

## **PURCHASE INTENTION OF HALAL LOCAL BEAUTY BRAND DURING COVID-19: THE ROLE OF INFLUENCERS' CREDIBILITY AND HALAL AWARENESS**

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### **ABSTRACT**

By applying the Stimulus-Organism-Response (SOR) model, this study investigates whether influencers' credibility and halal awareness influence customer's perceived value which, in turn, affects their purchase intention. Gathering data using an online survey and applying the SEM-PLS method, we find that influencers' credibility and halal awareness have a positive effect on the customer's perceived value for local Indonesian halal beauty products. In addition, the perceived value also affects customers purchase interest. The results related to halal awareness emphasizes the role of halal certification in the customer's purchase intention. This study provides valuable insight to the halal local beauty industry to improve the marketing strategy and contributes to the theoretical literature in the field of management and marketing.

*Keywords: Halal beauty brand, Influencers' credibility, Halal awareness, Perceived value, Purchase intention.*

**JEL classification: M31.**

#### *Article history:*

Received : October 26, 2022

Revised : March 25, 2023

Accepted : August 31, 2023

Available online : September 29, 2023

<https://doi.org/10.21098/jimf.v9i3.1623>

## I. INTRODUCTION

The covid-19 pandemic has affected significantly how we communicate, handle financial transactions, manage activities, and make purchase decisions (Zhang et al., 2021). An interesting fact is during the pandemic the demand for beauty products in Indonesia in particular halal local beauty brands recorded substantial increase (Ministry of Industry, 2020). The data shows that online transactions for beauty products increased by up to 80% in 2020 (the year the pandemic began). According to Kompas (2021), the cosmetic category outperformed e-commerce sales transactions by 46.8 percent in early 2021. Furthermore, the total value of transactions in the cosmetic category in the online market has surpassed Rp40 billion in the same period.

The growth of the beauty industry is also caused by the intense competition between halal beauty brands in Indonesia that come from established companies and new companies, either local or international. Based on the data from Kompas (2021), Wardah, a popular halal beauty brand in Indonesia, grew by 30% and was ranked first in the makeup and moisturizer category in 2018. However, the existence of new local brands, such as Ms Glow and Somethinc, has shifted the position of Wardah to the fifth rank in 2021. The competition also comes from international brands that have complied with halal certification, such as Safi, Nature Republic and The Face Shop. The growth of international brands is also supported by the increase of micro beauty influencers (with 10,000 – 100,000 followers) as their marketing strategy to attract more sales during the pandemic. This development begs the following question: what are the factors that could affect the purchase intention of halal local beauty brands?

Theoretically, purchase intention is viewed as the stage where consumers form their choices among several brands the choice set, then at the end purchase the one they like the most. Swastha & Irawan (2001) mentions that purchase intention is the process that consumers go through to buy an item or service based on various considerations (Pramono, 2012). The factors that influence buying interest are related to feelings and emotions. For example, if someone feels happy and satisfied in buying goods or services then it will strengthen interest in buying. Meanwhile, dissatisfaction usually eliminates interest.

Empirically, there have been many studies examining drivers of purchase intention, such as product-endorser fit (Schouten, et al., 2019), endorser credibility (Weismueller, et al., 2020), peer pressure (Abdullah, et al., 2020), electronic word of mouth and product rating (Teng, et al., 2014; Hudson & Thal, 2013). To achieve marketing goals, companies must choose the right beauty influencers to market their products. It shows that to be a credible source, beauty influencers must have the expertise, be honest, and care about their consumers (Wright, 2017). However, Kim et al. (2020) state that not all influencers are credible due to a lack of experience, product knowledge, and support, especially minor influencers. Influencers must be able to convince their followers of what they're promoting, so they must know the product well.

This study brings contribution in three ways: (1) this study fills the gap in the literature of marketing with a focus on the halal industry; (2) This study adds influencer credibility on halal beauty brands, in particular local brands, while the majority of previous studies focus on endorser credibility in beauty brands in

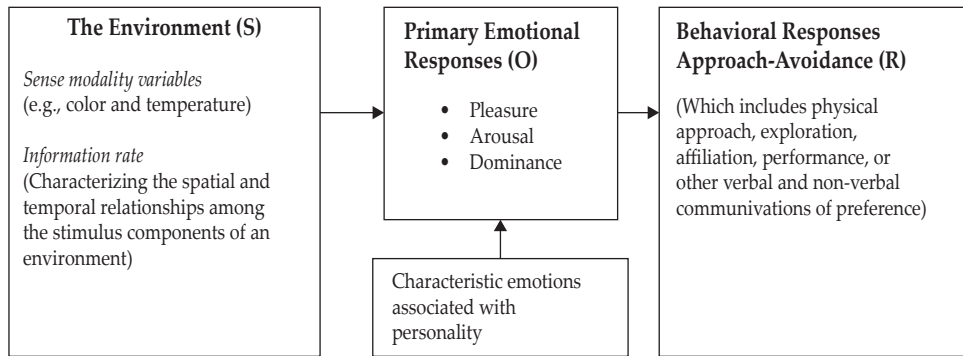
general (Febriati et al., 2020), on word of mouth (Nadhiroh, 2020), brand image (Sri Wiludjeng, 2021), celebrity endorser (Adinugraha et al., 2019), and halal certification (Zakaria et al., 2017). (3) previous studies use the theory of planned behavior and theory of reasoned actions to explore purchase intention (Febina & Noor, 2019; Choi et al., 2022), while this study adopts stimulus-organism-responses (SOR) theory. Thus, it brings a new perspective on how influencer credibility and halal certification as external variables can affect a customer's perceived value (cognition and emotion of people) and further lead to a customer's purchase intention (behavior).

