Conference Paper

The Effects of Halal Label and Brand Image on Purchasing Decisions Through a Mediating Role of Trust

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ABSTRACT

This study aims to analyze consumer purchasing decisions for Scarlett Whitening products by considering the halal label and brand image where the level of trust is a mediating variable for both. This study used a quantitative method by collecting primary data through a questionnaire. Questionnaires were distributed online using a purposive sampling method to 100 respondents in Indonesia with certain criteria. The results of the study show that the halal label has a significant effect on trust and purchasing decisions. Brand image has a significant effect on trust and purchasing decisions. Then halal label and brand image through trust have a significant effect on purchasing decisions.

Keywords: *Halal Label, Brand Image, Trust, Purchasing Decisions*

INTRODUCTION

Along with current technological developments, Indonesia is experiencing a significant shift in modern and Islamic-oriented lifestyles. This can be seen from the phenomenon of society which is increasingly critical in assessing the halal level of products to be consumed, the development of Islamic culture, the widespread use of the hijab, and the increasing growth of the halal cosmetic industry (Rahmawaty and Rakhmawati 2022). The cosmetics industry is one of the economic sectors with the largest consumers in Indonesia. On the other hand, the current halal lifestyle is considered a new fashion for the world's Muslim population, especially Muslims in Indonesia. The concept of halal, in this case, is defined and applied to food products and banking & financial services and then has developed into other product categories, including cosmetics (Anggadwita, Alamanda, and Ramadani 2020). Cosmetics are one of the most important components, especially for women in everyday life and have become a lifestyle. Thus, the competition in the cosmetic industry is very competitive due to the large number of consumer demands for cosmetic products with various criteria (Aspan et al. 2017). Cosmetics can be said to be halal if they do not contain ingredients that are forbidden in Islam.

Halal cosmetic products are currently experiencing very rapid development. This is due to increased demand by 2.4 billion Muslim consumers worldwide. In addition to the large population of Muslim consumers, the increasing demand for halal cosmetics indicates a high level of loyalty towards halal products and a special attraction for consumers. This also applies to non-Muslim consumers. They make

halal a benchmark for stronger guarantee and quality standards in purchasing a product (Sugibayashi et al. 2019).

Regardless of the development of the industry, many consumers are not aware of the importance of halal brands which are triggered by various factors including lack of knowledge, awareness of halal, religiosity, and others. Scarlett Whitening emerged as a local product with a halal cosmetic brand following its predecessor products, namely Wardah, Purbasari, Sari Ayu, Make Over and others. This product claims to be halal certified and has met product halal standards. In his research, Amalia and Suprihartini (2021) shows that there is a significant influence between halal labeling and brand image on purchasing decisions for cosmetic products labeled halal.

BrandsScarlet Whitening has become one of the best-selling cosmetic products in recent years, judging by the number of sales with the highest market share of 11.32 % in 2022 in the body beauty care category (Compas.co.id). This is because many consumers entrust their body care using this brand of cosmetic products.Trust is one aspect that is the main foundation in the business environment to establish good relationships between companies and consumers. This good relationship will increase consumer purchase intentions. Novagusda (2019) in his research, showed that there is a significant influence between brand image on trust and purchasing decision variables.

The purpose of this study was to analyze the influence of halal labeling and brand image on purchasing decisions which will be mediated by the variable trust in halal cosmetic products, with Scarlett Whitening consumers in Indonesia being the research subjects.

LITERATURE REVIEW

Theory of Planned Behavior

Theory of Planned Behavior is a theory put forward by Fisbein and Ajzen in 1990-1991 as a result of the development of Theory of Planned Behavior (TPB) is a theory that forms the basis of one's behavior in analyzing the influence of intention on purchasing decisions. This theory explains that consumer behavior is formed by intention. From these intentions will then affect how a person behaves.

Theory of Planned Behavior (TPB) assumes that humans will behave in accordance with common sense or feeling considerations. This theory also explains that humans will take information either directly or indirectly about behavior by considering the consequences of that behavior. Thus, it is able to control the behavior that is carried out or felt towards involvement in behavior as a factor that has a significant influence on purchase intentions and decisions (Rinawati, Agung and Anggraini 2021).

