INFLUENCE OF HALAL LITERACY, LABELING, QUALITY, AND PRICE ON SKINCARE PURCHASES: MEDIATING ROLE OF WILLINGNESS TO PAY PREMIUM PRICE

Alfiatul Karimah[1], Dahruji[2]

[1,2]Program Studi Ekonomi Syariah, Fakultas Keislaman, Universitas Trunojoyo Madura
e-mail: alfiatlkr19@gmail.com[1], dahruji@trunojoyo.ac.id[2]

Abstract

The growing awareness of the importance of halal products has significantly influenced various sectors, including the cosmetics industry. However, prior research has predominantly focused on halal food and beverages, while halal skincare products, such as Somethinc, have received limited academic attention. Furthermore, studies that integrate halal literacy, labeling, product quality, and price about purchase decisions, with a willingness to pay a premium price as a mediating variable, remain scarce. This study examines the influence of halal literacy, halal label, product quality, and product price on the purchasing decisions of Somethinc skincare products among Gen Z, mediated by willingness to pay a premium price. The research method used is quantitative, with primary data obtained through questionnaires. The sampling was conducted using purposive sampling, with a total of 272 respondents. The data analysis technique used is Structural Equation Modeling (SEM), analyzed using the software SmartPLS version 3. The results of this study indicate that the variables halal literacy, product quality, and product price do not directly affect purchasing decisions, while the halal label variable and willingness to pay a premium price directly influence purchasing decisions. The halal literacy and halal label variables do not affect willingness to pay a premium price, whereas product quality and product price variables do affect willingness to pay a premium price. Additionally, halal literacy and halal labels do not influence purchasing decisions when mediated by a willingness to pay a premium price, whereas product quality and product price do influence purchasing decisions when mediated by a willingness to pay a premium price.

Keywords: *Halal; Purchasing Decisions; Skincare*

A.   INTRODUCTION

Human needs continue to evolve with the changing times, one of which is related to appearance which can increase self-confidence. Awareness of the importance of maintaining appearance and skin health creates great potential for the cosmetics industry, including skincare. In Indonesia, the number of cosmetic industries grew 21.9%, from 913 companies in 2022 to 1,010 by mid-2023.[1] The cosmetics industry is competing to innovate to meet consumer needs, especially by providing halal labeling for consumers in Indonesia. Halal literacy is an important basis for the implementation of halal products and helps consumers be more selective in choosing

---

[1]   "Hasilkan Produk Berdaya Saing Global, Industri Kosmetik Nasional Mampu Tembus Pasar Ekspor dan Turut Mendukung Penguatan Blue Economy -

Kementerian Koordinator Bidang Perekonomian Republik Indonesia."

products. According to Muhammad Aqil Irham, halal literacy is an important key to the progress of the halal ecosystem, where high literacy will strengthen the ecosystem.[2]

Based on Ministry of Home Affairs records, the majority of Indonesia's population is Muslim with a population of 244.41 million with a percentage of skincare products to guarantee halalness of 87.1% by 2023.[3] In North Jakarta, the Muslim population reaches 1,439,170 people, or 77.3% of the total population, so awareness to recognize and consume halal products is important. Halal literacy provides understanding so that people can choose products that are safe for health and finances.[4] Halal literacy can be defined as a person's ability to distinguish goods and services that are allowed or not allowed to be used or consumed based on rules derived from Islamic value law.[5] When halal literacy such as knowledge about the requirements of halal food ingredients, which include not containing alcohol, human organs, blood, pigs, and others and not contaminated with haram materials, is well understood by the community, then in choosing something to be consumed the community will do it more carefully.[6]

In Islam, the concept of halal and haram is very important. Halal includes everything good and clean according to the Shariah. As a Muslim, considering the halalness of the products consumed is a must, as explained in Q.S. Al-Baqarah verse 168. Label is a part of the product that carries verbal information and is part of the packaging about the product.[7]

According to the department of religion contained in KEPMENAG RI no. 518 of 2001 concerning the examination and determination of halal food. Halal referred to in the decision is a food product, medicine, cosmetics, and other products that do not contain elements or ingredients that are haram or prohibited for consumption by Muslims, and the management or production process is not contrary to Islamic law.[8]

Halal labeling on skincare product packaging makes it easier for consumers to choose safe products, providing benefits for producers and consumers. Producers are protected from lawsuits, while consumers feel more secure using these products. However, there are still skincare products in Indonesia, including in North Jakarta, that have not been labeled halal. Many cases of illegal cosmetics were found, such as the raid of an illegal cosmetics factory in PIK by BPOM. These illegal products are sold by doctors and beauty clinics under private labels.[9] This kind of product is high risk and can have long-term side effects for consumers.

Somethinc is a local brand from Indonesia that produces skincare, makeup, and beauty tools founded in 2019 by Irene Ursula. The name "Somethinc" itself originated from the commitment of the team and founder in overcoming every problem to provide something for consumers or can be likened to "So, we will always Somethinc from you." Something has more than 100 beauty and skincare products that have all passed the

[2] "BPJPH Raih Penghargaan Pemanfaatan Data Indeks Literasi Halal | Badan Penyelenggara Jaminan Produk Halal."

[3] "Data Jumlah Penduduk Indonesia Menurut Agama Pada 2023."

[4] Novitasari and Fikriyah, "Pengaruh Literasi Halal Terhadap Keputusan Pembelian Produk Kosmetik Halal Mahasiswa Ekonomi Islam Se Jawa Timur."