As a country with a high number of Muslim populations, Indonesia has enormous potential for the halal beauty brand. Based on data from the Global Islamic Economy Report 2020/2021, Muslim consumer spending on the halal industry including food and beverages, pharmaceuticals, and cosmetics, as well as Muslim-friendly tourism and halal lifestyles in 2019 reached a value of US\$2.02 trillion. Based on data from the Indonesian Ministry of Finance, consumption of halal products in the pharmaceutical and cosmetic sectors is ranked 6th and 2nd with a total expenditure of US\$5.4 billion and US\$4 billion, respectively. Halal labels become necessary when selling halal products. Knowledge about halal products in a country where the majority of the population is Muslim will affect the purchase intention (Öztürk, 2022). Based on the researcher's knowledge, halal awareness in local beauty brands has not been explored by previous studies where a majority of them focus on halal food.

## **II. LITERATURE REVIEW**

### **2.1. S-O-R Model Theory**

Mehrabian & Russell (1974) propose the SOR (Stimulus-Organism-Response) model, where external factors trigger a cognitive or emotional response, which changes consumer behavior. Stimuli, according to this theory, influence the emotional states of consumers (organisms), altering their behavior and intent to purchase. Because of their cognitive and emotional stature, organisms tend to react with acceptance or avoidance to stimuli that function as environmental signals (Prashar et al., 2017). The last decade has seen a growing interest in researching how people become interested in a product on social media. This research focuses on marketing strategies using social media influencers to build customer relationships.



Source: Mehrabian & Russell (1974)

**Figure 1.**  
**The Stimulus-Organism-Response Model Framework**

## 2.2. Halal Beauty Product

Sugibayashi et al. (2019) define Halal cosmetics as “products derived from halal materials and produced according to the halal system”. According to Islamic law, Muslims cosmetic products should not contain haram (forbidden) ingredients like pig-derived collagen, gelatin, fat, or alcohol (QS. An Nahl:115). Harmful chemicals or toxins in the manufacturing process are also prohibited. All storage, sales, processing, and transportation facilities must be free of prohibited substances. Some ingredients can only be used in halal cosmetics/medicines in Indonesia, according to the Indonesian Ulema Council’s fatwa. Halal animal placenta, feathers, snails, worms, blood plasma, embryonated chicken eggs, silkworm cocoons, and gold particles are used. After passing the halalness check at the Indonesian Ulema Council, a beauty product will receive a certificate and halal label (Sugibayashi et al., 2019). To guarantee the halalness of a product, the Indonesian government issued Government Regulation no. 31 of 2019, following up on changes to the flow of halal certification as stated in the Law on Halal Product Assurance Number 33 of 2014, which is managed by the Ministry of Religion, Section of the Halal Product Assurance Organizing Body (Alam & Yunie Samhuri, 2021).

## 2.3. Influencers’ Credibility

Influencer marketing is a form of social marketing in which viewers are exposed to endorsements by celebrities and influencers (Stevenson et al., 2022). When an influencer recommends or promotes a brand, their followers are likely to pay attention. Influencer marketing also enhances brand awareness of the brand and the product itself due to its high reach. Influencers are people who have built a strong reputation for themselves on social media in specific industry fields. According to Lou & Kim (2019), influencer credibility is important since it can stimulate consumer response to brand endorsements. Influencers must use their credibility to ensure that their audience shares their interest and trust in the brand communicated by them. Lou & Kim (2019) find four dimensions of source credibility. (a) Expertise, the source’s qualification and knowledge in making judgments about a topic/

subject; (b) Trustworthiness, the audience's trustworthiness of the source, which tells the extent to which the message's recipient views the source in terms of honesty, sincerity, or truth; (c) Attractiveness, the source's physical attractiveness or likability; (d) Similarity, the feeling of psychographic rapprochement.

#### **2.4. Halal Awareness**

The ability to understand, feel, and become aware of events and objects is referred to as awareness (Septiani & Ridlwan, 2020). Halal awareness, according to (Pambudi, 2018), is Muslims' understanding of the halal concept, halal process, and halal principles, which ultimately prioritize halal goods for consumption/use. Muslims tend to be more selective in choosing the products they consume/use as their understanding of the halal concept, process, and principles grows (Aufi & Aji, 2021). Muslims believe that consuming or using halal products will bring them blessings and good health; the same belief applies to cosmetic products. Based on the foregoing, it can be concluded that halal awareness is a Muslim's understanding of the halal concept, the halal process, and their belief that consuming halal products is important to them.

