THE INFLUENCE OF HOUSEHOLD INCOME, PRICE AND RELIGIOSITY TOWARDS CONSUMPTION OF HALAL PRODUCTS (A ACSE STUDY ON MUSLIM CONSUMERS IN PETIR VILLAGE, TANGERANG

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ABSTRACT

This research purpose to analyze the influence of household income, price and religiosity towards consumption of halal products in the Petir Village of Tangerang City. Research data used primary data. These data got from 61 respondents who had filled out some questionnaires. Research approaches are quantitative approach and descriptive analysis with multiple linear regression analysis based on OLS (Ordinary Least Square) method.

This study has result that showed simultaneously variables such as household income, price and religiosity would influence the consumption of halal products with the value of the F statistic 23.429 (23.429> 2.737). Partial test shows that household income and religiosity have significant influence and positive reaction to consumption of halal products, with a significance of variable household income value at 0.001 and religiosity variable is 0.002. While the price variable was not significantly affect the consumption of halal products, with a significance value of 0.257.

Key Words: Consumption, Halal, Products, Income, Price, Hahslm, Religiosity

1. INTRODUCTION

The most population in Indonesia are Muslim, so religion of Islam strongly influence the culture and diversity development. The most important thing in the formation of a culture and diversity in society are religion. Including the consumption pattern of Indonesian people is strongly influenced by the sharia of Islam.

Where muslims are the majority population in Indonesia, it would give people assumption the activity in the consumption of halal products is given and it would trap muslim more careless in consumption daily life. The assumption is proved by very significantly increasing of sales in halal products.

Director General of National Export Development, Ministerial of Trade, claimed that the sales of Indonesian halal product experienced a significant increase from 500 million IDR in 2013 to 22.9 billion IDR in 2015 at an exhibition Malaysia International Halal Showcase.
(www.tempo.co.id, 2014). Beside that, the world market halal food products also increased and not affected significantly by the global economic crisis that occurred in 2009 (Indonesian Trade Promotion Center, 2012: 26).

<table>
<thead>
<tr>
<th>Benua</th>
<th>2009</th>
<th>2010</th>
<th>% Change (2010-2009)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Afrika</td>
<td>150,6</td>
<td>155,9</td>
<td>3.5%</td>
</tr>
<tr>
<td>Asia</td>
<td>400,0</td>
<td>418,1</td>
<td>4.5%</td>
</tr>
<tr>
<td>Europe</td>
<td>66,6</td>
<td>69,3</td>
<td>4.1%</td>
</tr>
<tr>
<td>Australia</td>
<td>1,2</td>
<td>1,6</td>
<td>33.3%</td>
</tr>
<tr>
<td>United States</td>
<td>16,1</td>
<td>16,7</td>
<td>3.6%</td>
</tr>
<tr>
<td>World Halal Food</td>
<td>634,5</td>
<td>661,6</td>
<td>4.3%</td>
</tr>
</tbody>
</table>

Source: Indonesian Trade Promotion Center, 2012.

The increasing consumption of halal products in Indonesia and in the global market, not necessarily improve their preference to the actual consumption of halal products. Public preferences about the consumption of halal products has been influenced by several factors including people's income, the price of the product, and the level of religiosity that is owned by a community.

Muslim habit consumption's would be influenced by sharia Islam rule. In this study focuses in conducting research in the Petir Village in Tangerang City, Banten, Indonesia. Because the population in this district represents enough for the population of Indonesia where majority are Muslims, and also the religious variable in this village is a main factor to be considered as well as togetherness by all residence people in that area.

II. LITERATURE REVIEW

2.1. Consumption

Generally, the consumption is an action to use, reduce or spending to the economic value of an object. Briefly, in the Macroeconomics book, the consumption is when goods and services bought by households/consumers (N. Gregory Mankiw, 2007: 26 & 544). According to the book "Introduction to Macroeconomic Theory", household consumption is the value of spending undertaken by households to purchase various types of needs in a given year (Sadono Sukirno, 2010: 38). And in another economic book, the consumption is public expenditure to purchase goods and other consumption (Asfia Murni, 2006: 54).
2.1.2 Islamic Consumption

Consumption are generally defined with the use of goods and services to meet human needs. In Islamic economics, consumption also have the same meaning, but have a difference perpective in each moment when muslim consumpts something must be conjunction with worship to god (Roikhan, 2014: 61). The fundamental difference with the conventional economic consumption is the goal attainment of consumption itself, how its achievement should fulfill the norms of Islamic guidelines (Arif Pujiono, 2006: 197).

