

Understanding Consumer Preferences In Choosing Cosmetics: The Role Of Halal Lifestyle, Pricing, And Promotion

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ABSTRACT

The cosmetics industry in Indonesia is currently experiencing rapid growth, encompassing both local and international products that are actively competing in the market. Wardah Cosmetics, a local brand, notably dominates the market share, particularly due to its halal image, making its products highly sought after. This research adopts an explanatory quantitative approach, employing a survey method involving questionnaires distributed to both Wardah consumers and students at ITB Widya Gama Lumajang. Purposive sampling was used to select respondents who had purchased Wardah cosmetics at least once, resulting in a sample size of 100 respondents. The data analysis involved multiple linear regression analysis. The statistical findings from this research reveal that, on a partial basis, both halal lifestyle and price significantly influence the purchasing decisions of consumers regarding Wardah cosmetic products. In contrast, promotional activities do not exhibit a significant effect on the decision-making process for purchasing Wardah cosmetic products. Additionally, when considering all three factors together (simultaneously), they collectively exert a significant influence on consumers' decisions to purchase Wardah cosmetic products, contributing to an overall influence of 53.8%.

Keywords: Halal Lifestyle, Price, Promotion, Purchase Decision



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INTRODUCTION

Cosmetics hold a significant role as a fundamental necessity for certain women. Beyond merely enhancing their appearance for specific occasions, cosmetics serve as a tool through which women underscore their identity within society. Consequently, cosmetics have evolved into a crucial commodity within the Indonesian market sphere, as highlighted by Sahir et al. (2016).

In the competitive business landscape, producers are compelled to implement marketing strategies to attract consumers, as emphasized by Sonia Cipta Wahyurini & Trianasari (2020). To outperform competitors, possessing high product quality is identified as a key asset. A company with superior product quality experiences accelerated product growth and an extended product life cycle. Consequently, there is a heightened probability that consumers will make repeat purchases. In order

for consumers to be aware of a product's quality, companies must convey the product's benefits and usage details, as suggested by Maria & Pandoyo (2020).

The Wardah brand stands out as a label that has effectively developed products of excellent quality, offered at an affordable price point. Emphasizing superior quality to ensure effective skincare, Wardah has successfully cultivated a dedicated user base that finds comfort in its products. In essence, Wardah demonstrates adeptness in accurately identifying and catering to its market segmentation. As a result, in the national market, Wardah has emerged as a formidable competitor against other cosmetic brands, as highlighted by Puranda & Madiawati (2017).

According to the findings of a survey conducted by digimind.id in 2021, the Wardah cosmetic brand currently holds the top position in sales across the three largest E-Commerce platforms in Indonesia. The survey indicates that in 2020, Wardah established itself as an immensely popular and highly sought-after cosmetic brand, as reflected in its leading sales performance on the three major E-Commerce platforms in the country. Additionally, beyond E-Commerce sales, Wardah has also secured the top spot in terms of the most total searches on Google, with a notable figure of 831 thousand searches. This serves as compelling evidence that Wardah not only stands out as the best-selling cosmetics brand on E-Commerce platforms but is also the most searched cosmetics brand on the Google search engine, establishing itself as a phenomenal cosmetic brand in Indonesia.

Wardah cosmetics, established in 2011, is a beauty brand produced by PT. Paragon Technology Innovation and is considered one of the largest cosmetic companies in Indonesia. Wardah distinguishes itself with three unique concepts in its cosmetic products that set it apart from other brands. Firstly, Wardah adheres to the "pure and safe" concept, ensuring that its products are crafted from high-quality and safe ingredients. The brand is also dedicated to meeting diverse women's cosmetic needs as beauty experts, offering products suitable for everyday use, as well as special occasions like graduations and weddings. Embracing the concept of "beauty that inspires," Wardah underscores the belief that true beauty emanates not only from outward appearances but must also radiate from the heart. Wardah aspires for women using its products to serve as inspirations to those around them and within their communities.

Recognizing the significance of understanding consumer behavior in making purchasing decisions, the Wardah cosmetics brand aims to create a diverse range of products that align with the preferences and desires of its consumers. In the context of marketing development, consumers constitute the primary focus for the company, emphasizing their role in shaping the marketing concept (Gustini & Istiqomah, 2020).

When deciding to purchase cosmetics, various factors come into play, such as price, benefits, and the manufacturer's marketing (promotional) strategy directed at consumers. Primarily, the price stands out as a pivotal factor influencing consumers' decisions to buy a product. According to Fathurrahman & Anggesti (2021), the price of a product holds significant importance in delivering value to consumers and plays a crucial role in shaping their purchasing decisions. This is evident in the preference of consumers for Wardah cosmetics over other brands. In addition to the halal brand image associated with these cosmetics, their affordability and commendable quality contribute to consumers choosing Wardah over pricier alternatives that do not necessarily offer a substantial difference in quality (Kasmiri & Setiany, 2020).