#### **2.5. Perceived Value**

Kotler & Keller (2008) state that customer perceived value is the difference between prospective customers' assessments of all the benefits and costs of an offer against its alternatives. Perceived value, according to Lai (2004), is a consumer's overall assessment of the value of a product based on what they receive and what they give. Consumer value can be defined widely as the difference between the perceived benefits of a product and the costs incurred to pay for the product. A company must always provide appropriate products or services to obtain customer value following customer perceptions because customer value changes all the time. Adirestuty (2019) in his study discussing customer satisfaction in sharia hotels, finds that perceived value affects customer satisfaction and customer retention (re-purchase). Sweeney & Soutar (2001) define the dimensions of value perception as four major aspects:

1. Emotional Value: The utility derived from feelings or affective or positive emotions associated with the product's usage.
2. Social Value: The utility derived from the product's opportunity to boost the Customer's social self-concept.
3. Performance Value: The utility derived from a product's perceived quality and expected performance.
4. Value for money: The utility obtained from a product as a result of a reduction in both short-term and long-term expenses.

#### **2.6. Purchase Intention**

According to Yunus et al. (2015), a customer's purchase intention is their preference to buy a product or service, and they will also buy a product after evaluation. Purchase intention is a behavioral component of consumer attitude.

Customer intention is the stage where consumers choose among several brands in a choice set, then buy one they like best, or the process consumers go through to buy an item or service based on various considerations (Pramono, 2012). Lou & Yuan (2019) define purchase intention as “a plan to buy” (Abdullah, et al., 2020). Purchase intention is a key indicator of actual purchase behavior because it predicts actual purchases (Rebelo, 2017; Spears & Singh, 2004). Marketers are constantly concerned with factors that influence customers' purchase intentions to attract and retain more customers, increase sales, generate more revenues, and increase profits (Rebelo, 2017).

Purchase intention is a mental statement from customers that reflects their plan to buy a number of products with certain brands. Swastha & Irawan (2001) suggest that factors that influence buying interest are related to feelings and emotions. If someone feels happy and satisfied when buying goods or services, it will strengthen interest. Dissatisfaction usually eliminates interest. Customers' purchase intentions can be influenced by brand credibility (Goldsmith et al., 2000), product-endorser fit (Schouten et al., 2019), endorsed brand reputation (Nurhandayani et al., 2019), endorser credibility (Weismueller et al., 2020), product or service experience, and suggestions and recommendations from friends and family (Abdullah, et al., 2019), perceived value (Pratiwi et al., 2020; Subagio & Rachmawati., 2020) and electronic word of mouth (reviews and opinions shared by consumers on social media platforms) (Teng, et al., 2014; Hudson & Thal, 2013).

### **III. METHODOLOGY**

#### **3.1. Data**

This study employs a purposive sampling technique with the following requirements: the respondents should be categorized as Generation Z with the age range between 16 and 25, they should be familiar with at least 2 beauty influencers on any social media platform (Youtube, Instagram, TikTok), and they have an experience in using and buying 2-3 halal beauty products as listed in Table 1.

**Table 1.**  
**List of Top Halal Local Beauty Brand in Indonesia**

<b>No.</b>	<b>Brand Name</b>	<b>Years of Established</b>
1	Sariayu Martha Tilaar	1977
2	Wardah	1995
3	Erha	1999
4	Make Over	2010
5	Avoskin	2014
6	Emina	2015
7	BLP Beauty	2016
8	Goban Cosmetics	2016
9	ESQA Cosmetics	2016
10	Rollover Reaction	2016
11	Studio Tropik	2017
12	Scarlett Whitening	2017
13	Madame Gie	2018
14	Something	2019

According to Hair et al. (2014), the minimum sample size for the analysis is 140. This study collects data from 200 respondents from Jabodetabek<sup>1</sup> area. At first, the respondents were given several screening questions to make sure that they fulfil the criteria. Then, the questionnaires were distributed through an online platform, and were requested to fill in personal information before answering questions or structured statements in the survey. Then, the respondents filled in each of the questions or statements that are already available.