[5] Abrori, *Pariwisata Halal Dan Peningkatan Kesejahteraan.*

[6] Setyowati and Anwar, "PENGARUH LITERASI HALAL DAN RELIGIUSITAS TERHADAP MINAT KONSUMSI PRODUK HALAL MASYARAKAT KABUPATEN MADIUN."

[7] Sitompul, "PENGARUH PENGETAHUAN LABEL HALAL DAN KESADARAN MEREK TERHADAP KEPUTUSAN PEMBELIAN KOSMETIK MELALUI REKOMENDASI KELOMPOK SEBAGAI VARIABEL MODERATING."

[8] Aeni and Lestari, "Pengaruh Label Halal, Citra Merek Dan Harga Terhadap Keputusan Pembelian Produk Kosmetik Wardah."

[9] "Averus Kautsar, 'Pabrik Kosmetik Ilegal PIK Digerebek BPOM, Pelanggannya Klinik Dan Dokter,' detikHealth, Diakses 3 Desember 2023, Https://Health.Detik.Com/Berita-Detikhealth/d-6622920/Pabrik-Kosmetik-Ilegal-Pik-Digerebek-Bpom-Pelanggannya-Klinik-Dan-Dokter. - Penelusuran Google."

BPOM test and are also labeled halal.[10] Since its release in 2019, Something has managed to grow rapidly and become a mainstay of the community in the selection of facial skin care problems. During the second quarter of 2022, Something managed to occupy the first position in the sales of skincare brands in E-commerce with total sales figures reaching Rp53.2 billion.[11]

Something ranked first in sales because good product quality is a major consideration for consumers. Product quality reflects consumers' experience based on product characteristics that meet their expectations, making it a key factor in marketing. High quality also affects price, where consumers are willing to pay more for quality products. Product quality is a factor contained in an item or results from the purpose of the goods being produced.[12]

In addition, product prices are also an important component that companies must consider. Price is one of the marketing variables that must be considered by company management because price can directly affect the amount of sales volume and profit earned by a company.[13] Product pricing is a very important thing, product price is a very important factor because it will affect consumer expectations, the more expensive the price of a product, the higher the value expected by consumers.[14] If the price is too high without comparable quality, consumers can feel disadvantaged, while the price is too low can harm the company. Ultimately, consumers want value for money. Willingness to pay (WTP) is an economic value that can be interpreted as a measurement of the maximum amount a consumer is willing to sacrifice goods or services to obtain other goods and services.[15]

Consumer motivation is a condition from within a person where it encourages the desire to carry out activities to achieve certain goals. Every consumer has different motivations and will influence the purchasing decisions that will be made. Consumer motivation in shopping can be divided into motivation due to needs and purchasing motivation to fulfill personal pleasure.[16] The purchasing motivation carried out by consumers is seen from the goals to be achieved, the activities carried out in shopping, and the motivation they have. Two factors in shopping motivation are the desire to enjoy the shopping experience and the overall need to achieve needs through shopping activities specific motivation is motivation related to shopping facilities. These desired characteristics can relate to various aspects related to store facilities, product assortment, and personnel.[17] Purchasing decisions are the behavior of consumers or individuals in buying and getting something that suits their desires and can satisfy their desires and are willing to bear the risks that will occur.[18] This purchase decision is based on quality, benefits to be obtained, and others.

This study examines the effect of halal literacy, halal labeling, product quality, and product price on purchasing decisions for Something Skincare. The survey was

[10] "Bincang Karier Dengan Irene Ursula, Sosok Di Balik Brand Kecantikan Somethinc," Kumparan, - Penelusuran Google."

[11] "FAQ - SOMETHINC | Official Website SOMETHINC," - Penelusuran Google."

[12] Astuti et al., *Manajemen Pemasaran*.

[13] Sukmawati, Mathori, and Marzuki, "Pengaruh Promosi, Harga, Dan Kualitas Produk Terhadap Keputusan Pembelian Produk Skincare Somethinc."

[14] Amrulloh and Dahruji, "PENGARUH HARGA, LABEL HALAL DAN STRATEGI PEMASARAN TERHADAP KEPUASAN KONSUMEN PADA PRODUK BAKSO ACI TAUBAT FOOD."

[15] Pupu, Eriyati, and Richard, "ANALISIS KESEDIAAN MEMBAYAR (WILLINGNESS TO PAY) KONSUMEN TERHADAP SAYURAN ORGANIK DI KOTA PEKANBARU | JURNAL ECONOMICA: Media Komunikasi ISEI Riau."

[16] Wagner and Rudolph, "Towards a Hierarchical Theory of Shopping Motivation."

[17] Wagner and Rudolph.

[18] Sinaga and Hutapea, "ANALISIS PENGARUH BRAND IMAGE, HARGA, DAN REVIEW PRODUCT TERHADAP KEPUTUSAN PEMBELIAN SKINCARE WARDAH PADA MAHASISWA UNAI."

conducted in North Jakarta with Generation Z as the sample population. Currently, generation Z is more aware of skin health, and easy access to information has increased their awareness of the importance of using skincare to maintain healthy facial skin in the future. The existence of this research is inseparable from previous studies that have been conducted as material for comparison and study. Some of them are:

1. Research from Ronaldo Klisman (2021) entitled The Effect of Halal Label, Product Quality, and Price on Purchasing Decisions for Safi Cosmetic Products (Case Study of Students of the Faculty of Economics and Business, Riau Islamic University) which has concluded that the decision to buy Safi cosmetic products is positively and significantly influenced by the halal label variable and product quality, but is not positively and significantly influenced by the price variable.[19]

