the newly appointed halal certifying body, to carry out stringent procedures to ensure consistent halal status on food products (Katuk et al., 2021). Supported by the 2019–2024 Halal Economic Masterplan, awareness of halal products and increasing halal lifestyles is a great opportunity for the development of Halal industry in Indonesia.

One aspect that is considered by consumers in buying halal food is whether the food is hedonic or utilitarian (Otterbring et al., 2023). Hedonic is related to the extent to which consumers have the perception that the product consumed can provide an effective experience, sensation, pleasure, and enjoyment. While utilitarian is related to how consumers have the

perception that the products consumed can provide functional and instrumental value, and consumers mainly focus on needs, uses, and practicality (Shang et al., 2020).

As important factor in determining behavior, hedonic and utilitarian values are widely studied by researchers. For example, Sumarliah, Usmanova, Mousa, & Indriya (2022); Hazari, Bergiel, and Sethna (2017); Shang, Jin, and Qiu (2020), use hedonic and utilitarian as determinants of online purchases, Arruda Filho, Simões, and De Muylder (2020); Kim, Lee, and Kim (2011); Ong, Prasetyo, Vallespin, Persada, and Nadlifatin (2022) included hedonic and utilitarian as variables that influence purchase intention. Ho, Chiu, Mansumitrchai, and Quarles (2020) analyze the intention to buy cosmetics, including hedonic and utilitarian. Otterbring, Folwarczny, and Gidlöf (2023) use hedonic and utilitarian as determinants of food purchases. From the literature review, hedonic and utilitarianism have received a place in behavioral research, but hedonic and utilitarianism have not been widely used to analyze the behavior of consuming halal products. Thus this research still needs to be carried out, to complete the study of hedonic and utilitarian relationships in the behavior of consuming halal products.

Hedonic is an assessment of the overall experience of pleasure associated with emotional feelings, fantasies, and pleasure, which tend more to the characteristic non-tangible (Ho et al., 2020). Thus the students who consume halal products will feel pleasure or satisfaction, because they can consume food that does not conflict with Islamic sharia. Utilitarian is concerned with practical and rational evaluation (Voss et al., 2003), and is more cognitive and goal-oriented (Botti & McGill, 2011). With respect to halal products, it refers to the quality of product to meet needs (for example, more healthful, highly nutritious, naturally processed and so on). Thus hedonic and utilitarian can determine people's consumption behavior in the context of students to consume halal products. Therefore this research was conducted to answer how the hedonic and utilitarian influences on the consumption behavior of halal products among students.

Consumption behavior is not only related to purchasing decisions but also related to behavior towards choices of products or services (Tjiptono, 2019). Experts have formulated several definitions of consumer behavior, including consumer behavior which is a study of how individuals, groups, or organizations determine the process for choosing, using, using, and ignoring products, services, experiences, or even ideas to meet needs (Hawkins & David L, 2015). Other experts, namely Kotler and Keller, provide an understanding that consumer behavior is a process in society to choose, buy, use, and ignore products, services, ideas, or experiences to satisfy wants and needs (Philip & Lane, 2013). Meanwhile, Ramya and Ali define consumer behavior as refering to how to choose, make purchases, and consume goods or services to meet their needs (Ramya & Ali, 2016). Meanwhile, according to Peter and Olson, consumer behavior is the dynamics of interaction between behavior, awareness, and the surrounding environment where exchanges are made (Paul & Olson, 2010).

From some of the above understandings about consumer behavior conveyed by experts, in the context of this research, consumer behavior is related to the process of how people use, select, secure, and use halal products to meet their needs. In the context of consumer behavior, Tjiptono states that there are domains of consumer behavior, namely 1) One's thoughts and actions to fulfill wants and needs and 2) A field of study that focuses on a consumption process by consumers to fulfill wants and needs (Tjiptono, 2019). Thus the consumption behavior of halal products is how consumers choose, make purchases, and consume halal products to meet their needs.

Hedonic is related to the perception of consumers that the product consumed can provide a precious experience, more sensation, pleasure, and enjoyment (Shang et al., 2020). Hedonic is an assessment of the overall experience of pleasure associated with emotional feelings,

fantasies, and pleasure (Chen et al., 2009), which are more non-tangible (Ho et al., 2020). Purchasing of halal products is often revealed to be influenced by emotions rather than rationality (Koch et al., 2020).

This study assumes hedonic motives as an important determining factor in buying behavior of halal products because consumption of halal products can increase one's satisfaction. Consumers can carry out religious orders to consume halal products. Previous studies on consumption behavior have found hedonic motives to be a positive determinant of behavior. Thus the hypothesis proposed in this study is H1: Significant influence of Hedonic value on the behavior of consuming halal products.