3.2. Model Development

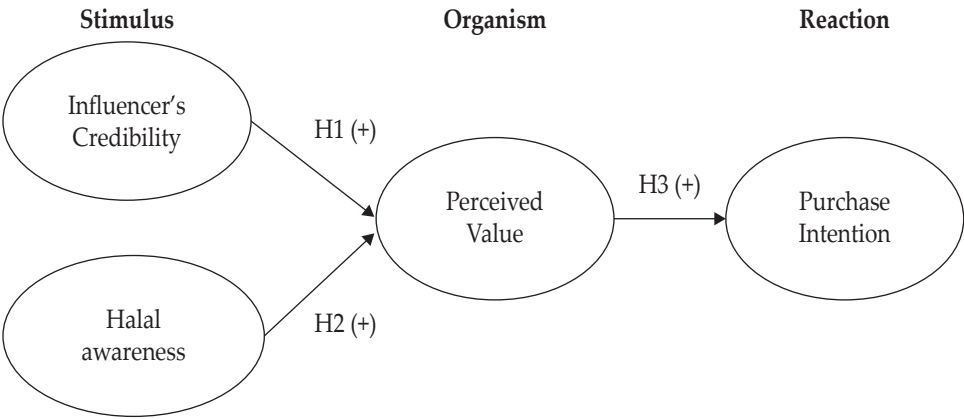


Figure 2.  
Research Model Expand SOR Theory

Influencers' credibility has been shown to have a significant impact on perceived value. Febina & Noor (2019) discover that celebrity endorsement has a positive and significant effect on perceived value. Pratiwi et al. (2018) find that the beauty vlogger variable using credibility indicators such as trustworthiness, expertise, attractiveness, respect, and similarity all have a positive and significant effect on perceived value. Subagio & Rachmawati (2020) also state in their study on food vloggers/influencers that endorsers who are judged as credible affect perceived value. Hence, the first hypothesis can be stated as follows:

**H1: Influencers' credibility positively influences perceived value**

According to Setiawati et al. (2019), a customer's halal awareness is shaped by their background knowledge, surrounding circumstances, and mentality. Halal awareness is driven by knowledge about halal, which of course as a Muslim surely knows that consuming or using halal products can provide benefits not only for the body but also for the soul and mind. Bhutto et al. (2022) mention that halal literacy affects perceived value. Halal awareness can be referred to as customers' understanding of halal and hence with this understanding the customers can assess the value of a product. Therefore, due to the limited study that discusses the

1 Jabodetabek is refer to Jakarta, Bogor, Depok, Tangerang, and Bekasi

relationship between customers' halal awareness and perceived value, the authors assume that the two variables have a significant relationship. Hence, the second hypothesis can be stated as follows:

**H2: Customers' halal awareness positively influences perceived value**

Chen et al. (2018) discover in their study on social commerce that perceived value has the greatest impact on purchase intention. Lukito & Yustini (2019) provide recommendations to casual clothing manufacturers on how to improve customer perceived value in casual clothing, which has the greatest influence on purchase intention. Chen & Lin (2015) also state that perceived value has significant impacts on consumers' purchase intention for skin-care products. There have been numerous studies that demonstrate the positive influence of perceived value on purchase intention. Hence, the third hypothesis can be stated as follows:

**H3: Perceived value positively influences purchase intention**

**Table 2.**  
**Types of Variables**

Author	Dependent Variable	Independent Variable	+/-	Sig. (1%, 5%, 10%)
Vergura et al. (2020)	Purchase intention	Knowledge, natural content, ecological welfare, sensory appeal, quality, price	+	5%
Zhu et al. (2020)	Purchase intention	Online review, information quality, social presence	+	5%
Hussain et al. (2022)	Purchase intention	Perceived advertising value of Instagram ads	+	5%

### 3.3. Measurement

As shown in Table 3, each latent variable consists of multiple measurements. The questionnaire is divided into three sections. The first consists of several screening questions while the second focuses on the respondents' profiles and the third on the constructs/variables used in this study. The screening questions used in this study reflect the criteria for the sampling, which are "Are you male or female with age between 16-25 years old?", "Are you following at least two beauty influencers on social media?", Have you purchased at least 2 to 3 halal local beauty brands?".

**Table 3.**  
**The Items of Questionnaire**

Variables	Code	Indicators	Sources
Influencers' Credibility	IC1	I have no doubts about the statements of beauty influencers who have considerable experience in the beauty field	Lou & Kim (2019); Abd Jalil et al. (2021)
	IC2	I have no doubts about the beauty products reviewed by attractive beauty influencers (attractive appearance such as style of dress and make-up)	
	IC3	I have no doubts about the beauty products reviewed by beauty influencers who have convincing speaking skills (tone of speech & way of speaking)	
	IC4	I have no doubts about the beauty products that are reviewed by beauty influencers who have the same interests as me	
	IC5	I have no doubts about the beauty products reviewed by beauty influencers who have the same preferences as me	
Halal Awareness	HA1	I pay attention to the halal information (Logo on the packaging, product composition) before buying and using a beauty product	Bhutto et al., (2023)
	HA2	I check and make sure to see if a beauty product is halal	
	HA3	I believe that using halal beauty products can give me benefits	
Perceived Value	PV1	The beauty products reviewed by credible influencers are of good quality	Lestari et al., (2018)
	PV2	The beauty products reviewed by credible influencers are worth the money	
	PV3	The beauty products reviewed by credible influencers provide more benefits than other products	
Purchase Intention	PI1	When a credible influencer gives a positive review of a beauty product, I want a beauty product that is the same as what the influencer reviewed	Komari et al., (2020)
	PI2	When a credible influencer gives a positive review of a beauty product, I will buy that product in the future	

**3.4. Method**

This study’s variables include influencers’ credibility, customers’ halal awareness, perceived value, and purchase intention. Partial least squares structural equation modeling (PLS-SEM) is used to test the hypotheses (Fan et al., 2016). Imam (2014) suggests the SEM-PLS for the following research conditions: The research simultaneously analyzes independent and dependent variables, uses a small sample size, and is more theoretical than specific. It also has been used by several studies on beauty industry (Choi et al., 2022; Christine et al., 2020; and many more).