Halal label

Halal labeling is a form of action by including halal writing or statements on product packaging to show that the product is halal certified. Installing a halal label on the packaging is done by registering the product with the Halal Product Assurance Organizing Agency (BPJPH). Halal referred to in this study is a cosmetic whose material or manufacturing process does not contain haram elements or is in accordance with Islamic law. The concept of halal has also been mentioned several times in the Qur'an, one of which is discussed in surah Al-Baqarah verses 172-173:

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يٰٓاَيُّهَا الَّذِيْنَ اٰمَنُوْا كُلُوْا مِنْ طَيِّبٰتِ مَا رَزَقْنٰكُمْ وَاشْكُرُوْا لِلّٰهِ اِنْ كُنْتُمْ اِيَّاهُ تَعْبُدُوْنَ

﴿ ١٧٢ ﴾ اِنَّمَا حَرَّمَ عَلَيْكُمُ الْمَيْتَةَ وَالدَّمَ وَلَحْمَ الْخِنْزِيْرِ وَمَآ اُهِلَّ بِه لِغَيْرِ اللّٰهِ ۚ

فَمَنِ اضْطُرَّ غَيْرَ بَاغٍ وَّلَا عَادٍ فَلَآ اِثْمَ عَلَيْهِ ۗ اِنَّ اللّٰهَ غَفُوْرٌ رَّحِيْمٌ ﴿ ١٧٣ ﴾

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It means :   "O you who believe! Eat of the good sustenance that We give you and give thanks to Allah, if it is Him you truly worship. Verily, Allah has only forbidden you carrion, blood, pork and animals that (when slaughtered) are called (names) other than Allah. But whoever is forced to (eat) while he does not want it and does not (also) exceed the limit, then there is no sin for him. Indeed Allah is Forgiving, Most Merciful.

The existence of legal aspects of trade and guarantees of halal products is useful for protecting Muslim consumers in the use of goods or services (Anggadwita, Alamanda, and Ramadani 2020). This is supported by the existence of the Institute for the Assessment of Food, Drugs, and Cosmetics of the Indonesian Ulama Council (LPPOM-MUI), a special institution tasked with researching and assessing whether products circulating in the community are safe and good for consumption by providing halal certificates. Study Sahir and Tarigan (2016) said that there was a significant influence between the halal label and the purchasing decisions. The halal label on a product has a very important role, namely to convince consumers that the product meets the requirements as a halal product. Novagusda (2019) in his research showed that there was a significant influence between the halal label and the level of consumer confidence.
H1: There is a significant influence between the halal label and the level of trust
H2: There is a significant influence between the halal label and purchasing decisions

Brand Image

Brand image can be interpreted as a belief that appears in the minds of consumers about a particular brand (Kotler and Armstrong, 2001). This can be seen from how a consumer describes the overall perception of a product that is known through information and experience of a particular product. Companies need to improve a positive brand image to build consumer confidence in making purchasing decisions for a product. This is in line with research Fitrah All and M. Ali Iqbal (2019), brand image has a significant influence on trust. Every consumer has a different view of a brand, so brand image has a very important role for companies to be able to win the market and maintain business continuity in the business world. A good brand image will make it easier for the public and potential customers to recognize and remember a product. In his research, Fitrah All and M. Ali Iqbal (2019) shows that brand image has a positive influence on purchasing decisions.
H3 : There is a significant influence between brand image and trust
H4: There is a significant influence between brand image and purchasing decisions.

Trust

Trust is an assessment of a person's relationship with each other in a particular transaction in accordance with the expectations of the individual he trusts (Gefen and Paviou, 2008) or in other words trust is formed when an individual has placed trust and has dependence on the integrity of a partner. Another opinion suggests that the definition of trust is an aspect that is the main foundation in the business environment to establish good relationships between companies and consumers. This good relationship will result in an increasing consumer purchase intention. This is in line with research (Rokhman and Andiani 2020) which says that there is a significant influence between trust and online purchasing decisions. Maintaining trust is very important because it becomes a positive expectation for consumers to producers of the products they produce.

H5 : There is a significant influence between trust and purchasing decisions

Purchasing Decisions

The definition of a purchasing decisions according to Sciffman and Kanuk (2008:485) is a stage of choosing two or more of several alternative choices in a purchase transaction. It can be said that before making a purchase, consumers are first faced with several choices. Purchasing decisions by consumers in buying a product are based on awareness of needs and wants. There are several factors that can influence the purchasing decisions. Kotler and Keller (2009:356) in (Susanti and Gunawan 2019) said that purchasing decisions are influenced by market stimuli that can attract consumers consisting of product quality, price, promotion, and distribution. Sinaga dan Lestari (2023) in his research on the factors that influence purchasing decisions show the results that trust is able to mediate the influence of halal labels and brand image on purchasing decisions.

