HALAL COSMETIC PURCHASE INTENTION: IN THE PERSPECTIVE OF MUSLIM AND NON-MUSLIM CONSUMER

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Abstract: This study intends to explore factors influencing halal cosmetic purchase intention. This research aims to examine the relationship between brand quality and brand trust towards purchase intention and include religion as a moderator variable to find out the difference in perceptions between Muslim and non-Muslim consumers. An on-line cross-sectional survey was used to obtain data concerning the purchase of respondents' cosmetic favorite brands. The target population for this paper encompassed women both Muslims and Non-Muslims. The sample was taken in Bandung city collaborating 400 respondents (200 respondents are Muslims and the rest are non-Muslims). The data analysis method used is SEM-PLS approach based on the SmartPLS version of 3.2.7. The hypotheses testing revealed that brand quality and brand trust influence purchase intention towards halal cosmetic both for Muslim and Non-Muslim consumers. This research also shows that there is the matter between Muslim and Non-Muslim regarding purchase intention influenced by brand quality. Non-Muslim will buy halal cosmetic if they consider the brand are good quality, however both of them (Muslim and Non-Muslim) would buy the brand of halal cosmetic they are trusted.

Keywords: Halal Cosmetics, Purchase Intention, Brand Quality, Brand Trust
Introduction

The cosmetic industry is currently experiencing a very rapid development so that this situation has led to the emergence of various innovations in the cosmetic field. Progress in the cosmetic industry in Indonesia is currently showing an increase. A report reveals that Indonesian halal cosmetics market value is US$315m and has increased annually by an average of 9.67% since 2013 (Suhartanto, et al., 2020). With this amount, Indonesia is a potential market for cosmetic industry entrepreneurs, both foreign and domestic (Ekarina, 2019). Halal cosmetics is one of the focuses of the beauty industry which is worked on by several cosmetic companies in Indonesia. The emergence of cosmetics labeled halal shows the market dynamics towards products that are of interest to the public in recent years (Wijayanto, 2019). Indonesia itself also has a halal certification body and an international halal guarantee system, namely through the Institute for the Assessment of Food, Drugs, and Cosmetics which is popularly known as LPPOM-MUI.

Nowadays, Halal is not limited only to Muslims, but non-Muslims also adapt and practice in their everyday lives (Mansor, Shukri, & Yahaya, 2020). Halal is an innovation to all products because it is way more hygienic and safe to be used. The Halal product contains no dangerous and harmful ingredient. To manufacture halal products, manufacturer has to adhere with stringent manufacturing process standard which follow the Islamic rules. The process must comply with the standard quality and hygiene aligned with Good Manufacturing Practice (GMP). From selecting raw ingredients, the process of making the products, storage, display and delivering the products must conform with the Islamic law (Mansor et al., 2020). Halal cosmetics have come to be perceived as healthier and safer products; increasing their appeal to Muslim and non-Muslim (Mohezar, Zailani, & Zainuddin, 2016; Suhartanto et al., 2020). Therefore, we need to investigate the halal perspective both from muslims and non-muslims.

Halal cosmetic industry has grown tremendously especially in the halal pharmaceuticals and cosmetics sectors which continue to expand. In an effort to expand into non-Muslim consumer, companies must have a good strategy so that customer would have purchase intention to the halal product. However, producers of halal cosmetics are facing fierce competition not only among the halal cosmetics brands but also from conventional cosmetic brands (Suhartanto et al., 2020). In terms of this issue, developing customer purchase intention is an important strategy for manufacturer.

The literature on purchase intention has identified several factors that influence customer purchase intention. The first factor is brand perceived quality. Consumers' perception of brand quality is another important aspect of halal products that differentiates them from other products in the same category (Jaiyeoba, Abdullah, & Dzuljastrri, 2019; Suhartanto et al., 2020). Furthermore, the second factor is brand trust (Fatema, 2018; Mansor et al., 2020; Rubiyanti & Mohaidin, 2018; Soleh, Adawiyah, & Afif, 2019). Brand trust refers to the feeling of being secure between consumers with their trust in certain brands (Fatema, 2018; Mansor et al., 2020; Soleh et al., 2019). Although previous research has highlighted the importance of this pathway in developing customer purchase intention, it is surprising that no study has integrated these multiple relationships into a single model. The integration of these two relationships has the potential to provide a more comprehensive understanding of how customer purchase intention is developing for products such as halal cosmetics. Furthermore, no previous research has discussed the role of religion in the relationship between these factors. Therefore, researcher aims to examine the relationship between brand quality and brand trust towards purchase.
intention and include religion as a moderator variable to find out the difference in perceptions between Muslim and non-Muslim consumers.