2. Research from Rahmat, Chandra Okspendri, and Vicky F. Sanjaya (2022) which has titled The Effect of Halal Literacy and Religiosity on Interest in Purchasing Halal Labeled Products Study at UIN Raden Intan Lampung Students. In this study, the authors have concluded that the variables of Halal Literacy and Religiosity have a positive and significant effect on buying interest in halal-labeled products for students of UIN Raden Intan Lampung.[20]

3. Research entitled The Effect of Halal Labeling on Willingness to Pay for Japanese Food Products: Assessment of Demand for Halal Certification in Muslim Countries (Study on Students of the Faculty of Economics and Business, Diponegoro University Semarang in 2019) written by Huda Faturuddin (2019). The results of this study indicate that in model I regression all variables in the study have a significant positive effect on the willingness to pay for Japanese Food products. The results of Model II regression analysis show that willingness to pay has a significant positive effect on the level of demand for halal certification in food products.[21]

Based on the above review, the hypothesis tested in this study is as follows:

H1: Halal literacy affects the purchase decision of Something Skincare for Gen Z in North Jakarta.

H2: Halal label affects purchasing decisions for Somethinc skincare for Gen Z in North Jakarta.

H3: Product quality affects the purchase decision of Something Skincare for Gen Z in North Jakarta.

H4: Product price affects the purchase decision of Something Skincare for Gen Z in North Jakarta.

H5: Willingness to pay premium price affects the purchase decision of Something Skincare for Gen Z in North Jakarta.

H6: Halal literacy affects Willingness To Pay Premium Price.

H7: Halal label affects Willingness To Pay Premium Price.

H8: Product quality affects Willingness To Pay Premium Price.

---

[19] Klisman, "Pengaruh Label Halal, Kualitas Produk, Dan Harga Terhadap Keputusan Pembelian Produk Kosmetik Safi (Studi Kasus Mahasiswi Fakultas Ekonomi Dan Bisnis Universitas Islam Riau)."

[20] "PENGARUH LITERASI HALAL DAN RELIGIUSITAS TERHADAP MINAT PEMBELIAN PRODUK BERLABEL HALAL STUDI PADA MAHASISWA UIN RADEN INTAN LAMPUNG | Al-Iqtishad: Jurnal Ekonomi Syariah."

[21] Prasetyo and Adityawarman, "PENGARUH LABEL HALAL TERHADAP KESEDIAAN UNTUK MEMBAYAR PRODUK JAPANESE FOOD: PENILAIAN PERMINTAAN SERTIFIKASI HALAL DI NEGARA MUSLIM (Studi Pada Mahasiswa Fakultas Ekonomika Dan Bisnis Universitas Diponegoro Semarang Tahun 2019)."

H9: Product price affects Willingness To Pay Premium Price.

H10: Halal Literacy, Halal Label, Product Quality, and Product Price affect the decision to purchase Something Skincare for Gen Z in North Jakarta through Willingness to Pay Premium Price.

B.   RESEARCH METHODS

The type of research used in this study is the quantitative method. This study aims to observe the effect of halal literacy, halal labeling, product quality, and product price on purchasing decisions for Something Skincare for Gen Z in North Jakarta. The population in this study are all North Jakarta people who use Somethinc skincare products aged 13-26 years. The sample in this study was taken using a purposive sampling technique. The number of samples used in this study using the Isaac Michael table with an error rate of 10% with an unknown population of 272 people who use Something skincare.

The data collection technique used in this study uses a questionnaire where the questionnaire used is a closed questionnaire whose questions already have alternative answers so that respondents can choose the answers that are already available. The questionnaire measurement scale uses a Likert scale with interval ratings of 1-5 where 1 (strongly disagree) - 5 (strongly agree).

The data analysis technique used in this study uses SEM (Structural Equation Modeling) with the PLS (PartialLeastSquare) approach. SEM (Structural Equation Modeling), in social science, is one type of multivariate analysis or statistical method used to analyze several variables in research simultaneously.[22] SEM can also be considered as a combination of regression analysis and factor analysis and can also be called Path Analysis or Confirmatory factor Analysis because both are special types of SEM. The relationship can be established between one or

more dependent variables and one or more independent variables.[23]

C.   RESULTS AND DISCUSSION
1.   Measurement Model (outer model)

This outer model analysis is carried out in two stages, namely the validity test and the reliability test. Validity tests can be carried out with convergent validity tests and discriminant validity tests.

a.   Validity Test
1)   Convergent Validity Test

This convergent validity test is carried out to describe the magnitude of the relationship between each indicator and the construct. This test can be seen through the loading factor value and the AVE value obtained. If the loading factor value is> 0.60 and the AVE value is> 0.50 then this value can be declared valid.

Based on Figure 1 which shows that all indicators have a loading factor value > 0.60, it shows that all indicators tested can be declared valid and can be used in research.

Testing the average variance extracted (AVE) value is used to describe the value of variable variance. Describe the value of variable variance. The AVE value> 0.50 indicates that the value is good.

Figure 1 PLS Algorithm analysis results, SMARTPLS 3
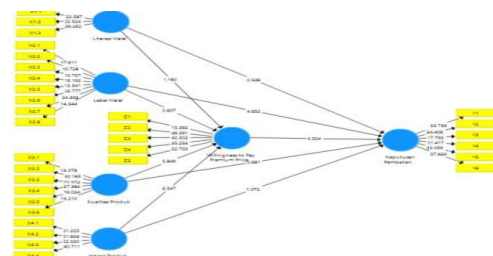
Source : Primary Data Processed by SMARTPLS 3 Software, 2024

---

[22] Sholihin and Ratmono, *Analisis SEM-PLS dengan WarpPLS 7.0 untuk Hubungan Nonlinier dalam Penelitian Sosial dan Bisnis*.

