



GEN-Z AWARENESS OF HALAL PRODUCTS WHEN ONLINE SHOPPING FOR COSMETICS-SKINCARE (CASE STUDY ON STUDENTS IN JAMBI CITY)

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Abstrak

Indonesia is a country with a Muslim majority. Based on data from Kemendagri, Indonesia's Muslim population is 237.53 million people with a percentage of 86.9% as of December 31, 2021. Indonesia as a country with a Muslim majority means that it must consume and use halal-certified products. The halal industry is currently growing rapidly. Not only in the food industry but also in other industries. The beauty industry has become a trend among teenagers. Based on BPS data, the cosmetics-skincare industry grew by 5.59% even during a pandemic where almost all industries experienced a decline. With a Muslim-majority country, the beauty industry is required to provide and create halal-certified skincare products. This study was conducted to determine the awareness of Gen-Z in buying halal-certified skincare cosmetics in online shopping. By using the Solvin formula to determine the number of samples. The study was conducted on 396 students in Jambi City. The results obtained show that almost 90% of Gen-Z buying cosmetics-skincare in online shopping see halal certification and use cosmetic local product Indonesia.

Keywords: Halal Awareness, Halal Beauty Product, Halal Certification, Industry Halal, Online Purchasing.

1. Introduction

Pandemic has change the way consumer's buying habit. The outbreak also pushed people out of their normal routines. Most countries have implemented restrictions on mobility to prevent the virus spreading. In early days of Covid-19 pandemic many stores closed and a few strolls at the mall. This situation lead people to shift their offline purchase habit to online purchase.

There has been rapid acceleration in the shift to online shopping. Indonesia is a country whose people are avid users of social media (McKinsey Report, 2022). Due to the outbreak, there has an massive increase in online transactions, especially in e-

commerce environment. According to Janio, Indonesia's ecommerce market value increase 50% in 2020 from 21 billion USD to 32 billions USD. The ecommerce market growth is driven by internet and smartphone user who contributes in the growing adoption of digital payments from online shopping. Furthermore, youth population such as millennials and Gen Z also play roles in the growth of e-commerce.

Generation Z who born between 1995-2009 was found as the highest internet penetration rate (Statista, 2021). They grew up in the rising of technology. Gen Z is often describe as a more well-educated generation but more stressed and depressed easily compared to previous generation. Recently they could use electronic wallets such as Gopay, Ovo or Dana to pay tuition fees. The pandemic greatly accelerated the use of e-commerce using websites. Electronic wallet can also be used as payment option to online purchase, especially from e-commerce platform (Shopee, Tokopedia, Lazada, etc). The trend is expected to continue due to the convenience of having thing delivered by delivery service like GoJek.

The beauty and personal care market in Indonesia is a large market. The beauty industry's revenue is projected to reach USD 7.5 billion in 2021 and grow annually 6,5% through 2025 (Statista, 2021). Almost 85% of Indonesian population practicing the Muslim religion. As of that, most consumers will check whether the products they want to purchase has halal certification. It does not only apply on food products but also on beauty products. Halal certification is accredited by BPJPH (previously MUI).

This paper examines Gen Z purchasing behaviour on halal beauty products for e-commerce, assessing their awareness and knowledge of halal certification on halal beauty products.

2. Literature Review

2.1. Halal

Halal can be defined as thing that is permissible or allowed in Islamic law. Muslims are not allowed to consume things that clearly prohibited in Islamic law. A product can be called halalan thayyiban is when the product contains wholesome halal ingredients and not pose any harm or health risk when the product is used. Halal standard and procedure is related to hygiene and quality control. Product ingredients, raw materials and semi-finished good, have to comply with Islamic law. In Indonesia, to convince consumers that the product is safely consumed, company needs to get halal certification from BPJPH (previously Majelis Ulama Indonesia) and include the halal label to their products.

The term of halal is often associated with food. In wide context, halal can be associated to other aspects such as religiosity. In religiosity context, muslims allowed to do daily activities in accordance with God's rules. Alserhan in his book (2011) said that muslims must follow Islamic laws governing their behavior and morals. In comparison to halal, haram refers to what is disallowed in Islamic law. Haram in other daily aspects can be gambling, lottery and all activities that considered contrary to the will of God. In the concept of halal and haram, it is not just the theory of consumption, it is also an important part of the moral code of ethic, attitude and belief system.

2.2. Purchase Intention and Purchasing Behavior

Purchase intention, sometimes defined as customer's intention, is a measure of customer's propensity when they intent to buy a certain product. Purchase intention is a complex process as it usually associated to customer's purchasing behavior, attitude and perception. Purchase intention can be used to help managers in measuring new channel distribution, whether the new concept deserves development to reach consumer target (Morwitz, 2007).