Literature Review

Brand Quality
Perceived quality is the consumer's perception of the overall quality or superiority of a brand compared to other brands and in relation to the expected goals (Aaker & Jacobson, 1994; Zeithaml, 1988). A brand is judged based on the information received according to the association with that brand (Kemp, Childers, & Williams, 2012). Perceptions of quality can be defined as the degree to which a product can fulfill its function in the needs of its consumers (Ha & Janda, 2014). Perceived quality is the possibility of consumers choosing a product category brand in a certain purchasing situation. In halal branding perspective, brand perceived quality can be defined as a brand that offers conventional performance as well as considered halal attributes that are acceptable to Muslim consumers under Shariah (Ali, Ali, & Sherwani, 2017). Perceived quality refers to individuals who have a willingness to buy, it can be used as a measure of one's desire to buy and is associated with buying behavior that is carried out continuously (Wang, 2017). According to Ali, Xiaoling, Sherwani, & Ali (2018), perceived quality make up the foundation of overall quality perception of a customer and is thus a key determinant of purchase. In other words, it is reasonable to expect that customers will have purchase intention to brands they feel are high in quality. Thus, the following hypothesis is proposed:

H1: Brand Quality is positively related to purchase intention.

Brand Trust
Trust is an antecedent for creating a good relationship with customer. Customers who trust in a brand will not object to buying that brand at a high price. Trust arises because someone's experience of buying a brand is felt to be beneficial. When a brand exceeds expectations, it psychologically encourages consumers to be attracted to that brand (Alam & Yasin, 2010). Trust is built because of the expectation that the other party will act according to the needs and desires of consumers. Brand trust is the perception of control from a consumer's point of view based on experience or more on sequences of transactions or interactions characterized by the fulfillment of expectations for product performance and satisfaction (Lantieri & Chiagouris, 2009). It is the willingness of consumers to trust the brand at all costs because of it expectations promised by the brand in providing positive results for consumers (Bidmon, 2015). Regarding the context of Halal, cultural and social contexts are clearly significant, and this draws attention to the ways in which product choice based on religious obligation require an investment of trust (Nath, Henderson, Coveney, & Ward, 2013). Researchers (Muflih & Juliana, 2020; Porral & Levy-Mangin, 2016) recognize that trust can play an important role in influencing shopping behavior. In the context of halal shopping behavior, have proved that trust is one of the key factors that can change the intention of consumers to buy halal cosmetic (Rubiyanti & Mohaidin, 2018). Further, in the highly competitive market, brand trust is a significant competitive advantage which has a great impact on the behavioral intentions of consumers (Borzooei & Asgari, 2013). Hence, the below hypotheses have been formulated:

H2: Brand Trust is positively related to purchase intention.
Purchase Intention

Purchase intention is the stage where consumers evaluate the information received. This can be interpreted as the possibility that consumers will purchase certain products (Hanzaee & Andervazh, 2012). Superior purchase intention promotes the purchase since the consumer’s experiences after purchase give a collective feeling that affects consumers to repurchase the brand (Borzooei & Asgari, 2013). In this regard, assessing the Halal brand purchase intention would help to better understand the needs, expectations, and perceptions of consumers (Marmaya, Zakaria, & Mohd Desa, 2019). This study is designed to explore whether brand quality and brand trust build customer’s purchase intention of Halal cosmetic products.

Religion as moderator

Religion is the core worth of a culture that imbues the daily lives of members of any cultural group (Borzooei & Asgari, 2013). Religion and cultural values of customers appeared in many studies as significant indicators affecting customer decision-making (Adiba, 2019). Thoughts, behaviors and believes, are mainly affected by socio-cultural and group factors, and the purchasing process and decision making also affect by the factors. (Azizpour, 2016). According to Briliana & Noviana (2016), religion plays one of the most influential roles when making decisions about the selection products in many communities. Rahman, Asrarhaghighi, & Rahman (2015) found that a significant relationship exists between religious affiliation and factors that influence a consumer’s intention to buy halal cosmetics. There is, however, a lack of research studies on the relationship of religion towards purchase intention of cosmetic products. Nowadays, Muslim consumers have become more concerned with the halal status of the products they consume. Thus, his research intent to understand the consumer behavior from the perspective of both Muslims and non-Muslims towards halal cosmetics. In this regard, Religion has been purposed as moderating variable to give an interaction effect among the constructs. The Hypothesis were proposed:

H3: Religion moderates relationship between brand quality and purchase intention, such that the effect will be stronger for non-Muslim consumers.

H4: Religion moderates relationship between brand trust and purchase intention, such that the effect will be stronger for Muslim consumers.