[23] Harahap, "Analisis SEM (Structural Equation Modelng) Dengan SMARTPLS (Pertial Least Square)."

Table 1 Average Variance Extracted (AVE) Test Result

Variable	Average Variance Extracted
Literasi Halal	0.703
Label Halal	0.548
Kualitas Produk	0.598
Harga Produk	0.627
Keputusan Pembelian	0.667
Willingness to Pay Premium Price	0.651

Source: Primary Data Processed by SMARTPLS 3 Software, 2024

2) Discriminant Validity Test

This discriminant validity test is seen based on the Fornell Larcker criterion value and also the cross-loading value. The construct value with the intended construct value must be greater than the value of other constructs. The former larger test is carried out by looking at the AVE root value of each variable. The root value of AVE must also be greater than the correlation value between variables.

Table 2 Fornell Larcker Criterion Result Test

Variabel	X1	X2	X3	X4	Z	Y
X1	0.839					
X2	0.698	0.740				
X3	0.416	0.606	0.773			
X4	0.207	0.456	0.759	0.792		
Y	0.345	0.570	0.580	0.534	0.817	
Z	0.228	0.448	0.751	0.755	0.592	0.807

Source: Primary Data Processed by SMARTPLS 3 Software, 2024

From Table 2, it can be seen that all indicator values in the intended construct are greater than the values in other block constructs. This can be said that there is no problem in testing

discriminant validity.

b. Reability Test

The reliability test can be seen from the composite reliability value and Cronbach's alpha value with a threshold value of > 0.70.

Table 3 Composite Reliability and Cronbach's Alpha Test Result

Variable	Composite Reliability	Cronbach's Alpha	Keterangan
X1	0.877	0.791	Reliable
X2	0.906	0.883	Reliable
X3	0.898	0.861	Reliable
X4	0.870	0.801	Reliable
Y	0.923	0.900	Reliable
Z	0.903	0.865	Reliable

Source: Primary Data Processed by SMARTPLS 3 Software, 2024

Based on the composite reliability and Cronbach's alpha values in Table 3, it can be seen that the value of each variable is declared valid with the value of each variable> 0.70.

2. Structural Model (Inner Model)

In this inner model analysis, there are several stages of testing it, namely R-Square (R^2), Effect size (F^2), predictive relevance (Q^2), and goodness of fit (GoF).

a. R-Square (R^2)

The R-Square test is used to describe how well the exogenous variables influence the endogenous variables with a standard measurement of 0.670 which means strong, 0.330 as moderate, and 0.19 which means weak.

Table 4 R-Square Test Result

Variable	R Square	R Square Adjusted
KPP	0.472	0.462
WTP	0.647	0.642

Source: Primary Data Processed by SMARTPLS 3 Software, 2024

It can be seen based on Table 4 that the R² value of path I is 0.472, which means that each independent variable in explaining the dependent variable purchasing decision (Y) is 47.2% or moderate. R² on path II is 0.640, which means that each independent variable explains the dependent variable willingness to pay premium price (Z) by 64% or moderate.

b. Effect Size (F2)

F-Square is used to measure the relative impact of exogenous variables on endogenous variables. In this case, there are several criteria, including 0.02 which means small, 0.15 which means medium, and 0.35 which means large.

Table 5 Effect Size Test Result

Variabel	Y	Z
X1	0.001	0.006
X2	0.101	0.002
X3	0.002	0.181
X4	0.004	0.198
Z	0.072	

Source: Primary Data Processed by SMARTPLS 3 Software, 2024

Based on Table 5, it can be seen that::

1) The effect of the halal literacy variable on purchasing decisions has a value of 0.001, it can be seen that the halal literacy variable does not influence the purchasing decision variable.

2) The influence of the halal label variable on purchasing decisions has a value of 0.101. So it can be seen that the halal label variable has a moderate influence on the purchasing decision variable.

3) The effect of the product quality variable on purchasing decisions has a value of 0.002. So, it can be seen that the product quality variable has no influence on the purchasing decision variable.

4) The effect of the product price variable on purchasing decisions has a value of 0.004. So, it can be seen that the product price variable does not influence the purchasing decision variable.

5) The effect of willingness to pay premium price on purchasing decisions has a value of 0.072. So, it can be seen that the willingness to pay premium price variable has little influence on the purchasing decision variable.

6) The effect of halal literacy on willingness to pay premium price has a value of 0.006. So, it can be seen that the halal literacy variable has no influence on the willingness to pay premium price variable.

7) The effect of halal labeling on willingness to pay premium price has a value of 0.002. So, it can be seen that the halal label variable has no influence on the willingness to pay a premium price.

8) The effect of product quality on willingness to pay premium price has a value of 0.181. So, it can be seen that the product quality variable has a moderate influence on the willingness to pay the premium price variable.

9) The effect of product price on willingness to pay premium price has a value of 0.198. So, it can be seen that the product price variable has a moderate influence on the willingness to pay the premium price variable.

c. Predictive Relevance (Q^2)

Q-square is used to evaluate the relevance of the independent variable to the dependent variable. The criteria required in Q² are 0.002- 0.15- 0.35, which means the small-medium-large category.

Table 6 Predictive Relevance Test Result

Variabel	Q² (=1-SSE/SSO)
Y	0.307
Z	0.404

Source: Primary Data Processed by SMARTPLS 3 Software, 2024

Based on Table 6 above, it can be seen that the Q² value on the purchasing decision variable is 0.307 in the medium category. So, it is known that the independent variable can predict the dependent variable (purchase decision) by 30.7%.