The analysis consists of several stages. First, model fit, validity, and reliability are checked. According to Hair et al. (2014), acceptable values range from 0.60 to 0.70, satisfactory to good reliability levels are 0.70 to 0.95, and Cronbach’s alpha at 0.7 is considered very good. Memon & Rahman (2014) state that outer loading values of 0.5 and 0.7 or higher are very satisfactory. This study used bootstrapping to test the path modeling hypothesis (Hair et al., 2014).

## IV. RESULTS AND ANALYSIS

### 4.1. Results

#### 4.1.1. Respondents Profiles

According to Table 4, It is clear that the majority of respondents have bachelor's degrees (65.5%) with 42.7% of them have used and purchased halal local beauty product for 4-6 times, which is followed by high school (25.6%) with 17.8% of them have used and purchased halal local beauty product for 2-4 times. In terms of domicile, majority of respondents are from Jakarta (61.9%) with 40% of them have used and purchased for 4-6 times, followed by those from Depok (10.5%) with 5.9% of them have used and purchased for the same frequency.

For the monthly expenses, up to 19.2% of people have monthly expenses of less than 1,250,000 Rupiah with 11.5% of them have used and purchased for 4-6 times, and up to (38.9%) have monthly expenses between 1,250,000 Rupiah and 2,500,000 Rupiah with 22% of them have used and purchased for 2-4 times, and up to 16% have monthly expenses between 3,750,000 Rupiah and 5,000,000 Rupiah with 6.8% of them have used and purchased for 4-6 times, and more than 7% of them have monthly expenses over 5,000,000 Rupiah with 3.2% of them have used and purchased for 4-6 times. In addition, the number of beauty influencers that have been followed by the respondents on their social media is 6-10 influencers (50.4%) with 41% of the respondents have used and purchased for 4-6 times and 1-5 influencers (44%) with 33.4% of them have used and purchased for 2-4 times.

**Table 4.**  
**Respondent Profiles**

Demographic Variables		Number of Halal Local Beauty Brands that You Use and Purchase						Total	
		2-4		4-6		7-9			
		Freq.	%	Freq.	%	Freq.	%	Freq.	%
Educational Level	High School	39	17.8%	15	6.8%	2	0.9%	56	25.6%
	Associate Degree	5	2.3%	10	4.5%	2	0.9%	17	7.7%
	Bachelor's Degree	32	14.7%	93	42.7%	18	8.2%	143	65.5%
	Master's Degree	0	0%	2	0.9%	0	0%	2	0.9%
	<b>Total</b>	<b>76</b>	<b>34.9%</b>	<b>120</b>	<b>55%</b>	<b>22</b>	<b>10.1%</b>	<b>218</b>	
Domicile	Jakarta	46	21.1%	74	40%	15	6.9%	135	61.9%
	Bogor	7	3.2%	15	6.8%	1	0.45%	23	
	Depok	9	4.1%	13	5.9%	1	0.45%	23	10.5%
	Tangerang	3	1.4%	10	4.6%	4	1.8%	17	
	Bekasi	11	5%	8	3.7%	1	0.45%	20	
	<b>Total</b>	<b>76</b>	<b>34.9%</b>	<b>120</b>	<b>55%</b>	<b>22</b>	<b>10.1%</b>	<b>218</b>	

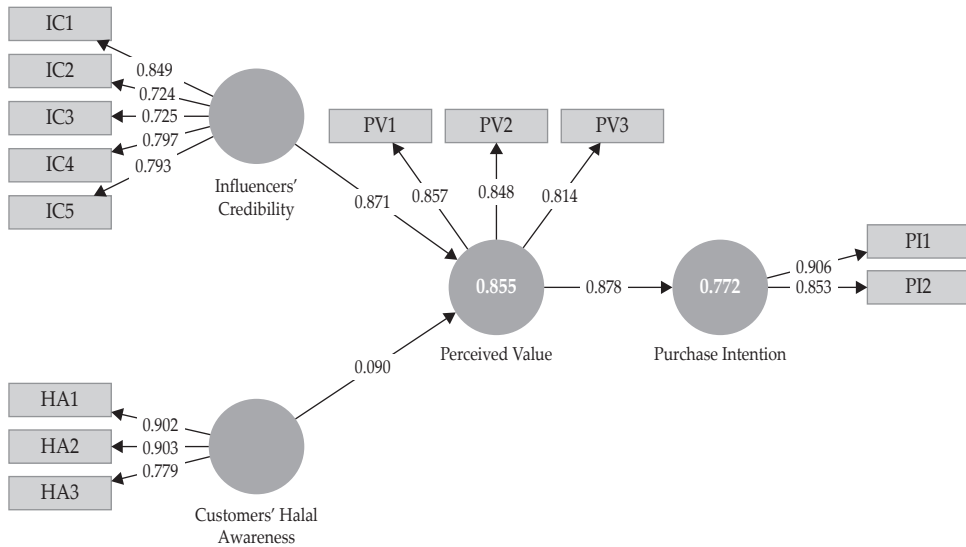
Table 4.  
Respondent Profiles (Continued)

