The Effect Of Attributes Product’s Analysis, Halal Certification, And Product Innovation To The Interest Of Consumer Buying-Back Through The Advantage Competitive Of Micro Small And Medium Business (MSMB) In Medan

Bunga Aditi

Lecturer of Sekolah Tinggi Ilmu Ekonomi Harapan Medan, Indonesia

Email: bunga.aditi16@gmail.com

Abstract. This research is done to know and analyzing the effect of attribute, halal certification product, and product innovation on the competitiveness of Micro Small and Medium Business in Medan, knowing and analyzing the effect of product attribute, halal certification, and product innovation to consumer buying surge. The type of research used is explanatory research with quantitative approach. The population in this study is the community as consumers who are in the area of Medan province of North Sumatera. Total sample of 150 people. Sampling method which use an accidental sampling is the technique of determining samples by chance, example: consumers whom meets with researcher coincidentally can be sampled if the consumer is appropriate or suitable as a source of data. This research uses the method of Structural Equation Modeling analysis. The maining of this research is showed that product attributes, halal certification, and product innovation had a positive and significant impact on competitive advantage which impact on consumer buy-back (surge) interest. The advantage competitive has affects consumer buying surge interest positively.

Keywords: Product attributes, halal certification, product innovation, competitive advantage, consumer buying interest

1. Introduction

The Law No. 20 of 2008, "A company classified as a SMMB is a small company owned and managed by a person or owned by a small group of people with a limit amount of wealth and income Small and Medium Business (SMB) has a fairly strong role in the growth up development of Indonesia and it is considered as the driving force of the economy of a region. This is indicated when the economic crisis in 1998 and small business is the most sustained group when not a few big businesses have gone bankrupt.

Data from the Central Bureau of Statistics shows that after the economic crisis of 1997-1998 the number of MSMB has not decreased, it has been increasing, even absorbing 85 million to 107 million manpower (worker) until 2012. In that year, the number of entrepreneurs in Indonesia is 56,539,560 units. Of this amount, Micro Small and Medium Business (MSMB) of 56,534,592 units or 99.99%. The rest, around 0.01% or 4,968 units is a major undertaking. The data proves that MSMB (UMKM) is a potential market for the financial services industry.

According to the Head of Cooperatives and Micro Small Medium Business (MSMB) Medan, Arjuna
Sembiring in Medan said that, “today the development of MSMB in the capital of North Sumatra province continues to show significant growth. In 2009 there were about 22 thousand perpetrators of MSMB in the city of Medan and the number continues to increase until 2015 amounted to approximately 300 thousand. The high growth of MSMB is certainly very encouraging because it also can be minimilize the unemployment (economy.okezone.com). The increasing number of MSMB, it is also increasing competition among MSMB (UMKM) entrepreneurs, they jointly compete in producing, gaining competitive advantage and provide value for customers, as far as possible in according with the value expected by the Consumer.

Moslem is the largest in Southeast Asia of 207,176,162 (www.bps.go.id). Indonesia with a predominantly Moslem population is a large potential market for many producers of goods and services. Moslem consumers in Indonesia seek authentic halal certification issued by Indonesian Ulama Council (MUI = Majelis Ulama Indonesia). This certification authorizes companies to use halal logos to be printed on product packaging or to be displayed on the company premise (www.halalmui.org).

According to Yunus, Ariffin and Rashid (2014) the research which related to the interest of buying halal products shows that the composition of ingredients contained in the products have a significant positive effect on the buying interest of Moslem consumers. On the other hand, the research was conducted by Hussin, Hashim, Yusuf, and Alias (2013) related to the interest of buying Moslem consumers on halal products showed the different things. The study proves that the composition or ingredients contained in the product have a significant negative effect on consumer buying interest. The above research shows inconsistent results leading to a research gap.

Based on the description of the background then the researcher is interested to conduct research with the title "The effect of attributes product’s analysis, halal certification, and product innovation to the interest of consumer buying surge interest through the advantage competitive of Micro Small and Medium Business (MSMB) in Medan.

