The Usage of Halal Certificate In Maintaining Restaurant Business in Indonesia

By

Rian Marthena

A Bachelor's Thesis Submitted to the Faculty of

BUSINESS ADMINISTRATION

IN

HOTEL AND TOURISM MANAGEMENT

in partial fulfillment of the requirements for the Degree of

BACHELOR OF BUSINESS ADMINISTRATION

SWISS GERMAN UNIVERSITY Campus German Centre Bumi Serpong Damai – 15321 Island of Java, Indonesia www.sgu.ac.id

July 2008

STATEMENT BY THE AUTHOR

I hereby declare that this submission is my own work and to the best of my knowledge, it contains no material previously published or written by another person, not material which to a substantial extent has been accepted for the award of may other degree or diploma at any educational institution, except where due acknowledgement is made in the thesis.

Rian Marthena Student of Hotel and Tourism Management Date

Approved by:

WISS GERMAN UNIVERSITY

Mr. Dewanta Manik Advisor Date

Mr. Linus Pasasa Co-advisor

Date

Rian Marthena

Chairman of the Examination Steering Committee

Date



ABSTRACT

THE USAGE OF HALAL CERTIFICATE IN MAINTAINING RESTAURANT BUSINESS IN INDONESIA

By

Rian Marthena

SWISS GERMAN UNIVERSITY Bumi Serpong Damai

Mr. Dewanta Manik, and Mr. Linus Pasasa

The purpose of this thesis is to survey how important the usage of halal certificate for restaurant business in Indonesia. Moreover, finding out the position of halal certificate among community, hence, it will affect their buying decision. The primary data is collected through questionnaire and depth interview with some restaurants. The secondary data used are data and reports made by LPPOM MUI regarding the interpretation of halal and its criteria.

Some restaurants use halal label as a strategy to attract more Moslem market. For some of them the halal label is better than the halal certificate because they do not have to follow the halal procedures. Moreover, the halal label can give secure feeling to Moslem market too. Because of limited knowledge from some Moslem consumers, they do believe that the restaurant serves halal food. As a matter of fact, many restaurants that put halal label still use any pork or alcohol in flavoring the meal. The halal certificate has its advantages and disadvantages towards the restaurant business.

DEDICATION

I dedicated this thesis to my beloved parents, my only brother Idham, my lovely sister in law and Thuthan, and all my relatives out there. Thank you for giving me courage, support, help and prayer during this thesis. Thank you for always be there for me and cheering me up whenever I get bored of this thesis.

To my best friends, all my classmates, Hotel and Tourism Management 2004, thank you for being such good friends and giving me so many unforgettable memories. You are awesome.

Above all, I would like to thank to the great God, Allah SWT for giving me health and courage to complete and finish this thesis.

SWISS GERMAN UNIVERSITY

ACKNOWLEDGMENTS

I would like to give my gratitude and deepest appreciation to all of those who have supported me during the completion of this thesis.

To my thesis advisor, Mr. Dewanta Manik, who has supported me with his patience and knowledge. Without him this thesis would not have been completed or written. One simply could not wish for a better and friendlier advisor.

To Mr. Linus Pasasa, my co-advisor, who guidance and help me anytime, in weekdays or weekend. Thank you, I really appreciate that.

To Mr. Michael Early, thank you for your time and help.

To all the lecturers of Hotel & Tourism Management, Business Administration faculty, program Coordinator and Dean.

To all the interview participants, who would mind spare free time and sharing any supported information.

To all of those I cannot list down one by one, who helped and supported me, thank you.

TABLE OF CONTENTS

| | • |
|--|----------|
| STATEMENT BY THE AUTHOR | |
| ABSTRACT | 4 |
| DEDICATION | <u>5</u> |
| ACKNOWLEDGMENTS | |
| TABLE OF CONTENTS. | 7 |
| LIST OF TABLES | 11 |
| LIST OF FIGURES | 13 |
| CHAPTER 1 – INTRODUCTION | 14 |
| 1.1 General Statement of Problem Area | 14 |
| 1.2 Research Purpose | 15 |
| 1.3 Research Problem | 15 |
| 1.4 Significance of Study | 15 |
| 1.5 Theoretical Perspective—framework | 16 |
| 1.6 Research Questions and Hypothesis | 16 |
| 1.7 Methodology | |
| 1.8 Design and Instrumentation | 17 |
| 1.9 Limitation | |
| 1.10 Data Analysis | 17 |
| CHAPTER 2 – LITERATURE REVIEW | 18 |
| 2.1 Halal as in International Description | 18 |
| 2.1.1 "Halal" the Word according to Wikipedia.com (2008) | 18 |
| 2.1.2 Halal as in LP POM MUI and its Criteria | 18 |
| 2.1.3 Definition of Halal Food | 19 |
| 2.1.4 Criteria of Halal Food | 20 |
| 2.1.5 The Significant of Holel Cortificate | 20 |
| 2.1.5 The Significant of Halal Certificate | |

SV

Rian Marthena

THE USAGE OF HALAL CERTIFICATE IN MAINTAINING RESTAURANT BUSINESS IN INDONESIA

| 2.2 Consumer Behaviour | 22 |
|--|-----------|
| 2.2.1 The Buying Decision Process | 22 |
| 2.2.1.1 Need Recognition. | 22 |
| 2.2.2 Types of Buying-Decision Behaviour | <u>26</u> |
| 2.2.3 Understanding Consumer Behaviour as Marketing Strategy | 28 |
| 2.3 Marketing Mix | 29 |
| 2.3.1 Definition of Marketing Mix | 29 |
| 2.3.2 Component of Marketing Mix | 29 |
| CHAPTER 3 – METHODOLOGY | 33 |
| 3.1 Research Method | 33 |
| 3.2 Type of Data | 33 |
| 3.3 Source of Data | 34 |
| 3.4 Question Design, Scale, and Analysis Tools | 34 |
| 3.5 Population and Sampling Method | |
| 3.6 Time Frame of Study | 37 |
| CHAPTER 4 – RESULT & DISCUSSION | |
| 4.1. Halal Certificate | |
| 4.1.1 Purpose of Halal Certificate | 38 |
| 4.1.2 Procedures of Halal Certification | <u>38</u> |
| 4.2 Respondent Profile | 40 |
| 4.2.1 Gender | 41 |
| 4.2.2 Age | 41 |
| 4.2.3 Occupation | 42 |
| 4.2.4 Religion | 43 |
| 4.2.5 Eating Out Frequency | 44 |
| 4.3 The Understanding of Halal among Community | 45 |
| 4.4 Halal Certificate Affect Buying Decision | 62 |
| 4.4.1 The Position of Halal Certificate among other Factors | 67 |
| 4.4.2 The Most Favourite Combination among Respondents | <u>78</u> |
| 4.5 Halal Certificate is Important for Restaurant Marketing | 81 |

| CHAPTER 5 – CONCLUSION AND RECOMMENDATION80 | <u>6</u> |
|--|-------------------------|
| 5.1 Conclusion | <u>6</u> |
| 5.1.1 The Understanding of Halal among Community | <u>6</u> |
| 5.1.2 Halal Certificate Affect Buying Decision | <u>6</u> |
| 5.1.3 The Position of Halal Certificate towards Restaurant Marketing87 | 7 |
| | |
| 5.2 Recommendation88 | <u>8</u> |
| 5.2 Recommendation | <u>8</u> 9 |
| | <u>8</u> 9 1 |
| GLOSSARY | <u>8</u> 9 1 4 |
| GLOSSARY | <u>8</u> 9 1 4 |

SWISS GERMAN UNIVERSITY