

Conference Paper

The Effect of Halal Labeling, Advertisement Creativity and Lifestyle on Purchase Decisions of Wardah Products (Case Study of Students of Universitas Malahayati)

Finka Oktaniar, Erna Listyaningsih, and Bambang Purwanto

Economics Faculty, Universitas Malahayati, Bandar Lampung, Indonesia

Abstract

This study aims to analyze the effects of halal labeling, advertisement creativity, and lifestyle on purchase decision of Wardah cosmetic products. The study population consisted of 663 female students that have bought Wardah cosmetic products, with the number of samples determined by the Slovin formula of 250 female students at Universitas Malahayati, Bandar Lampung. Data analysis used was smart-PLS v3.0. The results of the study showed that halal labeling, creative advertising, and lifestyle of Wardah cosmetic products have effects on the purchasing decisions of students of Universitas Malahayati, Bandar Lampung.

Keywords: halal labeling, ads creativity, lifestyle, purchase decision

Corresponding Author:

Erna Listyaningsih

ernatya04@yahoo.com

Published: 11 November 2020

Publishing services provided by
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Selection and Peer-review under the responsibility of the IC-HEDS 2019 Conference Committee.

1. Introduction

In this 21st century, technological advancements and information media play a role and have an impact on human life. This of course greatly affects the sustainability of the company. Companies are required to be able to create and guarantee the availability of products that meet market needs.

Giving halal labels on product packaging is basically not mandatory, but the absence of the label will make Muslim consumers to be careful in deciding whether or not to consume products without the halal label. Based on Islamic thought, the Arabic word halal refers to 'permissible' or 'lawful' which is an important concern and obligation for all Muslims [1]. Halal labeling is a label that informs consumers the product labeled, that product these are truly halal and ingredients do not contain elements which is forbidden by sharia so that the product can be consumed by consumers. Thus the products which do not contain the halal label on the product, considered not yet get approval by an institution that authorized (Institute for Food and Drug Assessment of

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Cosmetics of Indonesian Ulema Council/LPPOM MUI) for classified in products that are halal or considered still doubtful halal [2], [3]. There are some aspects to be reviewed in halal labeling, including production process, main raw materials, auxiliary materials and effects [4]. Previous study which investigated the effect of halal labeling on purchasing decision found that there were significant influenced halal labeling on purchasing decision [2], [3, 5]– [8]. As for what must be remembered that Indonesia is a Muslim-majority country that reaches 90% in number [9]. So the need for a halal guarantee on cosmetics is very important. Therefore, selective in choosing products that are used or consumed should be the thing to do.

In addition, marketers must also determine the right strategy in communicating their products in order to provide information that can attract the attention of consumers. One of them is the dissemination of information using mass media, information can be obtained from various sources and media including an advertisement. Advertising is shown to influence the feelings, knowledge, meaning, beliefs, attitudes, and image of consumers related to a product or brand so that it can make consumers think or react to the product or company in a certain way. Great advertising is an innovative, creative, unique, and convincing advertisement. That requires creativity in making an advertisement [10]. Some advertising practitioners assess creativity in advertising is not something that appears suddenly, but it is a process. The effectiveness of an advertisement will be able to determine the formation of attitudes and buying intentions on consumers, and will further be able to drive purchasing decisions on consumers [11].

In buying and consuming something, consumers first make a decision about what products are needed, when, how and where the purchase or consumption process will occur. Many factors affect humans in determining the purchase decision for a product to meet its needs. One factor that is quite influential is lifestyle [12]. Lifestyle reflects consumption patterns that describe a person's choice how he uses his time and money [13]. Peer group pressure, whether directly such as at school or through social networking and also the image of young celebrities create new habits or lifestyles among teenagers. [14], adolescents are aware that social support is influenced by attractive appearance based on what is worn and owned, so it is not surprising that the purchase of cosmetics and purchases of clothing and accessories in early adolescence are considered important.

Indonesia, country with the largest number of Moslems in the world, is a large potential market for consumables such halal cosmetics and personal care products [8]. By looking at the opportunities that exist in Indonesia, which are predominantly Moslem, PT. Paragon Technology and Innovation made an innovation by launching cosmetics

beauty products with the brand “Wardah”. This product innovation aroused because of concerns from Muslim women about cosmetics products that contain elements that are forbidden in sharia [15].