Islam always considers the consumption of halal-haram, commitment and consistentcy in the principles and sharia compliance based on kaffah perpectives in order to achieve all possible benefit among optimal consumption, priority and religiosity. The basic principle of Islamic consumption are:

1. The principle of priority (P) or Price, pay attention to the order of importance that should be prioritized in order to avoid mudharat:
   a. The primary, the basic consumption must be delivered so that muslim can live and enforce's benefit for individually, religion, and surrounding (such as rice for health, pray, and work).
   b. Secondary, to increase the level of consumption of a better quality of life (4 fit, 5 perfect).
   c. Tertiary, to meet human consumption in wanting area and more than consumption based on needing itself.

2. The principle of quantity (Q) or Quantity, in accordance with the limits of the quantity that has been described in Islamic law (Al-Haritsi, 2012: 141).
   a. Modest: consume that are midway between the scatter treasure with parsimonious, not over budget, not redundant and thrifty.
   b. Corresponding between income and expenditure, it means consume must be adapted to capabilities it possesses, not unbalanced budgeting.
   c. Saving and investment, meaning that not all wealth is used for consumption but also saved for the sake of the development of wealth itself.

3. Sharia Principles (R) or Religiosity, involves the basic law and must be conjunction with need of consumption:
a. The principle of Aqidah, the nature of consumption is as a means of obedience in worship as a manifestation of the belief that human as a creature get a load of the caliphate and the trust on earth that will be held accountable by its creator.

b. The principle of science, muslim will consume anything based on knowledge of the science of the goods to be consumed and the sharia related to something that is lawful or unlawful in terms of substance, process, or goal.

c. The principle of Amalia, as a consequence of faith and science that has been known about the Islamic consumption. Aqidah of muslim would straight and knowledgeable, therefore muslim would consume derived by halalan and thoyiban.

2.1.3 Consumption Of Halal Product In Hahslm Concept

Existing economics theory has matter variables of something that must be quantified by numbers. Function of consumption \([F(Consumption)]\) triggered by 2 dimensional axises, price line on y axis and household income on x axis line. And there is no 3rd line exactly in this existing curve. In this last decade, the world of consumption is certainly going to affect variety of other sectors. Overview mapping of conventional economics concepts in general curve as describe.

Diagram Consumption In Conventional Economics

Source: Proceed, 2015

The next future economics, two dimensional curve can not describe the complexity of today’s world of consumption. The appearance of 3rd dimension is a fact and a truth not only based on theory of economics but also derived from Quran whether muslim must have kaffah thinking from the curve of price \((P)\), quantity \((Q)\), and religiousity \((R)\). Islamic economics has 3 main variables for function of consumption curve (Roikhan, 2014: 39).

Furthermore, the concept of three-dimensional economy is derived by Hahslm concept, in this concept every single economic activity should be accordance with the instructions of Allah and consumption of each muslim should have a value that is always in ridha by Allah in order man to god to pray.
2.1.3 Theory of Consumption

1. Keynesian Consumption Model

Keynes explained that the current consumption is very influenced by current income. The opinion of Keynes, there is a minimum consumption limit does not depend on the income level. It means the consumption must always be met, although the level of income is equal to zero. That's called autonomous consumption. If the disposable income increases, the consumption will also increase. Only an increase in consumption was not as big as the increase in disposable income (Rahardja and Manurung, 2008: 42).

In theory, Keynes relied on statistical analysis, and also made estimation about consumption based on introspection and casual observation. First and most important Keynes conjectured that the marginal propensity to consume (MPC) amount consumed in every additional revenue is between zero and one. Second, Keynes claimed that the ratio of consumption to income, that is called the average propensity to consume (APC), down as income rises.

2. Fisher’s Model of Intertemporal Choice

Irving Fisher developed the model used by economists to analyze how consumers are forward-looking and rational to make a choice within time, the choice of covering different time periods. Fisher models removes barriers faced by consumers, their preferences, and how barriers and these preferences together determine their choices about consumption and saving. (Mankiw, 2007: 451)

3. Life Cycle Hypothesis of Consumption

Life cycle consumption model was developed by Franco Modigliani, Albert Ando and Richard Brumberg. This model argued that the consumption activities is a lifelong activity. Similarly Keynesian model, this model recognizes that the dominant factor of influence on the level consumption is disposable income. Only this model to peel deeper to determine the factors that influence the amount of disposable income. Apparently, the level of disposable
income is closely related to the age of a person during their life cycle. Life cycle model divides the journey of human life into three periods, the period of pre-productive, productive period, and a period of no longer productive (Rahardja and Manurung, 2008: 48).