Utilitarianism is a perception of the consumers that the products consumed can provide functional and instrumental value, and consumers mainly focus on needs, uses, and practicality (Shang et al., 2020). Utilitarian is concerned with the practical and rational evaluation and is more cognitive and goal-oriented (Botti & McGill, 2011; Voss et al., 2003). Concerning halal products refers to the product's ability to meet needs (for example, more healthful, highly nutritious, naturally processed, and so on). The perceived utility is an object's capacity for functional, informational, or physical performance (Wang, 2017). Previous studies on consumption behavior have found hedonic motives to be a positive determinant of behaviour (Ho et al., 2020). Considering the result of the research above, this study proposes the following hypothesis:

H1: Significant influence of utilitarian values on the behavior of consuming Halal products.

Moreover, this study aims to investigate the impact of hedonic and utilitarian values on the consumption behavior of halal products.

#### **RESEARCH METHOD**

## **Samples and Data Collection Techniques**

The population that became the target in this study were Islamic boarding school students in Magelang Regency. The number of samples was determined using the inverse square root method as recommended by Kock & Hadaya. Kock & Hadaya suggested that the minimum number of sample in the SEM-PLS analysis should be 160 (Kock & Hadaya, 2018). However, the research data collected was 180. This number has exceeded the minimum sample determined by the inverse square root method. The sampling technique in this study used the convenience sampling method, because this method is easy to manage, efficient and cost-effective, efficient (Jager et al., 2017).

#### **Research Variable Scale Measurement**

This study uses six main constructions, namely: Behavior (P), Hedonic (He), and Utilitarian (Ut). The research variable is measured on a multi-item scale that had been tested and validated in previous studies. Six items in assessing Behavior (B) were adopted from research conducted by Billah, Rahman, & Hossain. The Hedonic Variable (He) consists of five items adopted from a research by Arruda Filho (2020), Simões, and De Muylder (2020). The Utilitarian Variable (Ut) in this study uses four statement items adopted from Wang's research (2017). All constructions were measured using a five-point Likert scale starting from "strongly disagree = 1 to strongly agree = 5".

Data analysis in this study used the structural equation models partial least squares (SEM-PLS) analysis technique using SmartPLS version 3.2.7 software. According to Henseler, Hubona, and Ray (2016) the SEM-PLS is a statistical tool with good capabilities, even in studies with small samples (Henseler et al., 2016). SEM-PLS was chosen in this research is to conduct prediction-oriented testing (Hair Jr et al., 2014). In the SEM-PLS analysis process,

there are two stages of testing. Those are the measurement model testing stage and the structural model testing stage (Hair Jr et al., 2014).

## **RESULT AND DISCUSSION Profile of Research Respondents**

Table 1 shows the demographic information for the respondents who participated in the study. Male and female respondents respectively consisted of 31.11% and 68.89% of the total respondents. Most of the respondents, 25.00% are in their 17 years old. Complete research respondent profiles are in table 1 below:

**Tabel 1. Respondent Profile (N=180)** 

	Demography	Total	(%)	
Gender	Male	56	31.11	
	Female	124	68.89	
	Before 17 years old	12	6.67	
	17 years old	45	25.00	
	18 years old.	22	12.22	
Age	19 years old	10	5.56	
	20 years old	19	10.56	
	21 years old	15	8.33	
	22 years old	22	12.22	
	23 years old	12	6.67	
	24 years old	8	4.44	
	25 years old.	9	5.00	
	After 26 years old.	6	3.33	
	SMP (Junior High School)	12	6.67	
Pendidikan	SMA (Senior High School)	98	54.44	
	Bachelor	70	38.89	
II-1-1	Halal Food and Beverage	125	69.44	
Halal	Halal Cosmetic	40	22.22	
products	Halal Medicine	15	8.33	

#### **Assessment of Measurement Models**

The measurement model in SEM-PLS can be looked at the loading factor, Cronbach alpha, Composite reliability, average variance extracted (AVE), and discriminant validity. Table 2 shows the composite reliability and loading factor exceeding the recommended value of 0.7 (Hair et al., 2011). The results showed that the average variance extracted (AVE) was higher than the recommended value of 0.5 by Hair, Rishe, Sarstedt, and Ringle (2019). These results reveal that the research model has an adequate measurement model. Table 3 shows that the AVE value for each latent construct is more than 0.50, resulting in good convergent validity. According to Fornell and Larcker's criteria, the square root of AVE is greater than the correlation between each construct. As shown in the items in bold diagonally in Table 3, the AVE square roots for all variables exceed the intercorrelations, indicating sufficient discriminant validity.