H6 : There is a significant influence between the halal label and purchasing decisions through the level of trust

H7 : There is a significant influence between brand image and purchasing decisions through the level of trust

RESEARCH METHOD

This study uses a quantitative method through a verification approach. The data used is primary data with data collection techniques in the form of online questionnaires distributed to Muslim consumers who use Scarlett Whitening cosmetic products in Indonesia. The sampling technique used in this study is a non-probability sampling method, by determining the sample using purposive sampling based on certain criteria according to the research context. The data analysis technique used in this research is using path analysis or path analysis to determine the influence of intervening variables in mediating the independent variable with the dependent variable. If the significance value is <0.05, then the two variables have a significant influence. On the contrary, if the significance value is > 0.05, then there is no effect between the two variables. The data processing technique used is using the SPSS program to determine the relationship between several variables tested, including halal label variables, brand image, trust, and purchasing decisions.

RESULTS

Respondent Profile

Respondents in this study were consumers of Scarlett Whitening products in Indonesia, both men and women who were Muslim, of various ages and groups of people. Obtained respondent data based on male sex by 14% and 86% female. Based on age level with respondents aged <17 years by 1%, respondents aged 17-25 years by 93% and respondents aged > 25 years by 6%. Then based on the type of work, it was found that 78% of respondents were students, self-employed 12%, civil servants 2% and 8% others had jobs other than the type of work determined by the researcher.

Data analysis

The analysis used in this study uses path analysis to examine the influence of the intervening variables in mediating the independent variables and the dependent variables. This analysis is carried out by making a path relationship pattern which is divided into 2 sub-structural models. Explanation of each sub-structure of the model includes information about the relationship between variables, calculation of path coefficients, results of model fit tests, and interpretation of results.

Sub Structure Model 1 (X1 and X2 with respect to Y)

The results of data processing using the SPSS program show that the R square in the sub-structure of model 1 is 0.458. This shows that the trust variable can be explained by the halal label and brand image variables of 45.8%. In the analysis of variance (ANOVA) the results of the F test were obtained with a significance of 0.000 <0.05. Information about the path coefficient of sub structure 1 is presented in the regression analysis table below

Table 1
Model Substructural Regression Analysis 1

Coefficientsᵃ

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.727	1.429		1.908	.059
	Halal Label	.203	.062	.243	3.269	.001
	Brand Image	.810	.098	.614	8.245	.000

a. Dependent Variable: Trust

Source : Data processed in 2023

The coefficient value of the halal label path to trust is 0.203 with a significance of 0.001 <0.005. This shows that there is a significant influence between the halal label variable and trust. Meanwhile, the path coefficient value of brand image on trust is 0.810 with a significance of 0.000 <0.005 which indicates that partially there is a significant influence between brand image and trust.

Sub Structure Model 2 (X1, X2, and with respect to Z)

The results of data processing using the SPSS program show that the R square in the sub-structure of model 2 is 0.511. This shows that the purchasing decision variable can be explained by the halal label, brand image, and trust variables of 51.1%. In the analysis of variance (ANOVA) the results of the F test were obtained with a significance of 0.000 <0.05. Information about the path coefficient of sub structure 2 is presented in the regression analysis table below.

Table 2

Regression Analysis of Sub Structure Model 2

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	5.200	1.471		3.535	.001
	Halal Label	.201	.066	.226	3.032	.003
	Brand Image	.394	.130	.281	3.044	.003
	Trust	.444	.103	.417	4.328	.000

a. Dependent Variable: Purchasing Decisions

Source : Data processed in 2023

The coefficient value of the halal label path to purchasing decisions is 0.201 with a significance of 0.003 <0.005. This shows that there is a significant influence between the halal label variable and the purchase decision. The path coefficient value of brand image on purchasing decisions is 0.394 with a significance of 0.003 <0.005 which indicates that partially there is a significant influence between brand image variables and purchasing decisions. then get the valuethe path coefficient of trust in purchasing decisions is 0.444 with a significance of 0.000 <0.005. This shows that there is a significant influence between the trust variable and the purchasing decisions.

