Halal Meat Logistics Performance: A Qualitative Study of Customer Loyalty on Halal Meat Product in Indonesia

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Abstract
The aim of this article is to understand the perceived service value of customers and customer satisfaction to customer loyalty on halal meat logistics for muslim in non-muslim area. This article use qualitative method that explore the interview results from respondents. The interview for qualitative approach is done by interviewing 30 respondents and analyzed using content analysis. The results of the study indicate a positive influence occurs on the relationship between halal logistic performance, the service value perceive to customer satisfaction, and customer satisfaction to customer loyalty. The insignificant influence happened at halal supplier’s service quality to customer satisfaction relation. This article contributes to the halal logistics’ body of knowledge that are still rarely studied, particularly in the area of muslim population majority as Indonesia which has also non-muslim majority areas. This article focused on the comparative study of halal logistics performance on consumer loyalty of raw and processed meat products for Muslims in Indonesian non-muslim majority area.

Keywords: Halal Logistics, Perceptions, Muslim, Customer Satisfaction

1. Introduction
In most non-Muslim majority population areas, halal products is not the main requirement both traditional and modern markets. Meanwhile, halal products is the most considered for the sellers in Muslim majority population areas. Therefore, it is sometimes difficult for Muslim consumers living in non-Muslim area to purchase halal products. According to a study by Stitou and Rezgui [1], 56% of 223 Muslim respondents surveyed in a Muslim community would not purchase a products as they are in doubt about the haleness of the products. Meanwhile, in the same survey, it is 87% of the respondents are willing to purchase It is a clear evidence that the haleness of the products includes the process of products (halal logistics) is important, especially for Muslims who live in non-Muslim areas. If logistics performance of halal products is improved, it will impact positively on the customer satisfaction and customer loyalty.

A discussion about the role of logistics service and customer satisfaction and customer loyalty has been made by Davis [2]. In his study, it is found that the role of logistics service is a crucial strategy to create customer satisfaction and customer loyalty. The research also found that there is a complex relationship between customer satisfaction and customer loyalty. In addition, to create a future positive consumer behavior on a product, customer satisfaction and emotional bond and trust developed in the relationship between consumers and the stores.

In this study, the expected outcomes of the results could be added the body of knowledge about consumer loyalty in the perspective Muslim consumer in non-muslim majority area on the halal meat products. Moreover, the results could be also used for the stakeholders of halal logistics providers such as retailers and manufacturers to provide a proper service for Muslim consumers living in the non-Muslim majority areas. The novelty of this study is taken from the lack of previous research that discusses the relationship of halal logistics and consumer loyalty in Indonesia especially in the field of halal meat, which is still rare [3]. The theme of the research on halal meat logistic is still a new topic for academics and practitioners, while its relation to marketing revolves around the topic of consumer perception [4] [5], market analysis [6], and behavioral sellers [7]. Thus, the purpose of this article is to determine the influence of halal supplier’s service quality, halal logistic performance, perceived service value and customer satisfaction to customer’s loyalty on halal meat products at non-muslim areas. The results of this study can also support further research in the field of halal logistics and marketing.
2. Literature Review

2.1 Halal Logistics Performance

The logistics provider’s capability of providing service responsively and efficiently to customers in supplying products could be assessed through logistic performance [8]. It tends to provide added-value for consumers and would impact on marketing [9]. It is then could improve customer satisfaction and customer loyalty [10]. According to Su [11], the desired services provided to customers is the initial step in building customer satisfaction. Therefore, a positive relationship between logistics performance and marketing is occurred and becoming a critical factor to create customer satisfaction and customer loyalty [12]. According to Mentzer & Williams [13] and Mentzer, Flint, & Hult [14], there are nine logistics performance’s factors should be considered when assessing the performance of logistics such as: (1) personnel contact quality; (2) order release quantities; (3) information quality (4) ordering procedures (5) order accuracy; (6) order condition; (7) order quality; (8) order discrepancy handling and (9) timeliness.

2.2 Customer Satisfaction

Customer satisfaction is strongly related to consumer behavior in assessing the product that has been purchased. These behaviors include word-of-mouth information dissemination, repurchase intentions, and positive feedback to the company [15][16]. Those consumer behavior are associated as indicators of consumer loyalty [17]. A study by Liang [12] indicates that consumers can switch to another product for various reasons caused by price, inconvenience, service failure and ethics. Mostly related to consumer’s dissatisfaction with the quality of service or other aspects offered.