Tabel 2. Internal Consistency, Convergent Validity, Composite Reliability, AVE and Cronbach's Alpha

Variabel Co de Items	Loading Factor	Composite reliability	AVE	Cronbach's Alpha
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Consumption	P1	I hope to consume Halal	0.781			
behaviour (Arif Billah,		product.	0.004	-		
Md Ahbabur Rahman,	P2	I will buy halal products	0.886	-		
and Md Tareq Bin		I try to consume halal	0.852			
Hossain, "Factors	P3	products for health				
Influencing Muslim		benefits		-		
and Non-Muslim	ъ.	I intend to buy Halal	0.866	0.810	0.650	0.875
Consumers'	P4	products based on safety				
Consumption		considerations.	0.00	-		
Behavior: A Case	P5		0.826			
Study on Halal Food,"		I try to consume Halal	0.726			
Journal of Foodservice	P6	food because the				
Business Research 23,		ingredients are of high				
no. 4 (2020): 324–349.		quality				
	He	Consuming halal	0.824			
	1	products is fun	0.044			
	He	Consuming halal	0.844			
	2	products is exciting	0.025			
Hedonic (He)	He	Consuming halal	0.835			
(Arruda Filho, Simões,	3	products is very		0.842	0.740	0.835
& De Muylder 2020).	TT-	satisfying	0.872			
•	He 4	I enjoy when consuming	0.872			
	4	halal products	0.861			
	He	Consuming halal products is satisfaction	0.801			
	5	for me				
	Ut1	Halal products provide				
	Oti	many benefits	0.748			
	Ut2	I am satisfied with the				
Utilitarian (Ut) (Wang, 2017)	012	halal products that I	0.778			
		consume	0.770			
	Ut3	I can get what I want		0.893	0.572	0.831
		when consuming halal	0.735			
		products.	0.755			
	Ut4	When shopping, I only	0 = 4 4			
		consider halal products	0.714			

Tabel 3. Discriminant Validity: average variance extracted and construct correlations

Variables	В	He	Ut
Behaviour (B)	0.863	0.775	
Hedonic (He)	0.618	0.723	0.862
Utilitarian (Ut)	0.540	0.613	0.394

## **Results of Structural Analysis Model and Hypothesis Testing**

Structural model analysis and measurements in this study were conducted with Smart PLS 3. Table 4 shows the direct hypothesis (H1-H2) is accepted because it has a p-value smaller than 0.05. In addition, the PLS-SEM bootstrap is used to test the indirect effect or the mediating effect. Table 5 reveals the value of R Square, Q Square, and f Square. R Square shows the contribution made by the independent variable to the dependent variable. The religiosity and knowledge variables contribute 0.596 or 59.6 percent to the attitude variable in the moderate category. Table 5 also shows the magnitude of the Q Square value, which is the value used to assess the predictive model. The hedonic and utilitarian variables contribute 0.312 or 31.2 percent to the consumption behavior variable in the medium category. In addition, Table 5 reveals the output of f Square. The effect is strong when the value of f Square is 0.35, 0.15 is moderate, and the value 0.02 reflects a small effect. In this study, the f square value for the hedonic variable has a large effect on behavior, while the utilitarian has a medium effect on behavior.

## **Discussion and Implications**

This study concludes that the behavior of students towards halal products can be influenced by hedonic and utilitarian values. The results of this study are in line with previous studies such as research conducted by Ho et al; Shang et al; Hazari et al. Compared to utilitarianism, hedonic values have a large effect on the behavior of students in consuming halal products. An important finding from this research is the identification and operationalization of hedonic and utilitarian consumption of halal products. This is consistent with Hazari et al's observations that perceived pleasure is an important hedonic benefit of consuming halal products. This study found that consumers evaluate product quality and give higher weight to product packaging that includes the halal logo. Although food companies generally use the halal logo with utilitarian benefits, the increasing use of the hedonic benefits of halal products implies the importance of the halal logo in product design. Packaging design in halal products has gone beyond utilitarian values.

This research provides empirical evidence that halal products have more important hedonic benefits than utilitarian benefits in increasing consumption behavior. The perceived hedonic benefits are stronger than the perceived utilitarian one in predicting the consumption behavior of halal products. Once consumers determine inherent consumption goals such as hedonic or utilitarian benefits, they are more likely to seek out the cues they expect to fulfill those goals. Therefore, this study shows that marketers of halal products improve product quality through utilitarian packaging designs and that companies strive for product packaging that targets consumers' purchasing motives for this halal product.

#### **CONCLUSION**

The main objective of this study is to fill the gaps in the literature on consumption behavior in terms of hedonic and utilitarian values. Data was collected through a survey involving 180 students in Magelang Regency, Central Java. Male and female respondents respectively consisted of 31.11% and 68.89% of the total respondents. Most of the respondents, 25.00% are in their 17 years old. This study uses the Structural Equation Modeling Partial Least Squares (SEM-PLS) technique to provide evidence of reliability and validity, as well as analyze the data. Furthermore, the SEM-PLS technique used to investigate the relationship between hedonic and utilitarian in analyzing the consumption behavior of halal products.

The results of this study confirm that hedonic and utilitarian have a significant influence on consumption behavior in the context of being able to determine the consumption behavior of halal products. Results of this study affirmed the result of previous studies in proving that hedonic and utilitarian value have direct influence on consumption behavior.

This research has limitations, such as the number of irrelevant samples to the number of students in Magelang Regency and research respondents are not limited to the intensity of consumption of halal products. The next research should be carried out by involving a larger sample size, for example, students throughout Central Java Province.

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