The Q² value on the willingness to pay premium price variable is 0.404 in the large category. So, it is known that the independent variable can predict the dependent variable by 40.4%.

d. Goodness of Fit

The GoF value is used to determine the fit between the research model and the data used. The model in this study is declared a good fit if it meets the GoF SRMR criteria with a value of <0.10 and is declared a perfect fit if the SRMR value is <0.08.

Table 7 Goodness of Fit Test Result

	Saturated Model	Estimated model
SUMMER	0.085	0.085

Source: Primary Data Processed by SMARTPLS 3 Software, 2024

Based on Table 7 above, the SRMR value obtained is 0.085. So, it is known that the model used in this study has met the criteria in the GoF test and the data is acceptable

3. Hypothesis Test

This hypothesis test is carried out by looking at the t-statistic value and the p-values with the criteria for the t-statistic value> 1.96 and the p-values> 0.05 to say that the independent variable influences the dependent variable.

a. Direct effect

This direct effect analysis is used to test the direct effect of exogenous variables on endogenous variables.

Table 8 Hypothesis DirectEffect Test Result

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values
X 1 -> Y	-0.033	0.559	0.288
X 1 -> Z	-0.068	1.302	0.097
X 2 -> Y	0.373	4.896	0.000
X 2 -> Z	0.039	0.675	0.250
X 3 -> Y	0.064	0.806	0.210
X 3 -> Z	0.439	5.798	0.000
X 4 -> Y	0.075	1.036	0.150
X 4 -> Z	0.417	6.603	0.000
Z -> Y	0.327	4.582	0.000

Source: Primary Data Processed by SMARTPLS 3 Software, 2024

Based on the direct effect results in Table 8 above, the explanation of the hypothesis test results is as follows:

1) The original sample value on the halal literacy variable is -0.033, which means that the effect of halal literacy on purchasing decisions is negative (negative effect). The t-statistic on the halal literacy variable shows a value of 0.559 and p-values of 0.288 with the criteria that the t-statistic should be> 1.96 and p-values <0.05. So, it can be seen that the halal literacy variable does not have a significant effect on the decision to purchase something skincare. This shows that the first hypothesis is rejected. These results are in line with the research of Adjeng Syafitri

Wirabuana et al (2022) where this study states that halal literacy has a negative and insignificant effect on the purchasing decisions of Muslim communities in the Medan Patumbak sub-district. Based on the results of descriptive analysis, halal literacy may not have a direct effect on purchasing decisions because there can be several factors such as the community's social environment, general knowledge about halal literacy, cultural differences, and differences in preferences in each individual. People may know about halal and haram matters.

2) The original sample value on the halal label variable is 0.373, which means that the halal label variable has a positive influence on purchasing decisions. The t-statistic on the halal label variable shows a value of 4.896 and p-values of 0.000 with the criteria that the t-statistic> 1.96 and p-values <0.05 should be. So, it can be seen that the halal label variable has a significant effect on the decision to purchase something skincare. This shows that the second hypothesis is accepted. This is in line with the research of Rachma Qizqina Mardhotillah, et al. (2022) which states that when a product has a halal logo on its packaging, consumers tend to find it easier to make buying decisions because they believe that the product is safe and by Sharia regulations. The halal label listed on each Somethinc skincare product has succeeded in providing

guarantees of halal standards set by the government to consumers, thereby increasing confidence in making Somethinc skincare purchasing decisions.

3) The original sample value on the product quality variable is 0.064, which means that the halal label variable has a positive influence on purchasing decisions. The t-statistic on the product quality variable shows a value of 0.806 and p-values of 0.210 with the criteria that the t-statistic> 1.96 and p-values <0.05 should be. So, it can be seen that the product quality variable does not have a significant effect on the decision to purchase something skincare. This shows that the third hypothesis is rejected. Based on descriptive analysis, purchasing decisions may not influence some skincare purchasing decisions in Gen Z because other factors are more dominant than product quality. Product quality may no longer be a major consideration in the decision to buy Somethinc skincare because consumers already strongly believe in the products issued by Somethinc. People today also tend to buy products that go viral on social media (FOMO), besides that influencer reviews can also increase consumer interest in using skincare even though they don't know the quality of the product. The output in this study is in line with the research of Nur Arifa et al (2018), explaining that product quality cannot significantly influence the

decision of STIE Widya Gama Lumajang students to buy Wardah Cosmetics.

4) The original sample value on the product price variable is 0.075, which means that the halal label variable has a positive influence on purchasing decisions. The t-statistic on the product quality variable shows a value of 1.036 and p-values of 0.150 with the criteria that the t-statistic should be> 1.96 and p-values <0.05. So, it can be seen that the product price variable does not have a significant effect on the decision to purchase something skincare. This shows that the fourth hypothesis is rejected. This is in line with research from Ayu Yunefa and Sri Ekanti Sabardhi (2020) which explains that as long as the price is by purchasing power, the price variable will not be a problem for consumers. Descriptive analysis of these results, the price of a product does not affect purchasing decisions because some consumers tend to ignore prices when making purchasing decisions. In this case, endorsements can make a big contribution to purchasing decisions. Some consumers will buy skincare promoted by their favorite celebrity and will not think about the price of the product. Reviews on social media can also influence Gen Z's decision to use Something skincare products. Positive reviews tend to influence consumers in making decisions.