4. Permanent Income Hypothesis

 permanent income hypothesis advanced by Milton Friedman in book "A Theory of the Consumption Function" that defines as long-term income on average is expected to be received by human and over-human wealth, that meant revenues of human wealth is income received as a result of skills possessed by humans and in return will receive salary, wages and other job. While revenue from other human wealth is income derived from ownership of fixed assets as of stocks, bonds and real estate. Also according to this hypothesis, the current consumption depends on current income and revenue that can be expected in the future because someone has experience that revenue randomly change from year to year. A household is considered to plan consumption based on permanent income and permanent consumption is a constant proportion of permanent revenue. So that the basic relationship between consumption and income is described by long-term consumption function. Because income is a long-term concept, the amount is not equal to the actual revenue throughout the conjuncture waves. As a result, when the cycle reaches the peak, the actual revenue is greater than the permanent income. If the actual revenue is greater than the permanent income, the actual income varies at a higher rate than permanent income. Because consumption is based on permanent income, consumption varies at a rate lower than actual income. Small variations in consumption resulted in relatively flat consumption function expressed as a function of short-term consumption.

5. Relative Income Hypothesis

Life Cycle Consumption Theory and Permanent Income emphasize on the effect of short-term revenue and long-term. Actually there is a theory that a second earlier than the theory in explaining the effect of disposable income on short-term and long-term. The theory is a theory of Relative Income (Relative Income Hypothesis) developed by James Duessenberry.

Despite recognizes the dominant influence of income on consumption, this theory more attention to the psychological aspects of households in the face of changes in income. The impact of changes in disposable income in the short term will be different from the long-term. This difference is also affected by the type of change experienced revenue. Therefore households have two preferences consumption function, which is called short-term
consumption function and long-term consumption function (Rahardja & Manurung, 2008: 51).

2.2 Income

Generally, income is a matter that can measure a person's economic condition shown from all the money he received or acquired during a certain period in an economic activity. Revenues can also be seen as a picture of the level of ability of people / households in meeting their material needs within a certain time that is commonly used usually in one month (Nurhikmah, 2009: 26).

According Rahardja and Manurutng (2008: 24) disposable personal income is personal income that can be used by individuals, either to finance consumption or for savings. Meanwhile, according to Sukirno Sadono disposable income is the income actually received by all households in the country and they can use to buy their needs. In practice, part of it will be stored / saved. The concept of disposable income can also be viewed from the angle of the individual the total income of a household in a given year and can be spent or saved (Sukirno, 2010: 60).

2.2.1 Relationship between household income with consumption of Halal Products

The opinion of Keynes in Sukirno (1995: 93) private consumption is determined by the level of income on a ready-made community concerned. Therefore, Keynes proposed a law that is famous for Psychological Law of Consumption which discussed the behavior of the public regarding the consumption when linked to income level. This law contains: First, when income rises, then consumption will rise but not as much as the increase in revenue. Can be explained that the income is an important determinant of the level of consumption but this increase will not be greater than the increase in revenue, additional means of income is not or may not be spent for consumption for all people of low income. Second, any additional increase in revenue will be used for consumption and savings. Third, any increase in revenue rarely lowers consumption and savings. Each of the revenue increase certainly be followed by another upgrading level, such as the increase in consumption and increased savings.

According to Al-Haritsi consumption in the conventional economic sense as well as the definition of consumption in Islam, as well as the factors that influence it. In the opinion of Keynes earlier that income affects consumption. Al-Harith in book Economic Jurisprudence Umar Al-Khattab in the explanation of the rules of consumption also explained
that expenditure (consumption) should be adjusted to the income (revenue). Do not let someone stingy in spending but not over budget. Due to the good consumption activity is consumption adjusted earnings.

2.3 Price

Price is the value of an item that is expressed in money. In a broad sense the price is the sum of all the values that were exchanged by consumers on the benefits of having or using the product or service (Fitria Engla Sagita, 2012: 4).

According to Kotler and Armstrong (2008: 345) in Sagita (2012: 4), the price is the amount of money charged for a product or service, or the sum of all the values given by the customer to benefit from owning or using a product or service.

