Factors Influencing Halal Cosmetics Purchasing Decisions: Evidence from Indonesia

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Abstract. This research applies TPB theory to the online and offline halal cosmetics purchase choices in Jabodetabek, examining the impact of attitudes, subjective norms, perceived behavioral control, pricing, religiosity, and halal labeling. This study uses quantitative research with logistic regression analysis research method with Eviews 10 and SPSS software. Data was collected by distributing questionnaires to Muslim women living in Jabodetabek who have used halal cosmetic products using purposive sampling techniques, referring to the Hair formula calculation. This calculation resulted in a sample of 130 research respondents. The results showed that the tendency of Jabodetabek people to choose online halal cosmetic purchases was 96.6%, and 2.4% chose offline purchases. Then, the subjective norms and halal label variables influence purchasing decisions. Meanwhile, attitude variables, perceived behavioral control, price, and religiosity do not influence purchasing decisions for halal cosmetics. This is because millennials, who make up the bulk of this survey’s respondents, value recommendations from friends and family very highly when it comes to halal cosmetics. The results of this research are expected to be useful for those involved in the marketing of halal cosmetics and related services.

Keywords: Halal Cosmetics, Halal Industry, TPB, Logistic Regression.

1 Introduction

The potential in development of the halal industry in Indonesia can be said to have good potential to increase Islamic economic growth Septiani & Indraswari (2018). People's awareness of product quality in Indonesia should not only focus on the halal food and beverage sector but also on the use of cosmetics; people must also be aware of the importance of the benefits of halal cosmetic products. In accordance with the Islamic economic report, it is stated that the consumption expenditure for halal cosmetics in 2021 is US$ 65 billion and has increased by 6.8% to US$ 70 billion (Indonesia Halal Markets Report, 2022).

Halal cosmetics in Indonesia are widely spread in local brand products. Cosmetics produced from foreign countries have also been rampant in Indonesia, and some products already have halal certificates (bp-guide. id, 2018). Halal cosmetic products spread in Indonesia have been widely sold offline and online. Consumers usually do offline sales of halal cosmetics by visiting
cosmetic stores directly. One reason for the fast growth of online shopping is the COVID-19 epidemic of 2019, which has made individuals want to spend less time interacting with others and more time shopping online. [1]. In accordance with data from Bank Indonesia, e-commerce transactions in 2022 experienced a growth of 31.41% with a value of Rp530 trillion (Bank Indonesia, 2022).

It can be seen from the data in Graph 1 that it is clear the tendency of people in Indonesia to prefer to make online purchases of halal cosmetics in e-commerce or social media. About 69% of people choose to buy cosmetics online, namely 66% of purchases in e-commerce, and 3% choose to buy on social media networks. Only about 31% of people choose to buy cosmetics offline, namely in cosmetic stores directly in supermarkets, minimarkets, and other stores. This is because online or offline purchases have advantages and disadvantages, affecting a consumer's purchasing decision. [2].

![Sales data of cosmetics in Indonesia in 2022 (in percent)](image)

Source: databoks.katadata.co.id

**Fig. 1.** Sales data of cosmetics in Indonesia in 2022 (in percent)

In offline purchases, consumers must go directly to the store. Offline stores are also clearly visible, or shop buildings can be seen and visited directly. Consumers can buy a product related to the condition of the goods or services to be purchased so that they can avoid errors or imperfections in a product. [3]. Online purchases are different from offline purchases, where there is no visible store in online purchases. So that consumers cannot visit the store. Consumers can only order or make purchases through online shopping applications or e-commerce. However, another advantage is that consumers can make purchases quickly, and there is no time limit. [4] Internet sales inside the state are soaring, particularly in light of the recent COVID-19 outbreak. Many people's interests and ways of living changed throughout that period. Consumers realized that they needed halal products to use because they realized that if they used products that had not been tested halal, there was a high potential for the virus. [5].

Theory of Planned Behavior (TPB) is used to assess a consumer when making a purchase decision online and offline. When viewed based on the Theory used, namely TPB, a consumer's purchasing decision to shop both offline and online can be influenced by several factors. These factors include attitudes, subjective norms, perceived behavioral control, price, and halal labels.

Several studies have looked at the factors that influence halal cosmetic purchase decision-making. Research conducted by [6], [7], and [8] It was found that subjective norm variables,
attitude variables, and perceptual control variables affect a buyer's decision to buy halal cosmetic products. However, there are differences in research [9]. However, there are differences in [9] research on subjective norms on purchasing decisions because, according to the respondents, they do not always buy halal cosmetics based on the advice of others.