2. Research Objectives
The purpose of this research is knowing and analyzing the effect of attribute, halal certification product, and product innovation on the competitiveness of UMKM in Medan, and knowing and analyzing the effect of product attribute, halal certification, and product innovation to consumer buying surge interest.

3. Literature Review

3.1. Product Attribute
According to Kotler & Armstrong (2010: 254), product attributes are characteristics of a product or service that results in an ability to satisfy that is expressed or implied in the consumer's needComponents:
1. Product Brand
   Brands may be defined as names, terms, signs, designs, or combinations there of, intend to identify goods and services from a seller or group and distinguish them from its competitors (Tjiptono, 2008).
2. Product Quality
   According Tjiptono (2008), quality is the level of performance of an item, the quality of a product can be shown from the level of customer satisfaction of the results and processes.
   1. Product Design
      Understanding product design according to David (2009: 251) is striving to increase sales through sales through product improvement or product development today.
   2. Product Labels
      According to Kotler (2012: 478) "Labels can be just a simple patch on products or drawings are designed with a complex that is a unity with the packaging.
3. Packaging Products
   According to Tjiptono (2008), product packaging is a physical wrapper to make a protecting the product and also create a unique identity.

3.2. Halal certification
   Halal certification is a guarantee of security for a Moslem consumer to choose good food for him and according with the rules of religion. Food productshalal certification are products in their processing that meet the standards of safety and hygiene (Lada et al., 2009).

3.3. Product Innovation
   The definition of product innovation according to Myers and Marquis in Kotler (2007: 36) states that product innovation is a combination of various processes that affect each other between the one with the other. So innovation is not the concept of a new invention or the development of market, but innovation is a picture of all those processes.

3.4. Competitive Advantages
   The competitive advantage according to Michael E Porter (2008) is a company's ability to achieve economic benefits above the profits that can be achieved by competitors in the market in the same industry. Companies that have it always be ability to understand the changing market structure and are able to choose an effective marketing strategy.

3.5. Consumer buying-back interest
   Mital (in Sutantio 2004, p.253) says that one indication of success or failure of a product is the amount of consumer buying-back interest in the product. Meanwhile, repurchase interest is basically customer behavior in which the customer responds positively to the service quality of a company and intends to re-visit or re-consume the company's products.

Based on the previous explanation it can formulate the conceptual framework as the flow of thought in this study as follows:

4. Data Analysis Method
   The model data analysis in this research is path analysis. According Sarwono (2007) path analysis a technique for analyzing the causal relationships that occur in multiple regression if independent variables affect the dependent variable directly and indirectly.

5. Research Results
   Further analysis is a Structural Equation Modeling (SEM) analysis in Full Model which is intended to test the model and hypothesis developed in this research. Testing model is done by two test, that are
model compatibility test and significance test of causality through regression coefficient test. Results of data processing for SEM analysis seen in table 1:

**Table 1. Model Feasibility Test Results**

| Goodness of Fit Indeks | Cut off Value | Results | Evaluation Model |
|------------------------|---------------|---------|------------------|
| λ² (Chi-square)        | Expected of small | 8,928   | Good             |
| Significanced Probability | ≥0,05     | 1       | Good             |
| RMSEA                  | ≤0,08        | 0.00    | Good             |
| GFI                    | ≥0,90        | 0.994   | Good             |
| AGFI                   | ≥0,90        | 0.991   | Good             |
| TLI                    | ≥0,95        | 1,027   | Good             |
| CFI                    | ≥0,95        | 1       | Good             |
| CMIN/DF                | ≤2.00        | 0.059   | Good             |

Source: Research Results, 2017 (processed data)

In table 1 the results of testing full model has met the fit criteria. It based on all criteria already met well based on cut off value.