According to Roikhan (2014:27) the price is the value of goods and services as benchmark for material level to differ other benefit that can from physically form and mystically form for every single used in individual or community (jamaah) and would not substitute by creator.

According to Stanton (in Rosvita 2010: 24) there are four indicators that characterize the price, affordability price, price conformity with product quality, price competitiveness, and compliance rates with the benefit (Fitri Engla Sagita, 2012: 4).

2.3.1 The Relationship Between Price and Consumption of Halal Products

In a certain time nominal income levels of society is fixed. The level of salaries and wages and the number of employment opportunities will determine sum of revenue received by the public at any given time. If the different price levels, purchasing power of earned income that is different. The lower level of the price, the more goods and services can be bought by the public. In other words, the real value of consumption expenditures will increase if the price level is lower (Sukirno, 2010: 238).

So the lower in price level, in the real growing number of discordant products that can be purchased to be consumed by the public, the amount of money spent is equal to the amount of money spent previously.

2.4 Religiousity

According to Koentjaraningrat religion (religious) is a system consisting of concepts of trust and confidence implicitly become a people, and the ceremonies along with princes
who carry it out. This system regulates the relationship between God and the human and supernatural world between human beings and the environment. In kaffah thinking (Roikhan, 2014: 77) religiosity means every single activity in life or system among 3 main variables from human to god by pray should be in straight way. In Indonesia, there are five systems that are recognized as the official religion, that is Islam, Catholic, Protestant, Hindu, and Buddhist (Hidayati & Yudiantoro, 2007: 6).

2.4.1 Religiousity Concept

According to Glock & Stark as written by Ancok, the concept of religiosity is a brilliant formula. The concept of religious person look not just from one or two-dimensional, but pay attention to all dimensions. Religiosity in Islam is not only manifested in the form of ritual worship, but also in other activities. As a comprehensive system, Islam encourages its followers to religion as a whole. There are five dimensions of religious person that can be measured to determine whether a person is religious or not, that is the belief dimension, the dimension of religious practices (rituals and obedience), the dimensions of the experience, knowledge dimension of religion, practice dimension or consequences (Ancok and Nashori, 1993: 78).

In hahslm formula, religiosity can be formed in 1 equation $H=a.h(s,l,m)$ where $H$ is guidance, $a$ is way, $h$ is straight, $s$ is people, $l$ is god, $m$ is worship (Roikhan, 2014: 31). In a simple sentence the equation can described as guidance for religiosity is straight way where people to god to pray.

2.4.2 Relationship between Religiousity and Consumption of Halal Products

In Islam the consumption habits of people are very influenced by the religious level. This is because the consumption activities is set up and established by Islamic laws contained in the scripture, that is the Quran.

According to Al-Harith (2012: 135), goods and services are in use in meeting the needs and desires of a Muslim must be incestuous. And according Golnaz Rezai, et al (2009: 65), that a person who has particularly good understanding in religion, automatically that person will be more selective in consuming something. In other words he will use only halal products only. Although it is difficult and complicated to obtain halal products are needed.

Quran mentions about kaffah way for muslim. It is differentiation from conventional way that has limitation in beyond of physically such as price and product. Islam has
completed perspective by include non physically dimension such as religiosity or unillicit factors.

III. RESEARCH METHODOLOGY

3.1 Scope of Research

The scope of this research discusses of consumer preferences in consumption halal products. In this research people's income, price, and religiously as independent variables and the consumption of halal products as the dependent variable. This type of research is multivariate research, because this research using more than one independent variable and the problem of this research for influence between independent variables with the dependent variable. The location and the object of this research is the Muslims who lived in the Petir Village, District Cipondoh, Tangerang City.

3.2 Population and Sample

The population in this study is the entire Muslim community in the Petir Village, District Cipondoh, Tangerang City which amount 21131 people. The sampling technique in this research is to use a multistage random sampling (stratified random sample).

This technique is the development of cluster random sampling method, where the cluster random sampling method choose a sample for each cluster group. But in the method of random stratified cluster because the cluster is very large, the cluster group is divided into smaller groups then the sample was taken. Thus there are several stages in the process of sampling. Therefore, this technique is referred to as stratified random sampling technique (Eriyanto, 2007: 139).