The research framework will be presented in Figure 1.
Figure 1: Conceptual Framework

Methodology
This research used an online cross-sectional survey to obtain data concerning the purchase of respondents’ cosmetic favorite brands. The target population for this paper encompassed women both Muslims and Non-Muslims. The sample was taken in Bandung city collaborating 400 respondents (200 respondents are Muslims and the rest are non-Muslims). This current research applies variance-based structural equation modelling (SEM-PLS) to assess the validity and reliability of the constructs as well as the relationships between the constructs. The reason of using SEM-PLS is because the objective of this study is to evaluate the association among the variable constructs and to assess the predictive power of the exogenous variables. As the objective of this study is basically to substantiate a theory and the data was not normally distributed, examining the proposed model by employing SEM-PLS is suitable (Hair, Matthews, Matthews, & Sarstedt, 2017).

The set of questions (in the questionnaire) was represented by a five-point Likert scale to illustrate the respondent’s degree of agreement. The number “5” indicates “strongly agree” and “1” indicates “strongly disagree”. The research measurements were adapted from Ali et al., (2018). There are 4 items are measuring brand quality, 4 items are measuring halal brand trust, and 2 items are measuring purchase intention.

Finding
There are 400 questionnaires collected by the researcher, of which 200 are Muslim and the remaining 200 are non-Muslims. Based on the profile of respondents, this study found that most (70%) were in the 18-24 years age group, according to Adiba's research (2019) that the targeted cosmetic consumers are the younger generation.

Table 1 shows The Composite Reliability (CR) and Cronbach’s Alpha (α), which exceeded the 0.70 recommended values of (Hair, Hult, Ringle, & Sarstedt, 2017). The assessment of the structural model involves an estimation of the path loadings and the R² values (Table 1). Path loadings indicate the strengths of the relationships between the independent variables and the dependent variable, while R² values measure the predictive power of the structural models. Interpreted as multiple regression results, the R² indicates the amount of variance explained by the exogenous variables. Here, correlation between constructs that exceed the square roots of
their AVE indicates that they may not be sufficiently discriminable. Using a bootstrapping technique, path loadings and t-statistics for hypothesized relationships were calculated. The PLS analysis results are shown in Table 3. In marketing, researchers usually assume a significance level of 5%. Hypotheses with a t-value above 1.96 will be accepted and a hypothesis will be rejected when its t-value is found to be less than 1.96 for significance level = 5% and for significance level = 1%. Hypotheses with a t-value above 2.326 will be accepted and a hypothesis will be rejected when its t-value is found to be less than 2.326 (Hair, et al, 2017).

Table 1: Summary Result of The Measurement Model and Convergent Validity

<table>
<thead>
<tr>
<th>Variable</th>
<th>Item</th>
<th>Loading</th>
<th>AVE</th>
<th>R Square</th>
<th>CR</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Quality</td>
<td>BQ1</td>
<td>0.810</td>
<td>0.622</td>
<td></td>
<td>0.868</td>
<td>0.797</td>
</tr>
<tr>
<td></td>
<td>BQ2</td>
<td>0.763</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BQ3</td>
<td>0.780</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BQ4</td>
<td>0.801</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Trust</td>
<td>BT1</td>
<td>0.814</td>
<td>0.650</td>
<td></td>
<td>0.881</td>
<td>0.822</td>
</tr>
<tr>
<td></td>
<td>BT2</td>
<td>0.767</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BT3</td>
<td>0.784</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>BT4</td>
<td>0.857</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>PI1</td>
<td>0.907</td>
<td>0.758</td>
<td>0.622</td>
<td>0.862</td>
<td>0.786</td>
</tr>
<tr>
<td></td>
<td>PI2</td>
<td>0.833</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 1 summarizes the results of the measurement model. Item reliability, construct reliability (CR), and average variance extracted (AVE) (Hair et al., 2017) support the convergent validity of the CFA results. The CR, which shows the degree to which construct indicators demonstrate the latent construct, ranged from 0.862 to 0.881, which was above the threshold value of 0.7. The average variance extracted (AVE) ranged from 0.622 to 0.758, which was greater than 0.50, justifying the use of the construct. The AVE values of 0.5 and above indicated that convergent validity was achieved by all constructs (Hair, et al, 2017). Overall, these results indicate that the measurement model has good convergent validity. The variance explained, $R^2$, are 0.622 after moderating effect from 0.594 before moderating effect, means there is moderating effect of religion. All the Cronbach’s alpha values were greater than 0.70 indicating the good reliability of all the measures. The construct with the highest Cronbach’s alpha was brand trust (0.822). Overall, these results indicate that the measurement model has good convergent validity. To examine the discriminant validity, the study followed the Fornell-Larcker criterion. The square root of the AVE for each construct was compared; if they are greater than the correlation coefficients of the corresponding inter constructs, discriminant validity is achieved (Table 2).