Demographic Variables		Number of Halal Local Beauty Brands that You Use and Purchase						Total	
		2-4		4-6		7-9			
		Freq.	%	Freq.	%	Freq.	%	Freq.	%
Monthly Expenses	< Rp1.250.000	16	7.3%	25	11.5%	1	0.45%	42	19.2%
	Rp1.250.000 - Rp2.500.000	48	22%	35	16%	2	0.9%	85	38.9
	Rp2.500.000 - Rp3.750.000	4	1.8%	30	13.7%	5	2.2%	39	7%
	Rp3.750.000 - Rp5.000.000	8	3.6%	15	6.8%	12	5.5%	35	
	Rp5.000.000 - Rp10.000.000	0	0%	7	3.2%	2	0.9%	9	
	> Rp10.000.000	0	0%	8	3.6%	0	0%	8	
	<b>Total</b>	<b>76</b>	<b>34.9%</b>	<b>120</b>	<b>55%</b>	<b>22</b>	<b>10.1%</b>	<b>218</b>	
Number of Beauty Influencers that You Follow	1-5	73	33.4%	23	10.5%	2	0.9%	96	44%
	6-10	2	0.9%	90	41%	18	8.2%	110	50.4%
	More than 10	3	1.3%	7	3.2%	2	0.9%	12	
	<b>Total</b>	<b>76</b>	<b>34.9%</b>	<b>120</b>	<b>55%</b>	<b>22</b>	<b>10.1%</b>	<b>218</b>	

4.1.2. Outer Loading

Figure 3 presents the loading factor analysis for each indicator of the variable. All measured variables (IC1-IC5) significantly explain Influencers’ Credibility. Despite their similar values, the highest valued indicator is IC1 (0.849) and the lowest valued indicator is IC2 (0.724). All measured variables (HA1-HA3) significantly explain Customers’ Halal Awareness. The second indicator HA2 has the highest loading factor (0.903) of the latent variable, Customers’ Halal Awareness, while the last indicator has the lowest (0.779). All measured variables (PV1-PV3) significantly explain Perceived Value. The first indicator has the highest loading factor (0.857) of the latent variable, Perceived Value, while the third indicator has the lowest (0.814).

All measured variables (PI1-PI2) significantly explain Purchase Intention with the first indicator having a higher value (0.906). As a whole, the loading factors of the indicators are well above the minimum acceptable value of 0.5 and well above 0.7, indicating that they are highly satisfactory as measures of the latent variables. The first indicator of Purchase Intention (PI1) has the highest loading factor of 0.906 in the model, while the second indicator of Influencers’ Credibility (IC2) has the lowest loading factor of 0.724.



**Figure 3.**  
**Outer Loading**

#### 4.1.3. Reliability and Validity Test

Based on Table 5, Cronbach's alpha and composite reliability values are greater than 0.7, which are considered good (Götz et al., 2009; Hair et al., 2014). Furthermore, the average variance extracted (AVE) result is considered good given its value above 0.5. (Henseler et al., 2016).

**Table 5.**  
**Reliability and Validity**

Construct	Item	Cronbach's Alpha	rho_A	Composite Reliability	AVE
Influencers' Credibility	IC1	0.876	0.876	0.910	0.668
	IC2				
	IC3				
	IC4				
	IC5				
Halal Awareness	HA1	0.837	0.837	0.902	0.755
	HA2				
	HA3				
Perceived Value	PV1	0.822	0.822	0.893	0.736
	PV2				
	PV3				
Purchase Intention	PI1	0.705	0.705	0.835	0.629
	PI2				

4.1.4. Discriminant Validity

Discriminant validity testing ensures that each latent model concept is unique. Validity testing determines a measuring instrument’s accuracy (Ghozali, 2016). The SMART PLS can evaluate discriminant validity using the Fornell-Larcker criterion and cross-loading.

Table 6.  
Fornell-Larcker Criterion

	HA	IC	PI	PV
HA	0.869			
IC	0.425	0.818		
PI	0.440	0.619	0.793	
PV	0.608	0.587	0.592	0.858

According to the Fornell-Larcker criterion test results in Table 6, the AVE square root of Influencers’ Credibility is 0.818, which is greater than the correlation value of 0.425, indicating that discriminant validity requirements have been met. The square root of the AVE of Purchase Intention is 0.793, which is greater than its correlation with Influencers’ Credibility (0.619) and Customers’ Halal Awareness (0.440), indicating discriminant validity. The square root of Perceived Value’s AVE is 0.858, which is higher than its correlation with Purchase Intention (0.592) and with Influencer Credibility and Customer Halal Awareness. This proves discriminant validity.