To determine the number of samples, the authors use the formula of Harry King. According to Umar (2011: 80) calculation of sample size according to Hary King is $N = N: (1 + N e^2)$. The level of precision that is used up to 15%. In this research using a precision of 13%, to obtain a sample of 59 respondents. But the anticipation questionnaires not returned and can not be processed due to incomplete in filling the authors submitting the questionnaire as many as 210 pieces of copies.

3.3 Analysis Method

This research used Ordinary Least Squares Rank or commonly referred to as OLS. Selection of analysis tools with Ordinary Least Square (OLS) method is used to achieve a
minimum deviation or error using multiple regression (Multiple Regression) that is used more than a free variable (Nachrowi, 2006: 9).

According to Winarno (2009: 4.1) OLS aims to determine the relationship between a dependent variable and independent variables, if there are several independent variables. In this OLS method can provide a good coefficient or is BLUE (Best Linear Unbiased Estimator), which in this case should be free from Classical Assumption Test. Formulation analysis model used in this study are:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \epsilon \]

description:
Y = dependent variable (the consumption of halal products)
A = constant
b_1 = regression coefficient household income
b_2 = regression coefficient prices
b_3 = regression coefficient of religiosity
X_1 = income communities
X_2 = the price
X_3 = religiosity
\[ \epsilon \] = standard error

According to Roikhan (2014: 40) conventional formula can be converted to Islamic formula by change the symbols of formulation analysis model into Hahslm equation:

\[ H = a + b'S + b''L + b'''M + h \]

description:
H=Y (the consumption of halal products)
a=a (constant)
S=X_1 (income communities)
L=X_2 (the price)
M=X_3 (religiosity)
h=\[ \epsilon \] (standard error)
Where b'/b''/b'''=b1/b2/b3 = regression coefficient

IV. RESULTS AND DISCUSSION

4.1 Results of Multiple Regression Analysis Model (OLS)

Results of multiple linear regression analysis in this study are presented in the following table:
Tabel 4.1
Multiple Regression Analysis

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>6.431</td>
<td>2.245</td>
</tr>
<tr>
<td>Pen. Mas</td>
<td>.548</td>
<td>.164</td>
</tr>
<tr>
<td>Har</td>
<td>.166</td>
<td>.145</td>
</tr>
<tr>
<td>Religi</td>
<td>432</td>
<td>.133</td>
</tr>
</tbody>
</table>

a. Dependent Variable: pro. Hal

Source: Proceed, 2015

From the output, then the obtained equation / multiple linear regression model as next:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \epsilon \]

\[ KPH = 6,431 + 0,548 \text{(PenMa)} + 0,166 \text{(Har)} + 0,432 \text{(Religi)} + \epsilon \]

Specification:

- \( Y \) = dependent variable (consumption of halal products)
- \( a \) = Value constant (autonomous consumption)
- \( S,L,M=X_1,X_2,X_3 \) = independent variable (income household, Rates, Religiosity)
- \( \epsilon \) = standard error
- \( b_1,b_2,b_3 \) = coefficient of regression

The constant of 6.431; meaning that if the household income, price, and religiosity of 0 (zero), then the Petir Village community will consume halal products amounted to 6.7431 units of consumption variables.

1. Variable of Household Income

The regression coefficient of variable income amounted to 0.548 and the community of t-test results obtained significant influence; this indicates that the addition of one unit each variable income people, it can cause an increase in the consumption of halal products on the Muslim community in Petir Village at Tangerang City by 54.8% assuming other variables remain. Regression coefficient on the variable value of people's income is positive, it means...
there positive influence / direction between revenue msyarakat with the consumption of halal products. In other words, if people's income increases, people's preference for the consumption of halal products will also increase.

This research proves the theory of J.M. Keynes that consumption is strongly influenced by disposable income, although Keynes did not explain the consumption of halal products, but according to Al-Harith (2012: 135) This applies also to the demand for the consumption of halal products, because basically the definition and aspects that influence Conventional consumption with consumption Islami is the same except on matters that cover it. According to Keynes in Sukirno (1995: 93) private consumption is determined by income levels ready to use (disposable income) communities concerned. Therefore, Keynes proposed a law which is famous for Psychological Law of Consumption which discussed the behavior of the public regarding the consumption when linked to income level.