Table 2: Discriminant Validity

<table>
<thead>
<tr>
<th></th>
<th>Brand Quality</th>
<th>Brand Trust</th>
<th>Purchase Intention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Quality</td>
<td>0.788</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Trust</td>
<td>0.514</td>
<td>0.806</td>
<td></td>
</tr>
<tr>
<td>Purchase Intention</td>
<td>0.764</td>
<td>0.479</td>
<td>0.871</td>
</tr>
</tbody>
</table>
The PLS analysis based on a bootstrapping procedure for 5000 subsamples was carried out. The summary of hypotheses is presented in Table 3 and Figure 2 show support for the four hypotheses tested in this study.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Relationship</th>
<th>Path Coefficient</th>
<th>P-Values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Brand Quality → Purchase Intention</td>
<td>0.690</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>Brand Trust → Purchase Intention</td>
<td>0.159</td>
<td>0.015</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>Religion * Brand Quality → Purchase Intention</td>
<td>0.221</td>
<td>0.041</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>Religion * Brand Trust → Purchase Intention</td>
<td>0.005</td>
<td>0.481</td>
<td>Not Supported</td>
</tr>
</tbody>
</table>

The results show that Hypothesis 1 was supported, as brand quality was found to positively impact on purchase intention ($\beta=0.690; t$-value $10.628; p 0.000$). These findings are consistent with previous studies about the relationship between brand quality and purchase intention towards halal cosmetic products (Ali et al., 2018). Support for Hypothesis 2 is shown, as brand trust was found to positively impact on purchase intention towards halal cosmetic products ($\beta=0.159; t$-value $3.165; p 0.015$). These findings are consistent with previous studies about the relationship between brand trust and purchase intention (Borzooei & Asgari, 2013). Regarding the moderation effect, Hypotheses 3 was supported as religion moderates the relationship between brand quality and purchase intention, while Hypotheses 4 was not supported. The results show that there is the matter between Muslim and Non-Muslim regarding purchase intention influenced by brand quality. Non-Muslim will buy halal cosmetic if they consider the brand are good quality, however both of them (Muslim and Non-Muslim) would buy the brand of halal cosmetic they are trusted.
Discussion
This study distinguished between Muslim and non-Muslim consumer’s perception towards brand quality and brand trust influence on purchase intention of Halal cosmetics. Empirical results via bootstrapping analysis revealed that brand quality was the most important for discriminating between Muslim and non-Muslim consumers with respect to purchase intention of Halal cosmetics. Further investigation of the study found that brand trust is less successful as a predictor of non-Muslim consumers. Muslim consumers are found to choose trusted brand beside good quality brand where these two are quite related. The possible explanation for why Muslim consumers different from non-Muslims is based on religious perspective where brand trust has some influence on Muslim consumers’ views of a brand. Non-Muslim consumers tend to believe claims about a brand and are willing to purchase Halal cosmetic brand when the product is perceived has a good quality. Specifically, Muslim consumers’ faith or trust may be linked to the perception that Halal cosmetic products are in line with Shariah principles which are consistent with Islamic principles. Indeed, all food consumed by Muslims must be halal according to the teachings of Islam and conform to halal principles. In other words, they have deep spiritual and behavioral similarities that set them apart. Halal status is used to reduce risk elements in consumer behavior (Suki, 2014).

Conclusion
The results show that the relationship between brand quality and purchase intention towards halal cosmetic products is significant. Similarly, the finding this study has shown that the relationship between brand trust and purchase intention towards halal cosmetic products is found significant. Findings also confirmed that there is a moderating effect of religion between brand quality and purchase intention towards halal cosmetic products. Non-Muslim consumers tend to buy halal cosmetic they perceived has a good quality. It means quality really matter for Non-Muslim consumers. Therefore, it indirectly shows a good sign of opportunity for halal cosmetic manufacturers to continue serving and expanding market both for Muslim and non-Muslim consumers. This is because the statistical results show that product quality influence consumers’ purchase intention. Manufacturer should also focus on creating social expectations regarding halal labelling to improve consumer trust in purchasing halal cosmetic which perceived has good quality.

As an overall implication, this study will provide valuable and important information for halal cosmetic manufacturers in identifying the appropriate strategy in order to improve their quality to fulfil the needs and wants of both Muslim and Non-Muslim consumers. It can be concluded that halal cosmetic products are gaining impetus, not only among Muslim consumers, but also with non-Muslims consumers.

This research is not exempt from limitations. The data collected for the current study investigate specific purchase towards halal cosmetic products. It would be interesting if future researchers were to examine consumers' purchase intention towards general halal products or another product category.
References