5.1. Direct Effect

The direct effect of the independent variables on the dependent variable can be seen in Table 2:

**Table 2. Results of Hypothesis Testing Direct Effect**

| Competitive Advantages | Product Attributes | Estimate | S.E. | C.R. | P | Evaluation |
|------------------------|--------------------|---------|------|------|---|------------|
| Competitive Advantages | Halal Certification | .293    | .078 | 3.752 | *** | Significant |
| Competitive Advantages | Product Innovation | .290    | .079 | 3.682 | *** | Significant |
| Buying-Back Interest   | Product Attributes | .196    | .076 | 2.593 | .010 | Significant |
| Buying-Back Interest   | Competitive Advantages | .226    | .082 | 2.744 | .006 | Significant |
| Buying-Back Interest   | Halal Certification | .225    | .080 | 2.818 | .005 | Significant |
| Buying-Back Interest   | Product innovation | 0,244   | 0.081 | 2.799 | 0.005 | Significant |

Source: Research Results, 2017 (processed data)

In Table 2 the interpretation of the direct effect in each path coefficient or the direction of causal relation, the result of hypothesis testing is stated as follows:

1. Testing the first hypothesis shows that product attribute positively influence to competitive advantage. This is visible from path coefficient marked positive 0.253 with value of C.R equal to 3.353 and obtained significant probability (p) as small as *** smaller than significant level (α) specified equal to 0.05.

2. Second hypothesis testing shows that halal certification positively influences competitive advantage. It is from the coefficient of the path marked positive by 0.293 with the value of C.R of 3.752 and obtained significant probalitas (p) *** smaller than the significant level (α) determined by 0.05.

3. Testing of the third hypothesis shows that product innovation positively effect the competitive advantages. This results coefficient of the path marked positive by 0.290 with the value of C.R amounted to 3.682 and obtained significant probability (p) of *** smaller than the significant level (α) determined by 0.05.
4. Hypothesis testing can show that product attribute has a good effect to buying-back interest. The data is coefficient of the path marked positive by 0.196 with the value of C.R of 2.593 and obtained significant probability (p) of 0.010 smaller than the significant level (α) which has been determined by 0.05.

5. Testing of the fifth hypothesis shows that the positive value and significant on buying-back Interest. The positive path coefficient of 0.226 with the value of C.R of 2.744 and obtained a significant probability (p) of 0.006 smaller than the significance level (α) which has been determined by 0.05.

6. The testing of the sixth hypothesis shows that halal certification has a positive effect on buying-back Interest. The coefficient of the path marked positive by 0.225 with the value of C.R of 2.818 and obtained a significant probability (p) of 0.005 smaller than the significant level (α) determined by 0.05.

7. The testing of the seventh hypothesis shows that product innovation in buying and purchase interest, is coefficient of the line marked positive by 0.244 with the value of C.R of 2.799 and obtained a significant probability (p) of 0.005 smaller than the significant level (α) which has been determined by 0.05.

5.2. Indirect Effect
The effect of in indirect the independent variables on the dependent variable in table 3:

| Tabel 3. Results of Indirect Effect Hypothesis Testing |
|-------------------------------------------------------|
| Buying-Back Interest <--- Product Attributes  | .248  | .059  | 4.193  | ***  | Significant   |
| Buying-Back Interest <--- Halal Sertification   | .286  | .064  | 4.471  | .002 | Significant   |
| Buying-Back Interest <--- Product Innovation  | .292  | .063  | 4.627  | ***  | Significant   |

Source: Research Results, 2017 (processed data)

In Table 3 the interpretation shows that each path coefficient or the direction of causal relation, the result of hypothesis testing is stated as follows:

1. Testing the first hypothesis shows that product attribute positively effect the buying-back interest. This is visible from path coefficient marked positive equal to 0.248 with value of C.R equal to 4.193 and obtained significant probability (p) as small as *** smaller than significant level (α) specified equal to 0.05.

2. Testing the second hypothesis shows that the halal certification positively affects the buying-back Interest. This is coefficient of the path marked positive by 0.286 with the value of C.R of 4.471 and obtained significant probability (p) of 0.002 smaller than the significant level (α) determined by 0.05.

3. Testing of the third hypothesis shows that product innovation positively affects the buying-back Interest. It is coefficient of the path marked positive by 0.292 with the value of C.R of 4.627 and obtained significant probability (p) of *** smaller than the significant level (α) determined by 0.05.

6. Conclusion
1. Product attributes, halal certification, and product Innovation have a positive and significant impact on competitive advantage.

2. Product attributes, halal certification and product innovation have right effect on buying-Back Interest
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