TABLE 1: Halal cosmetics products in Indonesia 2017-2018

| Product Name | Information |
|--------------|--|
| Wardah | Firm: PT.Paragon Teknologi Halal certificate number: 00150010680899 |
| Sariayu | Firm:PT. Martina Berto Tbk - Martha Tilaar Group Halal certificate number: 00150061130312 |
| Mustika ratu | Firm: PT. Mustika Ratu Tbk Halal certificate number: 00150064300313 |
| Inez | Firm: PT. Kosmetikatama Superindah Halal certificate number: 07150010980811 |
| Zoya | Firm: PT. Cosmax Indonesia Halal certificate number: 00150070831114 |
| Purbasari | Firm:PT. Gloria Origita Cosmetics Halal certificate number: 00150043050107 |

Source: www.halalmui.org

Based on Table 1 shows that some halal cosmetic products in Indonesia. In addition to Wardah, there are several cosmetic products that have obtained halal permits for ingredients contained in their cosmetics, such as Mustika Ratu, Zoya, Sari Ayu etc.

Wardah is not the first cosmetic product that has a halal label from MUI, but Wardah is identical of the first halal cosmetics in Indonesia. Wardah uses the concept of “halal and Islamic” which is packaged with attractive taglines and uses branded women with hijab as their product identity [15]. In addition, Wardah included the halal label of the MUI in his advertisement to strengthen his identity as a halal cosmetic product. This was done to be able to attract buying interest of Indonesian Muslim consumers, as well as to show that Wardah products were very much in line with the lifestyle of Islamic Muslim women and always pay attention to the halal products that they would consume.

Previous studies found that there was an effect of halal labeling on purchasing decisions [2], [5]– [7], Therefore, it can be suspected that there is a positive influence between halal labeling on purchasing decisions Wardah products. In addition, previous study which investigated the effect of advertising creativity and endorsers on the consumer purchasing decision process found that the variable of advertising creativity had a positive and significant effect on the purchase decision process [16]. This means that the better the advertising creativity, the better the buying decision process. So it can be suspected that there is a positive influence between advertising creativity on purchasing decisions Wardah products. Additionally, Previous studies which investigated lifestyle on purchasing decision found that there was a significant influence lifestyle on

purchasing decision [12], [14], [17]. So it can be assumed that there is a positive influence between lifestyle on purchasing decisions of Wardah products. The difference between previous studies with the current study is that the variables used are a modification from previous studies. Additionally, this study employed Smart-PLS for analysis data.

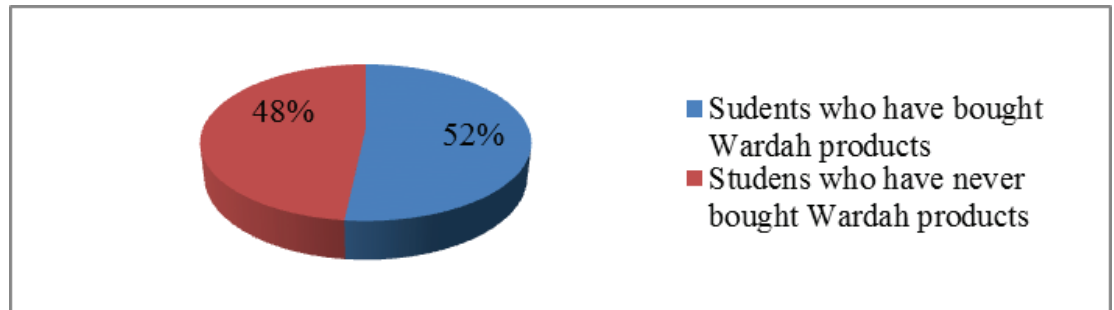


Figure 1: Pre survey of Universitas Malahayati' students

Figure 1 shows that it is about 52 % female students have bought Wardah products. According to the author's knowledge which is by looking at Wardah product marketing targets that are aimed at women and based on Figure 1 that more than 50% of female students at Universitas Malahayati in Bandar Lampung have bought Wardah products, and also based on previous studies which the results were varied, therefore the authors are interested in this research. The aim of this study is to investigate the effect of halal labeling, ads creativity and lifestyle on purchase decision of Wardah products (Case study on students of Universitas Malahayati). The contribution of this study can be consideration for marketer and industry of cosmetics products in relation with the factors which affect decision purchase of consumers towards cosmetics products. In addition, the sample used in this study was female students of Universitas Malahayati, therefore the uniqueness of this study is that respondents were teenager then it could be useful for firm products segmentation.

2. Methods

2.1. Sample

Sampling used in this study was non-probability sampling technique that is the method of purposive sampling, namely research that was not taken randomly but determined by researchers, namely active female students at Universitas Malahayati who had bought Wardah products. The population in this study was 663 female students. The size of the sample in this study was determined by the Slovin formula as follows:

$$n = N/1 + N(d^2) \quad (1)$$

Where n is sample, N is population, and d is level of precision (0, 05), so the sample used was 250 female students of Universitas Malahayati

The variables dimension used of this study for halal labeling used making process, ingredients and effect [2], [18]. Meanwhile for ads creativity used unique advertising, smart advertising and advertising is easy to understand [16], [19], [20]. Furthermore for lifestyle was using activity, attraction and opinion [14], [21]. Additionally, for purchase decision used problem recognition, information search, alternative evaluation & selection, purchase and post-purchase behavior [2], [18], [22], [23].

