
**THE INFLUENCE OF HALAL LABEL AND BRAND IMAGE ON
PURCHASE DECISIONS OF LOCAL SKINCARE PRODUCTS WITH PRICE
AS A MODERATING VARIABLE (CASE STUDY ON WARDAH)**



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Abstract

This study aims to analyze the influence of halal labeling and brand image on purchase decisions of local skincare products, with price as a moderating variable. In recent years, the halal cosmetics industry in Indonesia has experienced rapid growth, driven by increasing awareness among Muslim consumers regarding the importance of halal-certified products. Wardah, as a pioneering local halal cosmetic brand, serves as a compelling case study due to its success in combining religious values with modern marketing strategies. This research adopts a quantitative approach using Structural Equation Modeling–Partial Least Squares (SEM-PLS), involving 190 respondents aged 15–45 who have previously used Wardah products. The results reveal that brand image and price significantly influence purchase decisions, whereas halal labeling does not have a direct significant impact. Interestingly, price is found to strengthen the effect of brand image on purchase decisions but weaken the effect of halal labeling. These findings suggest that in the context of modern consumers particularly younger generations perceived value and brand positioning play a more dominant role than religious certification alone. Therefore, companies need to develop a balanced strategy that emphasizes strong brand identity, competitive pricing, and effective communication to reinforce the appeal of halal products in the market.

Keywords: Halal Label, Brand Image, Price, Purchase Decision, Wardah, Halal Cosmetics, Skincare

INTRODUCTION

In recent years, the beauty and skincare industry in Indonesia has witnessed exponential growth, driven by a combination of rising disposable income, growing consumer awareness, and the influence of social media. Among the emerging segments in this industry, halal cosmetics have gained significant attention, particularly from Muslim consumers who seek products that align with their religious beliefs. As the world's largest Muslim-majority country, Indonesia presents a promising market for halal-certified cosmetic products.

Wardah stands out as a pioneer in the halal cosmetics market, having built a strong reputation as a brand that combines Islamic values with modern aesthetics. Since its inception, Wardah has positioned itself not only as a beauty brand but also as a symbol of modesty, quality, and trust. This brand image has contributed significantly to its market acceptance and loyalty, especially among young women.

However, in an increasingly competitive marketplace, companies must go beyond religious labeling to maintain consumer interest. With the proliferation of other local and international halal cosmetic brands, consumers are now exposed to a variety of options that offer similar benefits. Consequently, factors such as brand image and pricing strategies have become critical in influencing consumer purchase behavior. A product that is halal-certified may not be sufficient to drive purchasing decisions unless it is also perceived as valuable and resonates with consumer aspirations.

This study is grounded in the Theory of Planned Behavior and Brand Equity Theory, both of which emphasize the importance of perceived value, trust, and attitude in shaping consumer decisions. By analyzing the roles of halal labeling, brand image, and price as both a direct and moderating factor this research aims to provide empirical insights into the actual determinants of purchase decisions among users of Wardah products.

REVIEW OF LITERATURE

Halal Label

The halal label is a certification that indicates a product complies with Islamic dietary and lifestyle laws, ensuring it is permissible for Muslim consumers. In the context of cosmetics, halal certification extends to the ingredients, production process, and handling practices, which must be free from prohibited substances such as alcohol and non-halal animal derivatives (Wilson, 2014). Research by Aziz and Chok (2013) found that halal labeling plays a critical role in influencing Muslim consumers' confidence and trust, especially in emerging markets. However, other studies suggest that for established brands with strong reputations, the halal label alone may not significantly influence purchase behavior, as consumers often assume the products are inherently halal (Hanzaee & Ramezani, 2011).

Brand Image

Brand image refers to consumers' perceptions and associations toward a brand based on experiences, marketing communication, and brand identity (Keller, 1993). A positive brand image enhances customer trust, increases perceived value, and strengthens purchase intentions (Aaker, 1996). In the context of cosmetics, brand image plays a pivotal role due to the subjective nature of beauty products, which rely heavily on emotional and

aesthetic appeal (Chen et al., 2020; Zinah et al, 2024). Studies have shown that consumers tend to choose brands they perceive as trustworthy, aspirational, and aligned with their personal identity (Zhang & Kim, 2013). Wardah, as a halal cosmetics brand, leverages its brand image to resonate with values such as modesty, purity, and innovation.

Price as a Moderating Variable

Price is a key element in the marketing mix and a crucial determinant of purchase decisions. It reflects not only the monetary cost but also the perceived value of a product (Kotler & Keller, 2016). As a moderating variable, price can influence the strength or direction of the relationship between other independent variables (such as halal label or brand image) and purchase decisions. Research by Zeithaml (1988) highlights that consumers assess value by comparing benefits received with the price paid. When the perceived value is high, consumers are more likely to complete a purchase, even at a higher price. However, in price-sensitive markets, affordability becomes a significant factor. Several studies have shown that price can either enhance or diminish the effects of brand image and product credibility on consumer behavior (Monroe, 2003; Dodds et al., 1991).