It is suspected that the price factor of a halal cosmetic product can influence a consumer's decision. As is the case in research [10] and [11] the price variable influences consumer decisions in buying halal cosmetics. Meanwhile, different results were found where there was no influence from the price variable on a person's decision to buy cosmetics online. [12].

Another indicator that is thought to influence halal cosmetic purchasing decisions is the religiosity variable. In line with research, [13] prove that the religiosity variable can influence a consumer's intention to buy halal cosmetic products. Contrary to research [14], where the religiosity variable does not influence consumer decisions. Then purchasing decisions can also be influenced by the presence of a halal label contained in a product package, this is proven in research [15] and [16] where the halal logo affects the decision to buy halal cosmetics. Meanwhile, [17] has different results, indicating that the halal label variable does not influence consumer purchasing decisions.

The purchasing decision of a consumer regarding the purchase of halal cosmetics in reality, there are still many consumers who use cosmetics only in terms of quality without caring about the halalness of these cosmetic products. However, if a consumer realizes the importance of the safety of a halal-tested product, then it will be much better when consumers consume a product. Based on this, the researcher is interested in studying why a consumer decides to purchase halal cosmetics offline and online, focusing on consumers in Jabodetabek Province. So, this research aims to use attitude, subjective norm, perceived behavioral control, price, religion, and halal label variables to determine what aspects impact a consumer's purchase of halal cosmetics.

2 Literature Review

Every human being has needs that need to be met in his life. In an effort to meet the needs of human life, the presence of trade or purchasing activities in people's lives can help meet human needs. The purchasing process can also be done in two ways: by making purchases directly at the store or purchasing with the help of technological sophistication and the internet, commonly known by the public as online shopping. In offline purchases, consumers must go directly to the store. Offline stores are also visible, and shop buildings can be seen and visited directly. Consumers can buy a product related to the condition of the goods or services to be purchased to avoid errors or imperfections in a product. [3]. In contrast to online purchases, online purchases are growing rapidly, accompanied by the development of technology and an increasingly sophisticated internet.

[4] state online purchases are growing rapidly, especially during the Covid-19 pandemic. At that time, there was a transition in changes in people's interests and lifestyles where consumers realized that they needed halal products to use because they realized that if they used products that had not been tested halal, there was a high potential for the virus [5]. Halal products are also highly sought after during a pandemic because consumers need products that are hygienic and good and halal products for consumption. Even during the pandemic, the cosmetics industry in
Indonesia not only produces skin care products such as makeup and skincare but also produces hand sanitizers and personal care to prevent the coronavirus[5]. Indirectly, halal industrial policies in the Islamic economic system can restore economic growth during the pandemic[18].

Online marketing strategies can be carried out with the help of digital marketing, which can increase the development of a business[19]. According to [20], promotions in digital marketing can be done through websites, advertisements, or promotions. They can also be done by utilizing technological sophistication, such as creating content, images, or promotional videos distributed through social media applications.

According to [21] marketing strategy when promoting halal cosmetics must be able to present interactive and innovative content without reducing the Islamic image. Meanwhile, offline marketing usually costs more energy and money to promote products. Producers or sellers must interact directly with consumers to promote a product. In addition, sellers can use offline promotional media, such as by distributing flyers or banners that consumers can see directly.[4].

The development of the cosmetics industry in Indonesia is very rapid due to the high consumer interest in cosmetic products. However, the increase is more likely to be on cosmetics that are not halal certified, the knowledge and awareness of consumers towards halal cosmetics is still very low, and it is not uncommon for a consumer to still choose a cosmetic product only in terms of quality without knowing the existence of a halal label.

Various factors can influence consumer decisions when purchasing halal cosmetics. The research conducted by [9] used the TPB theory in their research entitled "The Purchasing Habits of Malaysian Muslims in Relation to Halal Personal Care Goods." The purpose of this research is to identify the elements that lead potential halal cosmetics buyers to make a purchase. Intentions to purchase halal cosmetics were shown to be influenced by attitude characteristics and behavioral control. Wanting to buy halal cosmetics has little to do with the subjective norm variable. This is because, in this study, consumers decide to buy halal cosmetics, which is not always based on the advice of others, because those who have the right to determine and feel the impact are the consumers themselves.

Then, the research was conducted by [22] to see the factors that influence online purchasing decisions in the Shopee application. Where in this study uses the same variable, namely the price variable. Consumers' online shopping choices are influenced by the price variable, according to this study's findings. Unlike the research case[12], the variable does not influence online consumer purchasing decisions.