In a buyer's market scenario, consumers are presented with a variety of cosmetic products featuring different benefits and prices, as cosmetic companies engage in fierce competition to attract potential buyers. Wardah Cosmetics has emerged as the leading local brand, securing a dominant market share in Indonesia and garnering international attention (Supardin, 2022). Not only does Wardah excel as a local product, but it also competes effectively with international brands like Make Over, Maybelline, as well as similar local products such as Emina and Pixy. Employing intensive and

widespread promotional efforts, Wardah has strategically positioned a diverse range of products catering to the cosmetic needs of various consumer groups.

A close examination of Wardah's promotional activities and themes reveals a significant emphasis on quality assurance and product benefits. The brand underscores the quality and advantages of its products by providing information about halal product guarantees, product safety, and a well-balanced composition, positioning Wardah as a product suitable for enhancing and caring for users' facial features (Hoiriyah & Chrismardani, 2021). Focusing on the core theme of promoting product quality and benefits proves to be an effective strategy in prevailing in the competitive landscape of the Indonesian cosmetic product market, characterized by a buyer's market condition (Worotitjan, 2014).

The preceding context unveils significant discrepancies in research outcomes concerning the buying choices for Wardah cosmetic products. This disparity creates an opening for researchers to delve deeper into the dynamics of purchasing decisions related to Wardah cosmetic products. This study concentrates on comprehending student lifestyles, scrutinizing the price competitiveness presented by Wardah cosmetic products in comparison to alternative options, and evaluating the efficacy of promotional initiatives for local cosmetic products in influencing consumer behavior within the cosmetics market. Hence, the objective of this research is to investigate and analyze the influence of a halal lifestyle, pricing, and promotional strategies on consumer decision-making in the context of purchasing Wardah products.

METHODS

This study employs a quantitative research methodology with descriptive techniques, utilizing an explanatory survey approach as advocated by Sugiyono (2019). The quantitative research design adopted is in the form of a survey, intending to elucidate the relationships among independent variables—namely, halal lifestyle, price, and promotion—and their impact on purchasing decisions. The primary data for this investigation is derived from respondents' responses to a Likert scale-based questionnaire, complemented by pertinent literature studies documented in the article. The research targets students as the population, and given the substantial number of potential participants, sample selection relies on random sampling techniques. Employing the Slovin formula, the determined sample size is 100 individuals. The chosen data analysis technique is multiple linear regression.

RESULTS AND DISCUSSION

Analyzing the validity of the halal lifestyle variable, the data reveals that all instruments used to evaluate product quality are considered valid, meeting the criterion of having an r count greater than the r table value with a significance level below 0.05. Regarding reliability, the reliability test based on the Cronbach alpha criterion requires a value exceeding 0.60. The subsequent SPSS test results affirm the reliability of the halal lifestyle measurement instrument, as the obtained reliability value of 0.876 surpasses the required threshold of 0.60.

Following the validity test for the research instrument assessing the price variable, it was established that all instruments used in evaluating the price variable were considered valid. This determination was based on the computed r result surpassing the r table value of 0.255, and the significance level being higher than 0.05. Moreover, the results of the reliability test for the price variable indicated an Alpha value of 0.868, exceeding the threshold value of ($\alpha = 0.60$). Therefore, it can be inferred that the research instrument employed is reliable, with a reliability value of 0.868 surpassing the 0.60 benchmark.

Moreover, the results of the validity test for the research instrument measuring the promotion variable indicated that all instruments used in assessing the promotion variable were validated. This affirmation was based on the calculated r result surpassing the r table value of 0.325, and the

significance level being higher than 0.05. Additionally, concerning the reliability test outcomes, the research instrument for the promotion variable demonstrated an Alpha value of 0.813, surpassing the specified value of ($\alpha = 0.60$). As a result, it can be inferred that the research instrument employed is reliable, with a reliability value of 0.813.

Additionally, when assessing the validity of purchasing decisions, consistent results were obtained, confirming the validity of all questionnaire instruments utilized in this study. Specifically, the validity test results affirm the validity of all purchasing decision questionnaire items, with the calculated r for each item surpassing the r table value of 0.317, and the significance level being less than 0.05. Subsequent reliability test outcomes for purchasing decisions revealed a Cronbach Alpha value of 0.901, exceeding the specified requirement of 0.60. Therefore, all questionnaire items related to purchasing decisions are considered reliable.