Purchase Decision

Purchase decision refers to the consumer's final choice to buy a product after evaluating various options and factors such as product features, price, brand image, and perceived benefits (Schiffman & Wisenblit, 2015). It is the outcome of a complex decision-making process influenced by both rational and emotional drivers. In the halal cosmetics context, purchase decisions are shaped by religious conformity, quality expectations, brand familiarity, and affordability. Previous research indicates that while halal certification can be a trigger for purchase consideration, brand image and perceived product value often serve as stronger predictors of actual buying behavior (Mukhtar & Butt, 2012).

RESEARCH METHOD

This research used a quantitative research method, aiming to test hypotheses on the relationships between variables (Sugiyono, 2018). The approach used in this study was explanatory research, using a survey technique with a structured questionnaire as the research instrument. Measurements in this study used a Likert scale of 1 to 5 to assess responses related to halal label, brand image, price, and purchase decision. The population in this study consisted of individuals aged 15–45 years who had previously purchased Wardah skincare products. A total of 190 respondents were selected using purposive sampling, based on criteria such as age and product usage experience. The analysis method used was Structural Equation Modeling with Partial Least Squares (SEM-PLS), conducted with SmartPLS version 4.0. This method was chosen due to its suitability for models involving moderating variables and relatively small sample sizes.

RESULTS AND DISCUSSION

Results of Respondent Characteristics

This study involved 190 respondents who met the criteria of being aged between 15–45 years and having previously purchased Wardah skincare products. Based on gender distribution, the majority of respondents were female, accounting for 87.37% of the total, while 12.63% were male. This finding aligns with Wardah's primary target market, which

focuses on female consumers in the halal cosmetics sector. In terms of age, most respondents were between 21–25 years old (57.89%), followed by those aged 26–30 years (22.11%) and 15–20 years (14.21%). This age distribution highlights the dominance of Generation Z and Millennials in the use of skincare and beauty products, particularly those active on digital platforms and social media. Regarding educational background, the majority of respondents held a Bachelor's degree (69.47%), followed by senior high school graduates (16.32%) and diploma holders (11.05%). A small portion of respondents held postgraduate degrees. This indicates that Wardah's consumer base largely consists of educated individuals who are likely to be more conscious of product quality, brand image, and halal certification. In terms of occupation, 54.21% of respondents were students, 28.42% were private-sector employees, and 7.89% were civil servants or government workers. The high proportion of students and early-career professionals suggests that Wardah's products appeal to younger consumers who value affordability, ethical branding, and accessibility. Overall, the demographic profile of the respondents supports the conclusion that Wardah has successfully captured the attention and loyalty of a young, educated, and predominantly female market segment an essential element for the growth and sustainability of halal cosmetic brands in Indonesia.

Results of Variable Halal Label on Purchase Decision

The analysis results indicate that the halal label does not have a significant effect on purchase decisions (p -value = 0.063). Although Wardah is known as a pioneer of halal cosmetics in Indonesia, this finding suggests that the presence of a halal label is no longer a dominant factor influencing consumers' purchase decisions. This is likely due to consumers' assumptions that local products like Wardah are inherently halal, making the halal label less of a consideration in the decision-making process.

Results of Variable Brand Image on Purchase Decision

Brand image has a positive and significant influence on purchase decisions (p -value = 0.011). This means that the more positive consumers' perceptions of Wardah's reputation and credibility, the more likely they are to make a purchase. This finding aligns with brand equity theory, which posits that a strong brand image can enhance consumer purchase intention and behavior.

Results of Variable Price on Purchase Decision

Price also shows a positive and significant effect on purchase decisions (p -value = 0.000). Consumers who perceive that the product's price is in line with the benefits and quality offered are more motivated to purchase the product. This highlights the importance of pricing strategies that align with consumers' perceived value.

Results of Variable Interaction between Price and Halal Label

The interaction between price and halal label shows a significant negative effect. This means that when consumers consider price in the purchasing process, the influence of the halal label on purchase decisions decreases. It suggests that in a price-sensitive context, religious aspects like halal labeling are no longer the main factor for consumers.

Results of Variable Interaction between Price and Brand Image

Conversely, the interaction between price and brand image shows a positive and significant effect. This means that price strengthens the influence of brand image on purchase decisions. Consumers who perceive that the price reflects the brand's quality are more confident and inclined to make a purchase.

CONCLUSION

This study aimed to analyze the influence of halal labels and brand image on purchase decisions of local skincare products, with price as a moderating variable using Wardah as the case study. The results reveal that while the halal label does not significantly affect purchase decisions, brand image and price both have a significant and positive influence. Furthermore, price plays a dual role not only directly influencing purchase decisions but also moderating the effects of other variables. Specifically, price **strengthens** the effect of brand image on purchase decisions, suggesting that consumers place high value on brands they trust when prices are perceived as fair. Conversely, price weakens the influence of the halal label, indicating that in competitive markets, especially among local halal-certified brands, consumers may assume halal status as a given and focus more on other factors such as value and brand reputation. In summary, brand image and perceived price fairness are key drivers of consumer purchase decisions in the halal cosmetic market. While halal certification remains important, it is no longer the sole differentiator. Companies like Wardah are encouraged to focus on brand-building and pricing strategies that align with consumers' expectations in order to maintain competitiveness in a dynamic market.

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