3. Methodology

The method used in this article is qualitative methods, where data is collected by using interview to respondents. Then the data will be analyzed using content analysis to find out the perceived value of customers on the influence of customer loyalty on halal logistics performance. The site of this study is done on the area of non-Muslim majority in Indonesia. As a muslim majority country, in non-Muslim majority areas, non-halal meat products and halal meat products are often sold together in both traditional and modern markets The reason of the selection of this location is because in the most Muslim majority area tends to be very easy to get halal meat, it is sometimes the price and the convenience are the factors to attract customers for the competition among modern and traditional stores rather than about the halalness of the products offered. On the other hand, for the areas that non-Muslim dominate the population, the halalness of the products become the concerns of the stores when sell non-halal products. Based on these reasons, this study chooses the location of the city of Denpasar, Bali province, Indonesia. Bali island is a non-Muslim majority area, where Denpasar City was chosen because it is the region with the largest Muslim population in Bali.

4. Qualitative Results and Discussion

4.1 Halal Supplier’s Service Quality

The first discussion in this sub-chapter begins with the dimension of product availability. This dimension is one of the important points that consumers consider the halal warranty for the product. Complete meat variants such as chicken and beef with a variety of parts and sufficient quantities is one of the factors that affect the halal logistic performance and perceived service value. Consumers feel that the money and effort spent on halal meat are equivalent to the product, including the variant and the number of products because it creates the convenience for the consumer when buying meat.

“First of all, it must be ascertained that meat is halal, after that completeness of meat variant at the place. In place of my subscriptions, the seller also provides special meat orders for certain needs so as to facilitate the buyer”. - Respondent A.

“I often shop in a complete store because it provides a lot of meat variants” - Respondents C.

Complete variants become an important factor for consumers to make choices, as well as the ease of ordering special meats. Product availability is seen to play an important role for consumers,
characterized by the word "completeness variant", "special meat orders", and "many types of meat". But every consumer stressed that halalness is a major factor in buying meat. This is the important role of the information system dimension. Halal logo or halal certification is much emphasized its existence by the respondents. Some places provide logos or halal certification making it easy for consumers to identify. But it also revealed that at some other places the logo or halal certification are not available, especially in traditional markets. This is identified from the interviews of respondents who said

"no logo found", "no halal information", "no halal mark", and "in the market does not exist".

“In most supermarkets are not found halal meat logo”. - Respondent E.
“in the market, there is no information about halal meat information” - Respondent A.
“There is no halal mark on meat stalls in the market” - Respondent B.
“In the supermarket, there is halal writing, while in the market there is no halal mark but I know where it comes from” - Respondent D.

For the respondents, not many halal logos and certificates that they find cause them to look for other alternatives to get halal meat. Most of the respondents chose the place of sale that they know from fellow consumers information halal meat/community. Such information is like a proper slaughtering of Islamic sharia and trusted sellers that make respondents sure to choose the product. The absence of a halal logo gives consumers a disbelief that doubts the condition of the meat.

Not only halal, but physically good nature was also a consideration of consumers. It can be identified from the words of respondents who say "choose to buy directly to the local butcher", "the Muslims", "see directly the way of slaughtering the animal", "believe the meat is halal". From here it appears that the logo and halal certification that is included in the dimensions of information system availability does have a significant influence on consumers in buying products.

“Prefer to buy directly to the local butcher where the way of slaughtering is in accordance with the Shari'a”. - Respondent F.
“Buy meat in the market where the seller is a Muslim”. - Respondent G.
“My family believes the meat is halal from the information provided by the community and also sees the animal slaughter". - Respondent A.

4.2 Halal Logistic Performance

Halal logistic performance is a variable consisting of 5 dimensions of order quality, order condition, order discrepancy, personnel contact quality, and information quality. These variables indicate the logistics points that affect consumer satisfaction in purchasing the product. In the test found that halal logistic performance has a positive effect on customer satisfaction. Interviews conducted indicate the importance of the seller to provide the good halal logistic performance to the buyers.