5) The original sample value on the willingness to pay premium price variable is 0.327, which means that the willingness to pay premium price variable has a positive influence on purchasing decisions. The t-statistic on the willingness to pay premium price variable shows a value of 4.582 and p-values of 0.000 with the criteria that the t-statistic> 1.96 and p-values <0.05 should be. So, it can be seen that the willingness to pay a premium price variable has a significant effect on the decision to purchase something skincare. This shows that the fifth hypothesis is accepted. Premium prices are also often associated with social status where there are people who buy goods at premium prices to show their social status in a group or society. The results of this analysis are in line with the research of Nadifa Ayu Saraswati and Sri Vandayuli Riorini (2023) which explains that willingness to pay premium prices affects purchasing decisions. Willingness to pay premium prices can influence purchasing decisions through certain factors.

6) The original sample value on the halal literacy variable is -0.068, which means that the halal literacy variable hurts the willingness to pay the premium price variable. The t-statistic on the halal literacy variable shows a value of 1.302 and p-values of 0.097 with the criteria that the t-statistic should be> 1.96 and p-values <0.05. So, it can be seen that the halal literacy variable has no significant effect on the willingness to pay premium price variable. This shows that the sixth hypothesis is rejected.

Based on descriptive analysis, halal literacy does not affect WTPPP and can depend on consumer demographic conditions and socio-cultural values embedded in society. People's perceptions can also differ in providing willingness to pay. Some people, they must think that prioritizing halal products is a must so they look for halal products at affordable prices rather than premium prices.

7) The original sample value on the halal label variable is 0.039, which means that the halal label variable has a positive influence on the willingness to pay premium price variable. The t-statistic on the halal literacy variable shows a value of 0.675 and p-values of 0.250 with the criteria that the t-statistic> 1.96 and p-values <0.05 should be. So, it can be seen that the halal label variable has no significant effect on the willingness to pay premium price variable. This shows that the seventh hypothesis is rejected. From the results of descriptive analysis, the halal label does not affect willingness to pay premium price because products with halal labels have been widely circulated in society so consumers are used to buying products with halal labels and assume that the halal label is standard. This can be a reason for consumers not to pay premium prices for products labeled as halal. This contradicts the research of Nur Indah Sari N. (2020) which explains that people are willing to pay premium prices for products that are believed to be halal.

8) The original sample value on the product quality variable is 0.439, which means that the product quality variable has a positive influence on the willingness to pay the premium price variable. The t-statistic on the halal literacy variable shows a value of 5.798 and p-values of 0.000 with the criteria that the t-statistic> 1.96 and p-values <0.05 should be. So, it can be seen that the product quality variable has a significant effect on the willingness to pay the premium price variable. This shows that the eighth hypothesis is accepted. The results of this analysis are in line with the research of Erilia Kesumahati and Yogi Marbun (2021) which explains that providing good product quality can create trust in the product, which can increase people's willingness to pay premium prices. Good product quality means that the product has good performance and benefits for product users. This will provide a high experience and satisfaction for consumers, so all of this can make consumers willing to pay a premium price for something skincare.

9) The original sample value on the product price variable is 0.417, which means that the halal literacy variable has a positive influence on the willingness to pay the premium price variable. The t-statistic on the halal literacy variable shows a value of 6.603 and p-values of

0.000 with the criteria that the t-statistic should be> 1.96 and p-values <0.05. So, it can be seen that the product price variable has a significant effect on the willingness to pay the premium price variable. This shows that the ninth hypothesis is accepted. This is in line with the research of Albiri and Intan Ayu (2021) where it is explained that the value of goods in a store on consumers' willingness to pay premium prices with a fairly large proportion of the total effect (65.6%). For some consumers, a higher price will be considered that the product offers better benefits as well so consumers are willing to pay for products at higher prices.

b. Indirect Effect

This indirect effect analysis is used to test the indirect effect on exogenous variables mediated by intervening variables on endogenous variables.

Table 9 Hypothesis Indirect Effect Test Result

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values
X 1 -> Z ->	-0.022	1.220	0.111
X 2 -> Z ->	0.013	0.656	0.256
X 3 -> Z ->	0.144	3.837	0.000
X 4 -> Z ->	0.137	3.323	0.000

Source: Primary Data Processed by SMARTPLS 3 Software, 2024

Based on the results of hypothesis testing in Table 9, it can be seen that the original sample value on the halal literacy variable is - 0.022, which means that it hurts purchasing decisions mediated by a willingness to pay a premium price. Meanwhile, the original sample value on the halal label variable, product quality, and product price is 0.013, 0.144, and 0.137, which means that the influence of the three independent variables has a positive effect on the purchasing decision variable mediated by willingness to pay premium price. The t-statistic value on the halal literacy variable is 1.220 (<1.96) and the p-values are 0.111 (>0.05), which means that the halal literacy variable has no significant effect on purchasing decisions mediated by a willingness to pay premium price. The t-statistic value of the halal label variable is 0.656 (<1.96) and the p-values of 0.256 (>0.05), which means that the halal label variable has no significant effect on the purchasing decision variable mediated by a willingness to pay a premium price. The t-statistic value on the product quality variable is 3.837 (>1.96) and the p-values are 0.000 (<0.05), which means that the product quality variable affects purchasing decisions mediated by a willingness to pay premium price. The t-statistic value on the product price variable is 3.323 (>1.96) and the p-values are 0.000 (<0.05), which means that the product price variable affects purchasing decisions mediated by a willingness to pay premium price.