Table 7.  
Cross Loading

	HA	IC	PI	PV
HA1	0.905	0.343	0.387	0.449
HA2	0.882	0.336	0.373	0.546
HA3	0.818	0.426	0.386	0.535
IC1	0.273	0.753	0.534	0.426
IC2	0.341	0.813	0.543	0.488
IC3	0.364	0.835	0.525	0.544
IC4	0.375	0.829	0.447	0.493
IC5	0.377	0.854	0.480	0.427
PI1	0.401	0.527	0.828	0.510
PI2	0.376	0.553	0.785	0.469
PI3	0.258	0.382	0.765	0.426
PV1	0.591	0.575	0.537	0.880
PV2	0.529	0.489	0.495	0.848
PV3	0.430	0.433	0.490	0.845

Table 7 shows the result of this study’s cross-loading value. To begin, the cross-loading values of HA1 (0.905), HA2 (0.882), and HA3 (0.818) with their latent variable, Customers’ Halal Awareness (HA), are discovered to be greater than their

cross-loading values with other latent variables. Second, the Cross Loading values of IC1 (0.753), IC2 (0.813), IC3 (0.835), IC4 (0.829), and IC5 (0.854) with Influencers' Credibility (IC) are found to be higher than their Cross Loading values with other latent variables. The cross-loading values of PI1 (0.828), PI2 (0.785), and PI3 (0.765) with their latent variable, Purchase Intention (PI), are discovered to be greater than their cross-loading values with other latent variables. Finally, cross-loading values for PV1 (0.880), PV2 (0.848), and PV3 (0.845) with their latent variable, Perceived Value (PV), are found to be higher than cross-loading values for other latent variables.

#### 4.1.5. Multicollinearity Test

According to Table 8, this study passes the multicollinearity test because the value of VIF is less than 5 (Hair et al., 2010).

**Table 8.**  
**Collinearity Assessment (VIF)**

Indicator	VIF
HA1	2.976
HA2	2.963
HA3	1.420
IC1	2.114
IC2	1.743
IC3	1.741
IC4	1.677
IC5	1.903
PI1	1.438
PI2	1.438
PV1	1.804
PV2	1.564
PV3	1.721

#### 4.1.6. Structural Model

Table 9 shows that perceived value has a good R-square value of 0.855. It means that IC (influencer credibility) and HA (halal awareness) explain 85.5% of the variance in halal local beauty product perceived value, while the R-square value for Purchase Intention is 0.772, which means that Perceived Value explains 72.2% of its variation. 27.8 percent of the variation in Purchase Intention is explained by variables not included in the research model.

**Table 9.**  
**R-Square**

Variable	R-Squared
Perceived Value (PV)	0.855
Purchase Intention (PI)	0.772

#### **4.1.7. Hypothesis Testing**

##### **H1: Influencers' credibility positively influences perceived value**

First, hypothesis testing shows that Influencers' Credibility has a positive correlation with Perceived Value ( $O=0.401$ ). 5.927 ( $>1.96$ ) T-Statistics supports the hypothesis. The P-Value for this hypothesis is 0.000 (0.05), indicating it's correct. This study finds that influencers' credibility positively affects perceived value.

##### **H2: Customers' halal awareness positively influences perceived value**

Second, the original sample (O) is positive at 0.438, so hypothesis testing shows a positive correlation between Halal Awareness and Perceived Value. A T-statistic of 6.096 ( $> 1.96$ ) supports the hypothesis. The P-Value of 0.000 (0.05) further supports the hypothesis. According to this study, Influencer Credibility affects Perceived Value.

##### **H3: Perceived value positively influences purchase intention**

Third, Perceived Value positively correlates with Purchase Intention, according to hypothesis testing ( $O = 0.592$ ). Second, this hypothesis' T-Stats value of 10.443 ( $>1.96$ ) is significant. This hypothesis' P-Value is 0.000 (0.05), so it can be accepted. Perceived Value positively affects Purchase Intention.

**Table 10.**  
**Hypothesis Testing**

Hypothesis	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics ( O/ STDEV )	P-Values	Result
IC -> PV	0.430	0.077	5.297	0.000	Accepted
HA -> PV	0.410	0.081	6.096	0.000	Accepted
PV -> PI	0.598	0.060	10.443	0.000	Accepted

#### 4.2. Analysis

##### **Objective 1: To investigate the effect of the influencer's credibility and halal awareness on perceived value.**

In this study, it is discovered that the credibility of social media influencers can create a positive impression on the product being reviewed and have a significant positive effect on the Perceived Value. The credibility of influencers is determined by their experiences, attractive appearance, speaking skills, similar preferences, and interests.

If the influencers have longer experience in reviewing halal local beauty products and gain a positive impression from the public, the followers will perceive the influencers as credible. It is also supported by the government rule related to large-scale social restrictions during the pandemic in which people prefer to search for a product review from influencers on social media platforms compared to offline stores. The emergence of beauty influencers will give many perspectives to the customers where they could compare one review to another, but influencers with extensive experience will influence the customer's perceived value compared to those new influencers with a small number of followers. Abraham et al. (2022) support that influencers with a high commitment to share the review on social media will give a positive influence on their followers.

In addition, Influencers with extensive experience with a high brand are having more convincing speaking skills, such as a promising tone of speech & way of speaking. They have more confidence to communicate with their followers and even promote the product using hard selling. Moreover, the influencers with attractive appearance will increase the follower's perceived value because they believe that the product works well, especially for those who have the same skin problems. The followers consider the product as worth the money and give benefits other than other products. These findings are consistent with other studies that have shown similar results in different contexts (Febina & Noor, 2019; Pratiwi et al. 2018).