“The seller should be able to explain well about his meat halal guarantee, if it cannot explain, I hesitate to buy in that store”. - Respondent F.
“Information provided by traders is one of the considerations when buying meat. If the answer of the seller is dubious and cannot provide the information we want, we must hesitate also to buy”’. - Respondent G.

Keywords in the transcript such as "the store should be able to explain well to the customer", and the information provided by the store into one of the considerations refer to one of the halal logistic performance of personnel contact quality. The staffs (seller) in charge of serving the consumer affect their satisfaction when buying the product because consumers become confident and happy with the product. The clarity of information provided by the seller adds to the prospective buyer's belief that this product is completely halal. Moreover, coupled with the factor areas that are in the area of the majority of non-Muslims make this factor is very important for consumers.

In other respondent answers, it is found the keywords such as "Never found meat products that are not worth consumption", get the meat with good quality ”, that indicates the category of the halal
logistic performance of order condition and order quality. It also found keywords related to order discrepancy, i.e. "meat products can be exchanged", and "please exchange". Consumers assess the shops that they have been buying (at a trusted store) is meat with good conditions so that the seller also provide a guarantee of meat can be exchanged/refunded if there is meat that is not halal.

"Have never found a meat product that is not consumable. But, meat products may be exchanged if found that the product is damaged" (Respondent H)
"At the time of purchase, the seller said if found the meat is not good or not worth eating, please redeem to this place” (Respondent A).
"Never find meat with poor quality, so far get meat with good quality” (Respondent F).

Another issue related to halal logistic performance is about sources that issue logos and halal certification. The keyword "halal logo from MUI", and "still hesitate because it's local product" shows the category of information quality. Respondents do not believe in the writing of halal logos that are in the place of sale if they do not come from trusted institutions/organizations. It seems there are still concerns on the part of respondents because it could be meat from local slaughterhouses that is not necessarily halal. However, when the logo or certification comes from a trusted institution, such as MUI, the respondent will no doubt choose the product.

In the supermarket, there is a halal logo from MUI, in traditional markets rarely exist. – Respondent H.
The halal label exists, but it is still doubtful because it’s a local product. - Respondent C.

4.3 Perceived Service Value, Customer Satisfaction, and Customer Loyalty

Perceived service value for a halal product is obtained when consumers feel confident to consume the product because it has fulfilled consumer’s expectation, that is halal. In the research questionnaire, there are 4 indicators perceived service value: affordable price, product feature (halal), quality according to price, and value equal to the effort to get the product. The statement from respondent E showing the keyword "promotion" and "I compare with other products" illustrates that consumers prefer stores that offer other value than halal attributes.

In the results of previous research, it was found that perceived service value positively affects consumer satisfaction. This interview is to test a significant influence of perceived service value on customer satisfaction. The effect of satisfaction obtained by customer generates customer loyalty which can be seen with the statement of the respondents who do not want to try other product. From the statement of the respondents below shows that the respondents have a sense of loyalty to the product because it believes that the product is safe for consumption. There are keywords "satisfied" and "already feel safe" which shows the theme of customer satisfaction. The theme of customer loyalty is illustrated in the keyword "do not think to change product anymore", and does not want to switch products anymore.

"I prefer choosing to buy in the supermarkets that have promo” - Respondent E
"I am satisfied if the product meets my expectations. I do not think to switch the product again” - Respondent A
"I do not want to switch products anymore because I was satisfied with the product” - Respondent B
"I compare the product with other products, as it is appropriate then I will not switch to another product” - Respondent F

5. Conclusion

The role of customers loyalty and satisfaction play significantly on halal logistics performance in the most non-muslim areas in Muslim countries. The investigation of the influence of halal supplier’s service quality, halal logistic performance, perceived service value and customer satisfaction to customer’s loyalty on halal meat products at non-muslim areas that has been done using a qualitative approach found that the influence occurs on the relationship halal supplier’s service
quality to halal logistic performance, halal supplier’s service quality to perceived service value, halal logistic performance to customer satisfaction, perceived service value to customer satisfaction, and customer satisfaction to customer loyalty. The interview results also found that there is no influence happened at halal supplier’s service quality to customer satisfaction relation.

References