The effect of halal literacy, halal labeling, product quality, and product price on purchasing decisions for Something Skincare for Gen Z in North Jakarta is mediated by a willingness to pay a premium price. Based on the results of the analysis, halal literacy and halal labels cannot influence purchasing decisions mediated by willingness to pay premium prices. Several factors can cause this, such as differences in consumer perceptions of product

halalness and halal labels in product packaging. Meanwhile, the variables of product quality and product price can influence purchasing decisions mediated by willingness to pay premium prices. This can happen because of the causal relationship between product quality and price variables. Products that have high prices tend to be justified as products that have the best quality so that they will affect consumer purchasing decisions.

D.   CONCLUSION

Based on the results of the analysis conducted, it can be seen that halal literacy, product quality, and product prices have no direct effect on purchasing decisions. Meanwhile, halal labeling and willingness to pay premium prices have a direct effect on purchasing decisions for Something Skincare for Gen. Z in North Jakarta. Halal literacy and halal labeling do not affect willingness to pay

the premium price while product quality and price influence willingness to pay the premium price for Something skincare on gen. Z in North Jakarta. Halal literacy and halal labeling do not affect some skincare purchasing decisions on Gen Z in North Jakarta mediated by a willingness to pay a premium price, while product quality and product price affect some skincare purchasing decisions on Gen Z in North Jakarta mediated by a willingness to pay a premium price. Based on this, it is confirmed that the importance of quality and price factors in influencing WTP and halal skincare purchasing decisions among Gen Z, compared to literacy and halal labeling. These results support the theory that Gen Z is more influenced by emotional factors (such as perceived quality and social trends) than cognitive factors (such as halal literacy). The model suggests that marketers need to focus on improving perceived value through quality and pricing strategies to encourage the purchase of halal products.

REFERENCES

[1]   Abrori, Faizul. *Pariwisata Halal Dan Peningkatan Kesejahteraan*. Literasi Nusantara, 2021. https://books.google.com/books?hl=id&lr=&id=iVIjEAAAQBAJ&oi=fnd&pg=PR1&dq=Faizul+Abrori,+Pariwisata+halal+dan+peningkatan+kesejahteraan+(Literasi+Nusantara,+2021),+&ots=TL4FmNCutW&sig=yvIDy8LMcHvugplsbWtRLimJCOs.

[2]   Aeni, Nur, and Maya Tri Lestari. "Pengaruh Label Halal, Citra Merek Dan Harga Terhadap Keputusan Pembelian Produk Kosmetik Wardah." *Jurnal Ekonomi Bisnis, Manajemen Dan Akuntansi (JEBMA)* 1, no. 2 (July 1, 2021): 117–26. https://doi.org/10.47709/jebma.v1i2.996.

[3]   Amrulloh, Yuzakky, and Dahruji Dahruji. "PENGARUH HARGA, LABEL HALAL DAN STRATEGI PEMASARAN TERHADAP KEPUASAN KONSUMEN PADA PRODUK BAKSO ACI TAUBAT FOOD." *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA)* 7, no. 2 (2023): 682–97.

[4]   Astuti, Miguna, M. O. S. Mm, Nurhafifah Matondang, S. Kom, and M. Ti MM. *Manajemen Pemasaran: UMKM Dan Digital Sosial Media*. Deepublish, 2020.

[5]   "Averus Kautsar, 'Pabrik Kosmetik Ilegal PIK Digerebek BPOM, Pelanggannya Klinik Dan Dokter,' detikHealth, Diakses 3 Desember 2023, Https://Health.Detik.Com/Berita-Detikhealth/d- 6622920/Pabrik-Kosmetik-Ilegal-Pik-Digerebek- Bpom-Pelanggannya-Klinik-Dan-Dokter. - Penelusuran Google." Accessed November 25, 2024. https://health.detik.com/berita-detikhealth/d- 6622920/pabrik-kosmetik-ilegal-pik-digerebek-bpom-pelanggannya-klinik-dan-dokter.

[6]   "Bincang Karier Dengan Irene Ursula, Sosok Di Balik Brand Kecantikan Somethinc," Kumparan, - Penelusuran Google." Accessed November 25, 2024. https://kumparan.com/kumparanwoman/bincang-   karier-dengan-irene-ursula-sosok-di-balik-

brand- kecantikan-somethinc-1xgWY9kmA6Z.

[7]   "BPJPH Raih Penghargaan Pemanfaatan Data Indeks Literasi Halal | Badan Penyelenggara Jaminan Produk Halal." Accessed November 25, 2024. https://bpjph.halal.go.id/detail/bpjph-raih-penghargaan-pemanfaatan-data-indeks-literasi-halal.

[8]   "Data Jumlah Penduduk Indonesia Menurut Agama Pada 2023." Accessed November 25, 2024. https://dataindonesia.id/varia/detail/data-jumlah-   penduduk-indonesia-menurut-agama-pada-2023.

[9]   "FAQ - SOMETHINC | Official Website SOMETHINC," - Penelusuran Google." Accessed November   25,   2024.   https://www.google.com/search?q=FAQ+-+SOMETHINC+%7C+Official+Website+SOMETHINC%2C%E2%80%9D+&sca_esv=c744 cb070de47b7e&sxsrf=ADLYWIKOs87gnnyBJdaIRFsXp04OOeg4rg%3A1732547870685&e i=HpVEZ6O4KYL1juMP6qGEwAk&ved=0ahUKEwijv43j4_eJAxWCumMGHeoQAZgQ4d UDCA8&uact=5&oq=FAQ+-+SOMETHINC+%7C+Official+Website+SOMETHINC%2C%E2%80%9D+&gs_lp=Egxnd 3Mtd2l6LXNlcnAiMUZBUSAtIFNPTUVUSElOQyB8IE9mZmljaWFsIFdlYnNpdGUgU09 NRVRISU5DLOKAnSBIAFAAWABwAHgAkAEAmAEAoAEAqgEAuAEDyAEA-AEC-AEBmAIAoAIAmAMAkgcAoAcA&sclient=gws-wiz-serp.