If seen from the viewpoint of Islam in regulating the issue of consumption, it is clear that consumption in Islam it should be filled with products that are unillicit whether people's income affects consumption. Islam holds that consumption must be in accordance with the income (revenue). Correspondence between the income to consumption is in accordance with human nature and reality (the reality that occurs in the community). Where demand will be increased if the consumption of revenues also increased, and the demand for consumption is reduced if income declines, with fixed other factors (Al-Harith, 2012: 147). This is also evidenced by the clear arguments in regulating the activity of consumption so that the economy is not out of the rules of Islam. Allah says:

"And those who when they spend (treasure), they are not exaggerated, and not (also) a miser, and is (spending it) in the middle between the case." (Qur'an, Al-Furqaan: 67)

"Let those who are able to provide for according to his ability. And let people feed their sustenance narrowed from treasure God had given him. ... "(QS. Ath-Thalaaq: 7)

2. Variable of Price

The regression coefficient of variable price of 0.166, but from the results of t-test found no significant effect. This shows the price variable has no effect on the consumption of halal products, which means that any rise in the price of one unit variable does not lead to a reduction in the consumption of halal products in Muslim Society in Petir Village Tangerang City.
This result does not correspond to price theory, which is known to the law of demand, that reads: "If prices rise, the demand for consumption goods decreased and vice versa, if the prices go down, the demand for consumer goods increased". However, people's preferences in consuming halal products is closely related to factors and adherence to one's beliefs about religion. If someone already convinced in his heart against religious orders, then muslim would be willing to pay whatever to be able to consume halal products.

And it is also in line with research conducted by Jusmaliani (2009: 71 & 87), entitled "The Influence of Religious Commitment In Halal Food Consumption Behaviour", that the higher levels of Islam means muslim will be afraid to underestimate any religion teaches, including food consumed, so that muslim would be willing to pay any difference between the price offered as long as the product has either of MUI halal labeling or otherwise.

3. Variable of Religiousity

Regression coefficients of the variables religiosity of 0.432 and t-test results obtained significant influence; this shows that the addition of one unit each for the religiosity variables can lead to increased consumer preference for halal products in Muslim Society in Petir Village Tangerang City 43.2%.

The value of the regression coefficient on the variable religiosity is positive, it means there is positive influence / direction between revenue of muslim and the consumption of halal products. In other words, if a high level of religiosity, the preference and attention of the public to consume halal products is also increasing. More higher the level of awareness of religion in a society, the public preference in consuming halal products will be increased.

In other words, z axis line of in 3 dimensional curve as R-religiosity can be valued as a physical matter. In hahslm approach, non physical variabel such as religiosity can be embedded in equation. And if the research doesn’t have primary data or secondary data of R value then R variable can be proxied from any data source that is close to definition of R variable.

Al-Haritsi (2012: 135), goods and services are in use in deliver the needs and desires of a Muslim that must be unillicit thing. In Islam the consumption habits of people are very influenced by the religious level. This is because the consumption activities is set up and established by sharia Islam contained in the scripture, the Quran. Islam requires all Muslims to consume something that is halalan thoyiban.
“Eat of the things that Allah hath provided for you, halalan thoyyiban, but fear Allah, In whom you believe.” (QS. Al-Maidah [5]: 88).

Essentially, the higher the level of religiosity person, the higher the sense of dutiful and obedient to the rules and religious orders, so someone will do with economic activity based on the sharia laws. Similarly, the consumption will also not be out of the syar'i rules, that someone will try to consume products that are halal and avoid the consumption of illicit products are also processes that accompany it.

V. CONCLUSION

Based on a quantitative method and descriptive analysis, there are some conclusion regarding this research for consumption of halal products as below.

a. Differentiation in Islamic Consumption is on religiosity based on kaffah thinking there are 3 main variables in halal curve: P for price, Q for quantity, and R for religiosity. Islamic equation $H=a+h+(S,L,M)$ has the same formula with conventional $Y=a+e+(x_1+x_2+x_3)$ where $H=Y$, $a=a$, $h=e$, $S=x_1$, $L=x_2$, $M=x_3$. While Hahslm can be described as guidance is straight way from man to god to pray.

b. Household income effects on the consumption of halal products. And known t value is positive, then the relationship between household income variables with variable consumption of halal products has positive effect / unidirectional.

c. Price does not affect the consumption of halal products. Consumers are willing to pay whatever, as long as the products they are unillicit guaranteed.

d. Religiosity affects the consumption of halal products. And the T value is positive, then the relationship between religiosity variable with variable consumption of halal products has positive effect / unidirectional. The higher the level of religiosity, consumers increasingly pay attention to halal product.

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Curriculum Vitae

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