Research [23] and [24] also explain that the price factor of a product affects the decision of a consumer to purchase halal cosmetics. In addition, the religiosity factor is thought to influence buying decisions for halal cosmetics. In research conducted [25] said that religious values impact halal cosmetic product purchases. This study found that those with a strong religious awareness were more inclined to purchase halal cosmetics.

Then, suppose a consumer is aware of the importance of the halal label of a product. In that case, it will increase a consumer's purchasing decision in both online and offline purchases. In research, [26] and [27] stated that the halal label influences consumer decisions when buying cosmetic products. Consumers are very concerned about the halal label because it is guaranteed that the composition and manufacture of cosmetic products have been tested for halal.
3 Theoretical foundation

3.1 Theory of Planned Behavior

Individuals engage in planned activity when they make a conscious choice to do so, according to the Theory of Planned activity. [28]. Martin Fishbein and Icek Ajzen first presented the Theory of Reasoned Action (TRA) in 1980; this Theory is an expansion of that theory. We can use this hypothesis to try to figure out why consumers buy halal cosmetics. All three of the pillars of TPB—attitude variables, subjective norms, and perceived behavioral control—are present in this study. Potential purchasers could be swayed by any of these factors.[28]

3.2 Price

Price is the amount of value spent by the public when they want to buy a product, and when the product has been purchased, the consumer will benefit from the product. According to [29], an essential aspect in making a consumer's purchasing decision is based on the price factor of a good or service. Consumers tend to consider price value before deciding on a purchase. Usually, the price value will be compared to the choice of product with other products, or the price will be compared in one shop with another shop, then consumers will analyze the price suitability in terms of the quality of a product with the amount of money that consumers have spent.

3.3 Religiosity

According to [30], religiosity leads to aspects of the quality of belief and behavior of each individual in accordance with the religion adopted in a person so that it focuses more on the substance of noble religious values. The meaning of religiosity can also be interpreted as a person's behavior or actions related to religious knowledge, and this behavior will be implemented in everyday life by obeying all the commands and staying away from the prohibitions of Allah SWT. [31]. Religiosity is applied to various aspects of human life. The value of religiosity also needs to be implemented in daily life, which is closely related to life activities between fellow humans, such as establishing good relations with neighbors and being polite. Therefore, the value of religiosity does not lie only in the aspect of worship to Allah SWT but to fellow humans; the value of religiosity must also be owned by someone.

3.4 Halal Label

A logo contained in a packaged product with a halal mark as a product guarantee. For a Muslim the halal label has an important role in the life of Muslims, especially regarding the halalness of a product to be consumed. Consumers will feel safe when buying a product tested for halalness; besides that, a halal logo is essential to include because it will make it easier for a consumer when he wants to buy a product[32].

4 Methods

The population in this study is Muslim women in Jabodetabek halal cosmetics. The sampling technique used is purposive sampling based on certain respondent criteria. An online survey evaluating attitude factors, subjective norms, perceived behavioral control, price, and halal
labeling was used to collect the results. The survey consisted of 26 items. Using a Likert scale, the responses to the questionnaire are evaluated.

The data analysis method used is binary logistic regression using SPSS software version 26 and Eviews version 12. Logistic analysis is used to see the effect of the relationship pattern between the dependent variable (Y), which can be nominal or ordinal with one or more independent variables (X) (Ghozi et al., 2018). In this study, the sample was obtained through the calculation of [33]. The minimum sample size is around 5 to a maximum of 10 observations for each parameter or indicator being estimated. Based on the calculation of the formula for the sample in this study was 130, which was obtained from the calculation results, namely 26 indicators x 5 = 130 respondents.

The independent variables consist of attitude (X1), subjective norms (X2), perceived behavioral control (X3), price (X4), religiosity (X5), and halal label (X6), while the purchase decision (Y) as the dependent variable which is dummy, namely number 0 as an online purchase and number 0 as an offline purchase. Islamic and general housing intention regression equation models:

Y = \ln \frac{a}{1-p} = \alpha + \beta X_{11} + \beta X_{22} + \beta X_{33} + \beta X_{44} + \beta X_{55} + \beta X_{66} + \varepsilon

Description:

Y: Halal Cosmetics Purchasing Decisions online and offline
\beta 0, \beta 1, \beta 2, \beta 3, \beta 4: Regression coefficients
X1, X2, X3, X4, X5, X6: Independent variable
\varepsilon: Error of term or disturbance