[10]   Harahap, Lenni Khotimah. "Analisis SEM (Structural Equation Modeling) Dengan SMARTPLS (Partial Least Square)." *Fakultas Sains Dan Teknologi UIN Sunan Walisongo Semarang* 1, no. 1 (2020).

[11]   "Hasilkan Produk Berdaya Saing Global, Industri Kosmetik Nasional Mampu Tembus Pasar Ekspor dan Turut Mendukung Penguatan Blue Economy - Kementerian Koordinator Bidang Perekonomian   Republik   Indonesia."   Accessed   November   25,   2024. https://www.ekon.go.id/publikasi/detail/5626/hasilkan-produk-berdaya-saing-global-industri-kosmetik-nasional-mampu-tembus-pasar-ekspor-dan-turut-mendukung-penguatan-blue-economy.

[12]   Klisman, Ronaldo. "Pengaruh Label Halal, Kualitas Produk, Dan Harga Terhadap Keputusan Pembelian Produk Kosmetik Safi (Studi Kasus Mahasiswi Fakultas Ekonomi Dan Bisnis Universitas   Islam   Riau)."   Other,   Universitas   Islam   Riau,   2022. https://repository.uir.ac.id/12730/.

[13]   Novitasari, Sylvia Ira Dwi, and Khusnul Fikriyah. "Pengaruh Literasi Halal Terhadap Keputusan Pembelian Produk Kosmetik Halal Mahasiswa Ekonomi Islam Se Jawa Timur." *Ad-Deenar: Jurnal Ekonomi dan Bisnis Islam* 7, no. 01 (March 30, 2023). https://doi.org/10.30868/ad.v7i01.3963.

[14]   "PENGARUH LITERASI HALAL DAN RELIGIUSITAS TERHADAP MINAT PEMBELIAN PRODUK BERLABEL HALAL STUDI PADA MAHASISWA UIN RADEN INTAN LAMPUNG | Al-Iqtishad: Jurnal Ekonomi Syariah." Accessed November 27, 2024. https://ejournal.iaiqi.ac.id/index.php/aliqtishad/article/view/175.

[15]   Prasetyo, Huda Faturuddin, and Adityawarman Adityawarman. "PENGARUH LABEL HALAL TERHADAP KESEDIAAN UNTUK MEMBAYAR PRODUK JAPANESE FOOD: PENILAIAN PERMINTAAN SERTIFIKASI HALAL DI NEGARA MUSLIM (Studi Pada Mahasiswa Fakultas Ekonomika Dan Bisnis Universitas Diponegoro Semarang Tahun 2019)," 2019.

[16]   Pupu, Putri Fahira, Eriyati Eriyati, and Rahmat Richard. "ANALISIS KESEDIAAN MEMBAYAR (WILLINGNESS TO PAY) KONSUMEN TERHADAP SAYURAN ORGANIK DI KOTA PEKANBARU | JURNAL ECONOMICA: Media Komunikasi ISEI Riau."   Accessed   November   25,   2024. https://ejournal.iseiriau.or.id/index.php/economica/article/view/90.

[17] Setyowati, Anis, and Moch Khoirul Anwar. "PENGARUH LITERASI HALAL DAN RELIGIUSITAS TERHADAP MINAT KONSUMSI PRODUK HALAL MASYARAKAT KABUPATEN MADIUN." *LISAN AL-HAL: Jurnal Pengembangan Pemikiran Dan Kebudayaan* 16, no. 1 (June 12, 2022): 108–24. https://doi.org/10.35316/lisanalhal.v16i1.108-124.

[18] Sholihin, Prof Mahfud, and Dr Dwi Ratmono. *Analisis SEM-PLS dengan WarpPLS 7.0 untuk Hubungan Nonlinier dalam Penelitian Sosial dan Bisnis*. Penerbit Andi, 2021.

[19] Sinaga, Ricka Putri Yani Br, and Joan Yuliana Hutapea. "ANALISIS PENGARUH BRAND IMAGE, HARGA, DAN REVIEW PRODUCT TERHADAP KEPUTUSAN PEMBELIAN SKINCARE WARDAH PADA MAHASISWA UNAI." *JURNAL EKONOMI, SOSIAL & HUMANIORA* 3, no. 08 (April 7, 2022): 12–25.

[20] Sitompul, Saleh Sitompul. "PENGARUH PENGETAHUAN LABEL HALAL DAN KESADARAN MEREK TERHADAP KEPUTUSAN PEMBELIAN KOSMETIK MELALUI REKOMENDASI KELOMPOK SEBAGAI VARIABEL MODERATING." *Shar-E : Jurnal Kajian Ekonomi Hukum Syariah* 7, no. 1 (March 12, 2021): 50–64. https://doi.org/10.37567/shar-e.v7i1.402.

[21] Sukmawati, Dyah Ayu Rara, Muhammad Mathori, and Achmad Marzuki. "Pengaruh Promosi, Harga, Dan Kualitas Produk Terhadap Keputusan Pembelian Produk Skincare Somethinc:(Studi Pada Konsumen Di Daerah Istimewa Yogyakarta)." *Jurnal Riset Akuntansi Dan Bisnis Indonesia* 2, no. 2 (2022): 579–99.

[22] Wagner, Tillmann, and Thomas Rudolph. "Towards a Hierarchical Theory of Shopping Motivation." *Journal of Retailing and Consumer Services* 17, no. 5 (2010): 415–29.