2.2. Analysis Data

The data analysis method used in this study was the Smart Partial Least Square (PLS) approach. Smart PLS is a Structural Equation Modeling (SEM) equation model based on components or variants. SmartPLS is a powerful analytical method and is not based on many assumptions. Data do not contribute to normal multivariate, indicators with categories of scale, ordinal, internal to ratio can be used on the same model, and the sample does not have to be large. The author used smartPLS as an analytical tool that is considered appropriate to test the variables in this study because smartPLS is able to allow all directions of the coefficients simultaneously to allow direct, indirect, and false relationship analysis that regression analysis does not have.

3. Results

Path coefficient testing is used to ensure that the relationship between constructs is strong. The relationship between constructs is said to be strong if the path coefficient is greater than 0.05, furthermore it is said to be significant if the path coefficient is at the 0.05 level. In table 2, variables used indicate a positive relationship is halal labeling variable has a value of 0.229, ads creativity variable with a value of 0.510, and lifestyle variable has an influence on purchasing decisions with a value of 0.148.

3.1. Effects of Halal Labeling on Purchasing Decision

Table 2 shows that halal labeling has a significant influence on purchasing decisions. This can be explained that respondents assessing Wardah products have been through the manufacturing process and raw materials in accordance with the criteria of halal in Islam, and respondents assess Wardah products do not contain elements that endanger

TABLE 2: PLS Structural Model

| | Original Sample (O) | Sample Mean (M) | Standard Deviation | T Statistics | P Values |
|-------------------------------------|---------------------|-----------------|--------------------|--------------|----------|
| Halal Labeling-> Purchase Decision | 0.229 | 0.214 | 0.081 | 2.832 | ***0.004 |
| Ads creativity -> Purchase Decision | 0.510 | 0.517 | 0.086 | 5.897 | ***0.000 |
| Life style -> Purchase Decision | 0.148 | 0.146 | 0.069 | 1.689 | ***0.001 |

*** Significant at 1%

consumers. The results of this study were in line with the research of [2], [3, 5]– [8]. With the halal labeling it will affect the decision of Muslim consumers to buy and consume products in the packaging. It is also in line with [2] so the existence of a halal label on a product will encourage Muslim consumers to be sure which products they can consume, namely products that have halal label on their packaging. Additionally, non-Muslim consumers are also looking for products that are indeed halal, if this is considered by the company, it will have a good impact on the company itself.

3.2. Effect of Ads Creativity on Purchasing Decision

Table 2 shows that ads creativity has a significant influence on purchasing decisions. This can be explained by the fact that respondents rated advertising on Wardah products as having unique or different advertisements, smart ads or advertisements that affect emotions and advertising messages that are easy to understand. The results of this study were in line with research conducted by [11], [16] that the ads creativity variable has a positive and significant effect on the purchasing decision process. It means that the better the advertising creativity, the better the buying decision process. Creative advertising makes the audience pay attention to the advertisement in detail. So that it will encourage consumer interest to buy the product.

3.3. Effects of Lifestyle on Purchasing Decision

Table 2 shows that there is an influence lifestyle on the purchasing decision of Wardah products for female students of Universitas Malahayati, Bandar Lampung. In line with research [12], [14] the influence of lifestyle can encourage an increase in a person's purchasing decisions. An individual can be empowered so that he can change his lifestyle, social environment, and living conditions that affect his behavior patterns, namely answering his needs to trends, by changing desires into needs.

4. Discussion

This study investigated the effect of halal labeling, ads creativity, and lifestyle on purchasing decision.

The results found that there were significant influence halal labeling, ads creativity and lifestyle on purchase decision. However, this study removed the dimension of purchase decision namely post-purchase behavior due to a negative loading factor. It indicates that consumers did not consider about the products bought whether it can be satisfying or not on them. Additionally, the results showed that halal labeling had significant influence on purchasing decision in which the sample of female students was not distinguished whether the female student is Muslim or not. It indicates that including halal label on the packaging is not only for Muslim consumers who need halal products, but also non-Muslim consumers looking for products that are indeed halal, this matter if considered by the company will have a good impact on the company itself.

5. Conclusion

The results of the study found that halal labeling, ads creativity, and lifestyle have a significant influence on the decision to purchase Wardah cosmetic products for female students of Universitas Malahayati, Bandar Lampung. These results indicate that purchase decision is not only affected by needs but also external factors such as labeling, ads creativity and lifestyle.

Acknowledgement

The authors would like to thank their colleague for their contribution and support to the research.

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