5 Results and Discussion

Respondents in this study were women domiciled in Jabodetabek (Jakarta, Bogor, Depok, Tangerang, and Bekasi) aged 17 to 55 years who have used or are using halal cosmetics and have bought halal cosmetics in offline and online stores. The sample taken amounted to 130 respondents.
Table 1. Model Accuracy Test

<table>
<thead>
<tr>
<th>Purchase Decision</th>
<th>Online purchase</th>
<th>Offline purchase</th>
<th>Percentage Correct</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Decision</td>
<td>Online</td>
<td>172</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Offline</td>
<td>80</td>
<td>2</td>
</tr>
<tr>
<td>Overall Percentage</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source SPSS 26 (Processed by the author, 2023)

Based on table 1, it shows that the prediction results of consumer decisions in purchasing halal cosmetics online are 96.6%. While only 2.4% choose to make purchases of halal cosmetics offline. It can be concluded that consumers are more interested in making online purchases. This is in accordance with the times at this time where the increasing sophistication and ease of technology can attract people to purchase with the help of technology and the internet.

Table 2. Simultaneous Test

<table>
<thead>
<tr>
<th></th>
<th>Chi-square</th>
<th>df</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>13.168</td>
<td>6</td>
<td>.040</td>
</tr>
<tr>
<td>Block</td>
<td>13.168</td>
<td>6</td>
<td>.040</td>
</tr>
<tr>
<td>Model</td>
<td>13.168</td>
<td>6</td>
<td>.040</td>
</tr>
</tbody>
</table>

Source SPSS 25 (Processed by the author, 2023)

Table 2. The dependent variable is substantially affected by the independent variables all at once, as shown by the omnibus test table significance value of 0.040 < 0.05. This lends credence to the idea that the factors of attitude, subjective norms, perceived behavioral control, price, religiosity, and halal label do, in fact, have a substantial impact on whether people choose to buy halal cosmetics online or in-store.
Table 3. Partial Test

<table>
<thead>
<tr>
<th>Step</th>
<th>Variable</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>df</th>
<th>Sig.</th>
<th>Exp(B)</th>
<th>95% C.I. for EXP(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Attitude</td>
<td>-.132</td>
<td>.112</td>
<td>1.376</td>
<td>1</td>
<td>.241</td>
<td>.877</td>
<td>.703</td>
</tr>
<tr>
<td></td>
<td>Subjective Norm</td>
<td>.288</td>
<td>.123</td>
<td>5.446</td>
<td>1</td>
<td>.020</td>
<td>1.334</td>
<td>1.047</td>
</tr>
<tr>
<td></td>
<td>Perceived Behavioral</td>
<td>.028</td>
<td>.122</td>
<td>.052</td>
<td>1</td>
<td>.820</td>
<td>1.028</td>
<td>.809</td>
</tr>
<tr>
<td></td>
<td>Control</td>
<td>.123</td>
<td>.077</td>
<td>2.533</td>
<td>1</td>
<td>.111</td>
<td>1.131</td>
<td>.972</td>
</tr>
<tr>
<td></td>
<td>Price</td>
<td>-.042</td>
<td>.071</td>
<td>.346</td>
<td>1</td>
<td>.556</td>
<td>.959</td>
<td>.834</td>
</tr>
<tr>
<td></td>
<td>Religiosity</td>
<td>-.277</td>
<td>.111</td>
<td>6.217</td>
<td>1</td>
<td>.013</td>
<td>.758</td>
<td>.610</td>
</tr>
<tr>
<td></td>
<td>Halal Label</td>
<td>.467</td>
<td>1.338</td>
<td>.122</td>
<td>1</td>
<td>.727</td>
<td>1.596</td>
<td></td>
</tr>
</tbody>
</table>

Source SPSS 26 (Processed by the author, 2023)

Then, table 3 shows a significance value of 0.020 for the subjective norm variable and the significance value of the halal label of 0.013, which is smaller than the significance value, namely $\alpha = 0.05$. Meanwhile, the variables of attitude, perceived behavioral control, price, and religiosity do not significantly affect purchasing decisions for halal cosmetics because they have a significance value more significant than the $\alpha$ value of 0.005.

