

ABSTRACT

In recent years, there has been a growing trend in the use of halal cosmetics in Indonesia. This is in line with the increased number of middle class and affluent Muslims who are halal conscious in their purchases. The implementation of the Indonesian government regulation on halal product assurance in 2017 has further increased demand for halal cosmetics.

A preliminary questionnaire was distributed to find out early problem that relates to the aspect of knowledge about halal cosmetics which assumed will be crucial to the existence of individual buying intention towards halal cosmetics. based on the data gathered from the preliminary questionnaire, it can be concluded that people are not aware of the substance that are considered as Halal or not. The lack of knowledge regarding which cosmetic products that are considered halal are concerned. Knowledge is one of the first steps before having a buying intention towards certain products, therefore the lack of knowledge in halal cosmetic ingredients/substance are believed to impact the existence of consumer's buying intention towards halal cosmetic itself.

The objective of this research is to analyze factors in an integrated model which involves Knowledge, Religiosity, Attitude and Intention. This research used data from 275 samples of respondents who live in Indonesia that are aware of halal cosmetic and have the intention to use it. The samples are collected by giving online questionnaires with 19 question items from 4 constructs. Structural Equation Modelin (SEM) is used as analyzing tool to test the hypotheses and using SmartPLS 3.0 as the statistic software to conduct the calculations.

The result of this research is shown that all the hypotheses of is supported. There are 3 factors that influence consumers intention on halal cosmetic which are Knowledge, Religiosity and Attitude. The result also shows that this model can be used to predict consumers buying intention towards halal cosmetics moderately where the R^2 is 69%. By understanding this, Wardah can better understand and later improve their effort to drive the consumer intention toward halal cosmetic.

This research has found that the most significant factor from this model that influences the consumers buying intention towards halal cosmetic is Attitude. This means that the higher attitude of persisting on buying Halal cosmetics, the better it is for Wardah. For further research because the model is able to moderately predict the consumer buying intention on halal cosmetic, by using the complete model of TRA and predict if intention will affect future behavior towards halal cosmetics.

Keywords: Cosmetics and toiletry, Halal market, Islamic retail, Islamic pharmaceuticals, Indonesian, Wardah