The partial test is employed to assess the impact of individual independent variables on the dependent variable. For the given sample size (n) of 100 respondents, the corresponding t -table value is determined with degrees of freedom (df) equal to $n-2$, which equals 98, and a significance level of 5%, resulting in a t -table value of 1.661. The next section provides partial test results, as follows:

1. The halal lifestyle exhibits a noteworthy value of 0.018, which is below the threshold of 0.05, and a t -count of 2.404, surpassing the t -table value of 1.661. Consequently, it can be concluded that the halal lifestyle partially exerts a positive and significant influence on the purchasing decisions.
2. The price variable exhibits a notable value of 0.021, falling below the 0.05 threshold, with a t -count of 2.238, exceeding the t -table value of 1.661. Therefore, it can be concluded that the price variable partially exerts a positive and significant impact on the decision to purchase.
3. The promotion variable holds a significant value of 0.213, surpassing the 0.05 threshold, and a t -count of 1.124, which is lower than the t -table value of 1.661. Consequently, it can be deduced that partial promotion does not exert a positive and significant influence on the decision to purchase.

The subsequent data reveals the results of the R Square coefficient of determination test, indicating a value of 67.8%. These results indicate that 67.8% of the variance in purchasing decision variables can be accounted for by the variables of halal lifestyle, price, and promotion. This underscores the robust explanatory capacity of the independent variables in elucidating the dependent variable.

Discussion

The results of the partial test reveal a significant impact of the halal label on the decision to purchase Wardah cosmetics. In a market flooded with diverse cosmetic products, the potential for unscrupulous individuals to produce items with unsafe or harmful ingredients exists. The inclusion of the halal label on Wardah cosmetic products serves the purpose of assuring consumers that the ingredients in these products are guaranteed to be safe and halal. Halal signifies the avoidance of prohibited (haram) ingredients, emphasizing the purity and absence of impurities. If chemicals are employed, they must be deemed safe for human use. This assurance extends beyond ingredients to encompass production procedures, additional components, and other relevant aspects.

The presence of a halal label provides a sense of reassurance to Muslim women using cosmetics. It alleviates concerns about impurities adhering to their bodies, allowing them to perform prayers without worry. Thus, the incorporation of a halal label holds significant importance in influencing purchasing decisions. Consumption, in the broader sense, includes the use of cosmetics, emphasizing the need for halal choices. This aligns with the findings of Puspitasari's research (2018), concluding that the Halal Label is a decisive factor influencing cosmetics purchasing decisions. For a conscientious Muslim woman prioritizing halal consumption, the presence of a halal label is a pivotal factor shaping decisions when it comes to cosmetics.

Kotler & Armstrong (2016) define price as the expenditure of money on a product or service, reflecting the value exchanged by consumers to acquire benefits, ownership, or usage of a product or service. The outcomes of the partial test (t-test) indicate that pricing exerts a positive and significant influence on purchasing decisions. This implies that well-formulated pricing enhances the significance of buyer decisions. The establishment of an appropriate price for the product stimulates consumer interest, as they perceive a balanced exchange between the money spent and the benefits derived from the product. These findings align with Mandey's research (2015), which concluded that pricing positively and significantly impacts buyer decisions. However, this contradicts Bairizki's study (2017), which reported an insignificant positive effect of pricing on purchasing decisions.

This study presents findings contrary to the viewpoints of Guiltinan and Schoell (1993), Belch and Belch (2001), Kotler and Armstrong (2008), and Tjiptono (2008), who assert that sales promotion involves providing additional value or incentives to consumers to stimulate immediate purchases. This discrepancy arises because Wardah Cosmetics implements sales promotions selectively, and consumers do not prioritize these promotions when deciding to purchase Wardah Cosmetics products. The extended duration of using Wardah Cosmetics products could also contribute to the lack of significant influence from sales promotions on purchasing decisions. Notably, 71.0% of the respondents have used Wardah Cosmetics products for less than one year, and the absence of sales promotion experiences for these respondents diminishes the impact of promotions on their decision-making. This aligns with Private's (2000) perspective, which outlines seven decision structures influencing consumer purchasing decisions, such as product type, product form, brands, sales places, number of products, timing of purchase, and payment methods. Interestingly, the results contradict the findings of Nochai and Nochai (2011), who reported a positive and direct influence of sales promotion factors on consumer purchasing decisions. In this study, the outcomes align with Surahmat's (2013) research, indicating that sales promotions have a negative and insignificant impact on voting decisions.

CONCLUSION

Drawing conclusions from the gathered data and subsequent analysis in this research, the following observations emerge: both halal lifestyle and prices exhibit a positive and significant impact on individual purchasing decisions. However, when considered in isolation, promotions do not demonstrate a positive and significant influence on purchasing decisions. It is crucial to acknowledge certain limitations in this study, including its restriction to ITB Widya Gama Lumajang students and its exclusive focus on variables related to halal lifestyle, prices, and promotions.

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