Direct indirect effect

It is known that the direct effect of the halal label variable on purchasing decisions is 0.226. Meanwhile, the indirect effect of the halal label variable on purchasing decisions through the trust variable can be calculated by multiplying the value of beta X1 to Y with the value of beta Y to Z, so that the indirect effect can be calculated as 0.243 x 0.417 = 0.101. From the results of these calculations it can be seen that the value of the direct effect is greater than the indirect effect (0.226 > 0.101). So it can be concluded that the halal label variable has a significant effect on purchasing decisions directly through the level of trust.

Then it is known that the direct influence of the brand image variable on purchasing decisions is 0.281. Meanwhile, the indirect effect of the brand image variable on purchasing decisions through the trust variable can be calculated by multiplying the value of beta X2 to Y with the value of beta Y to Z, so that the indirect effect can be calculated as 0.614 x 0.417 = 0.256. From the results of these calculations it can be seen that the value of the direct effect is greater than the

indirect effect (0.281 > 0.256). So it can be concluded that directly the brand image variable has a significant effect on purchasing decisions through the level of trust.

DISCUSSION

In this research, all hypotheses are accepted and relevan to previous research that there is a significant effect between halal labels and brand image variables on trust. Halal label, brand image, and trust have a significant effect on purchasing decisions, and there is a significant direct effect between the trust variables mediating halal labels and brand image on purchasing decisions.

Based on the results of the research that has been done, there is a significant influence between the halal label variable and trust in Scarlett Whitening products in Indonesia. This can be seen from the large value (tcount 3.269 > ttable 1984), which means that this variable has a significant influence. This research is in line with the research that has been done(Novagusda 2019)where the existence of a halal label on a product can increase consumer confidence. There is a significant influence between brand image variables and trust (Acai, Halim, and Robetmi Jumpakita 2020) with a value (tcount 8.245 > ttable 1984). Then a significant influence was found between the halal label variable and purchasing decisions which strengthened the research Al-Bara and Nasution (2018) where the halal label on product packaging becomes a consideration for consumers in making purchasing decisions.

This study also shows results that are relevant to Hidayat (2021) there is a significant influence between brand image variables and purchasing decisions on the grounds that high consumer confidence in a product will influence consumers in deciding to buy the product. There is a significant direct effect between the halal label variables through trust in purchasing decisions because brands are able to increase consumer confidence through halal guarantees and product safety. When consumers already have a sense of trust in a product, it will affect purchasing decisions (Sinaga and Lestari 2023). Then this study also found that there was a significant direct effect between brand image variables through trust in purchasing decisions because the product attributes, benefits, and brand personality that were created made consumers have a positive view and became a material consideration for deciding to purchase the product. So it can be said that brand image influences purchasing decisions through trust (Fatmawati and Triastity 2017).

CONCLUSION

Based on the research results that have been found it can be concluded that: H1 is accepted, meaning that the halal label (X1) has a significant effect on trust. H2 is accepted, meaning that brand image (X2) has a significant effect on trust. H3 is accepted, meaning that the halal label (X1) has a significant effect on purchasing decisions. H4 is accepted, meaning that brand image (X2) has a significant effect on purchasing decisions. H5 is accepted, meaning that trust (Y) has a significant effect on purchasing decisions. H6 is accepted, meaning that the halal label (X1) through trust has a significant effect on purchasing decisions. H7 is accepted, meaning that

brand image (X2) through trust has a significant effect on purchasing decisions. All hypotheses are accepted because the condition of the research object used is in accordance with the research objectives. In this case, the people of the Indonesia, where the majority are Muslim, always consider the existence of a halal label and a positive brand image in choosing cosmetic products to increase their trust before deciding to make a purchase.

LIMITATION

Research limitations experienced by researches can affect research results. The limitations in conducting this research are as follows : This study onlyused 100 samples of Scarlett Whitening consumers in Indonesia. while the total number of consumers is not known with certainly by researches. Thus, the results of this study cannot be used as a reference for the opinions of all consumers of Scarlett Whitening products in Indonesia. This study uses halal labels and brand image as independent variables, purchasing decisions as the dependent variable, and trust as a mediating variable. The observation time in this study was only one month, so the data obtained from the distribution of the questionnaire was less than optimal. Primary data sources obtained through distributing questionnaires, not from the results of direct interviews with consumers of Scarlett Whitening products in Indonesia.

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