This study finds that halal awareness influences customers' perceived value of a local halal beauty product. In Muslim countries, the majority of Muslim consumers are more aware of halal labels compared to customers in non-Muslim countries. With the halal label, the business operation has to comply with Islamic law starting from choosing the ingredients to the distribution of finished goods to the market, and even the marketing strategy that is absent from gharar. By looking at this process, the customer believes that the halal beauty products are safer with non-toxic and non-alcoholic ingredients, hygiene, and also benefits to the skin. It

can be said that if the customers are more concerned with the halal status of the product, they will check and make sure whether the local beauty brand has a halal logo and good composition that fits their problems.

As we know, an influencer who has credibility can review a local halal beauty product with good and detailed information that can shape the customer's positive view about the local halal beauty product being reviewed. Customer halal awareness also supports the results of these credible influencer reviews, considering that awareness of halal means customer knowledge of halal, and of course, customers know that using halal beauty products can provide benefits for them. Then, this study has shown that the way people think about the value of halal local beauty products does affect their decision to buy them.

However, there remain concerns from those who want to get an instant result by choosing a product with harmful ingredients, no halal logo, and haven't registered to BPOM. Although the halal local beauty brand has been offered at a very affordable price, it is still a challenge for the industry to promote the halal local beauty industry.

**Objective 2: To investigate the effect of perceived value on purchase intention of halal local beauty brand.**

The study also finds that Perceived Value positively affects Purchase Intention of local halal beauty products. Perceived value is considered as a pre-purchase estimate of the product. Customers estimate the value of local halal beauty products from several factors, such as influencer reviews, ingredients, benefits, price, peer pressure, and so on. After they make several assessments and evaluations of one brand, they tend to have a preference. When a customer perceives one product has more valuable benefits compared to other products from a different brand, they are more willing to purchase and even repurchase in the long-term (Abd Jalil et al., 2021). Our finding is in line with other studies (Chen et al. 2018; Lukito & Yustini, 2019) finding that perceived value positively affects purchase intention.

## **V. CONCLUSION AND RECOMMENDATION**

### **5.1. Conclusion**

This study explores the effect of influencer's credibility and halal awareness on purchase intention and the role of perceived value as mediating factors. The results of this study show that the credibility of an influencer acts as a stimulus to perceived value. Recognizing the fact that the competition in the beauty industry is very intense within Indonesia, it has forced Muslim and non-Muslim customers to be very aware of the safe manufacturing process, made from safety and non-harmful ingredients, and hygiene. It is evident that halal awareness positively influences customers' perceived value. Moreover, a customer's perceived value acts as a response that triggers the purchase intention toward halal local beauty products.

### **5.2. Recommendations**

This study provides empirical evidence that there is a statistically significant relationship between variables under investigation. This study expands expand

knowledge in the field of marketing, especially in the local beauty industry, and serves as a reference for further research. The results of this study also can be used as input for local beauty brands in carrying out product marketing so that they can add value to the product and increase customer buying interest by highlighting the halalness of the product and also being selective in choosing influencers as marketing intermediaries.

Due to the increasing awareness of halal beauty product users, particularly Muslim consumers, beauty brands must clarify the halal status of their products, and for marketers to recognize the importance of religious sentiments in product positioning. Although some individuals believe that all products in the Indonesian beauty market are halal, this is not entirely accurate, as it is well known that some beauty products still contain alcohol. Therefore, local beauty brands must increase the visibility of every element of halal-related product features that are easily seen by customers, such as logos on packaging, to send strong signals to customers and instill confidence in them when they want to purchase and use these beauty products. Knowing individual religiosity, shopping values, and attitudes in the Indonesian population, where the majority are Muslim, can provide marketers with relevant insight and scope to develop the best strategies and techniques to grow trust and demand for local beauty products. Marketers can use this phenomenon to promote halal beauty products by hiring an influencer.

This study also provides significant implication for regulators. Islamic economy, especially the halal industry, is a huge potential that has not been fully tapped, given the facts that Indonesia has huge Muslim population. The synergy between Central Bank of Indonesia and provincial governments through various programs, such as development of MSMEs, halal value chain, and other Islamic economic dissemination activities are shown to have positive impacts on Islamic economic literacy. This finding is to complement the program developed by regulators where it could be used as references in developing the policy and regulation.

The support from the government for the expansion of halal certification has stimulated the growth of halal industry players. They need continuous encouragement to be able to produce competitive products and penetrate both national and international markets, particularly in Muslim-majority countries. As Cosmetics is one of the key sectors with comparative advantage and expected to help drive the national economic recovery, this study provides a strong empirical finding that supports halal certification so that its products can penetrate the markets of Muslim-majority countries.

This study is limited to a few factors. First, the respondents in this study are limited to the area of Jabodetabek. Future researchers can expand the sample coverage and size. Second, this study only focuses on halal local beauty brands in general; future research could be more specific, such as cosmetics, skincare, or other types of products in the halal beauty industry. Lastly, this study is limited to influencers' credibility, halal awareness, perceived value, and purchase intention. Future researchers can examine other variables such as income level, and payment method, or relate them to digital transformation.

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