The regression equation model in this study is:

$$
\text{Halal cosmetics purchase decision online and offline} = 0.467 - 0.132 \text{ Attitude} + 0.288 \text{ Subjective norm} + 0.028 \text{ Perceived behavioral control} + 0.123 \text{ Price} - 0.042 \text{ Religiosity} - 0.277 \text{ Halal label}
$$

It can be explained that subjective norm variables and halal labels influence the variables that influence purchasing decisions for halal cosmetics online and offline. The attitude variable does not affect purchasing decisions for halal cosmetics both online and offline. In this case, it is because the attitude of some respondents does not pay attention to the halal value of a cosmetic product that will be purchased or used. This is because most of the consumers in this study are aged 17-24 years, which includes the millennial generation, who prefer to use cosmetic products that are certain to suit themselves, which will make consumers look beautiful when used without seeing the level of safety and halal content of a product, in line with research conducted by [34] who, among female students at Ahmad Dahlan University's Faculty of Economics and Business, discovered no statistically significant correlation between the attitude variable and their propensity to buy halal cosmetics.

Subjective norms affect purchasing decisions for halal cosmetics online and offline. This study explains that suggestions or recommendations from people around influence halal cosmetic purchasing decisions. Consumers likely choose halal cosmetic products because of the trend of halal cosmetic products or because a halal cosmetic product brand has just issued a new variant or product that is currently viral on social media. This is also in accordance with current conditions where with the increasingly sophisticated technology, people efficiently receive all
information, especially when purchasing a product recommended by content creators on social media. This is reinforced by research conducted by [35] where their research stated that the subjective norm variable affects the decision to purchase halal cosmetics both online and offline in Mandailing society. Other research, such as that conducted by [36], [37], and [7] which, also states that subjective norm variables affect halal cosmetic purchasing decisions.

Then, the perceived behavioral control variable does not affect purchasing decisions for halal cosmetics online or offline. This happens because there may be inhibiting factors for the respondents in this study when they want to make decisions in purchasing halal cosmetics both online and offline, especially in this study, where most of the respondents are female students who have not maximized their income, so that the possible inhibiting factor is due to the problem of the price of halal cosmetics which is still not affordable for female students in Jabodetabek.

Research is in line with and also strengthened by [37] where perceived behavioral control does not affect women buying halal cosmetics.

Price also does not influence purchasing decisions for halal cosmetics online or offline. This is because the prices of halal cosmetic products are still not affordable for the wider community, and only a few halal cosmetic products have prices that are affordable for the public, especially students, in accordance with the profile of respondents in this study where respondents have an income of less than Rp. 500,000. So halal cosmetic product prices are still not affordable for respondents in this study. This is in accordance with and reinforced by researchers [38]. They used the Shopee app and discovered that users’ choices to buy were unaffected by the price variable. In contrast, some academics, such [39] and [12]. Additionally, it was revealed that halal cosmetics purchase choices are unaffected by price.

Then religiosity also has no effect on purchasing decisions for halal cosmetics online or offline. It is related to the profile of respondents in this study, where most of them are female students who prefer to buy halal cosmetic products only based on subjective norms or the influence of other people around without considering the value of Islamic teachings. Similar to research conducted by [40], inside the context when religious factors do not impact the desire to purchase halal cosmetics, the halal knowledge variable is a significant factor that might impact this intention. This is reinforced by research from Nasrullah (2015), where the religiosity variable has no effect because the tendency of consumers in Indonesia is to be consumptive so that its people prioritize their desires over their needs in accordance with Islamic teachings.

Meanwhile, the halal label variable affects purchasing halal cosmetics online and offline. This proves that a halal label on a product will provide important information for consumers, especially Muslim consumers. This is in line with research conducted by [41], where it is explained that halal labeling is an important and influential factor in the decision-making of a consumer in buying halal cosmetics conducted by female students of Muhammadiyah University of Yogyakarta.

**Conclusion**

There were disparities in the intended purchases, according to the data analysis. According to the findings of this investigation, a portion of, the variables of subjective norms and halal labels can influence the purchasing decisions of a consumer when buying halal cosmetics online or
offline. Meanwhile, attitude variables, perceived behavioral control, and price do not significantly influence purchasing decisions for halal cosmetics in Jabodetabek online or offline. Then, people in Jabodetabek prefer to purchase halal cosmetics online rather than having to buy halal cosmetics directly in stores. Meanwhile, the brand of halal cosmetic products that is the people’s favorite or choice is Wardah brand cosmetic products. Some parties, such as halal cosmetic manufacturers, are expected to understand the characteristics of consumers and provide various types of cosmetics at more economical prices so that all groups, especially students, can reach them. In addition, producers are also expected to add information related to halal products during the promotion or advertisement of a cosmetic product so that the public is more aware of the benefits of halal cosmetic products. Then, for consumers, it is hoped that paying attention to cosmetic products is not based on suitability alone but must pay more attention to safety and halalness, especially for Muslim consumers.

References