Consumers tend to gain product information from brand community or colleagues before purchase a certain product. It can achieve more cognitive consistency of their purchase decision and reduce perceived risk in associated with other product substitute in the future. Purchasing a product from online shop enables consumers to condense their decision making efforts by comparing product and information screening. Online shopping environment or e-commerce provides comparison information for alternatives so consumers can lower the cost of information research and purchasing decision effort.

Generation Z is anyone who born between 1995-2009. They are the first digital natives who grew up in a world of vast technological advances and innovations. According to Anderson and Jiang (2018), about 95% of Gen Z using social media nearly three hours a day and is the most connected via the internet. Based on that fact, company can easily engage to Gen Z by social media platform and sell products through digital platforms. Gen Z consumers have unique decision-making style in online purchase. They are sensitive to brands, prices, emphasizes quality and have impulsive buying tendency (Santoso & Triwijayati, 2018).

Socio-economic status is a few factors that influenced the online buying habits of Gen Z. for instance, family plays a significant role to their purchase decision as Gen Z is typically still living with parents (Hofmeister-Toth, 2014). According to Hidvegi & Kelemen-Erdos (2016), Gen Z ask for the opinions of family and close

friends when making purchase decisions. They likely to gather products reviews to convince themselves before purchasing certain products.

2.3. E-commerce

Electronic commerce, simplified as e-commerce, means buying and selling services and goods, or transferring of funds or data using electronic media. In general, transaction of e-commerce occurs through the internet and web. The transactions occur either as business-to-business (B2B), business-to-consumer (B2C), or consumer-to-consumer.

The e-commerce trends are changing how consumer buy and consume, also how company sell products. Shopping from e-commerce provides customer's personalization as they can choose what to buy and delivery time. According to Padana (2015), e-commerce is helpful as it can reduce customer's cost and process cycle, and improving relationships with both business partners and customers. In addition, e-commerce can implement new commercial strategies that leads to improvements in product and service quality and at the level of service provision associated to organizational, supplier, and consumer (Shaw, 2012).

3. Metode Penelitian (bold 12 pt)

This study used quantitative data using descriptive statistical analysis. The research method with descriptive statistics in quantitative research is used to explain events that occur at the present time in the data in the form of numbers that have meaning (Sudjana, 2004). According to (Nuryadi, et al 2017) the purpose of descriptive statistics is to describe an object of research in descriptive analysis, the presentation of data can be in the form of tables or diagrams. The research population is students in Jambi City aged 16-24 years. Results Based on calculations using the solvin formula, 396 samples were obtained. Data were obtained by conducting a survey of 396 samples. The purpose of this study was to determine awareness of halal products when shopping online for skin care cosmetics.

4. Result and Discussion

The study was conducted on 396 students in Jambi City. Of the 396 students, 84% bought cosmetics online and another 16%. This means that 16% do not buy cosmetics online or do not buy cosmetics. According to previous study (Tunsakul, 2018) generation Z (Gen Z) consumers have become an attractive prospect for retailers worldwide due to their growing numbers and dominance in global markets. Studies have revealed that Gen Z consumers are interested in new technologies,

prefer simplicity, desire to feel safe, desire to escape from reality, have high expectations, and care more about experience (Wood, 2013; Priporas et al., 2017).

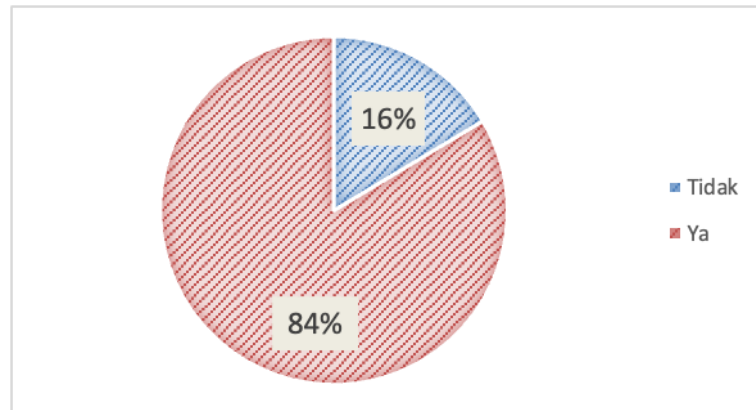


Figure 1
Classification Buying Halal Cosmetic-Skincare

Furthermore, of the 331 students who bought cosmetic-skincare online, they were grouped based on gender. Based on the survey results, 75% of consumers of cosmetic-skincare are women. According to (Andriani & Setiawan 2021) for women, skincare products are currently a basic need so that female consumers have certain preferences to decide to buy a cosmetic-skincare. This can also be seen in a survey conducted by researchers that 75% or of the research sample are women.

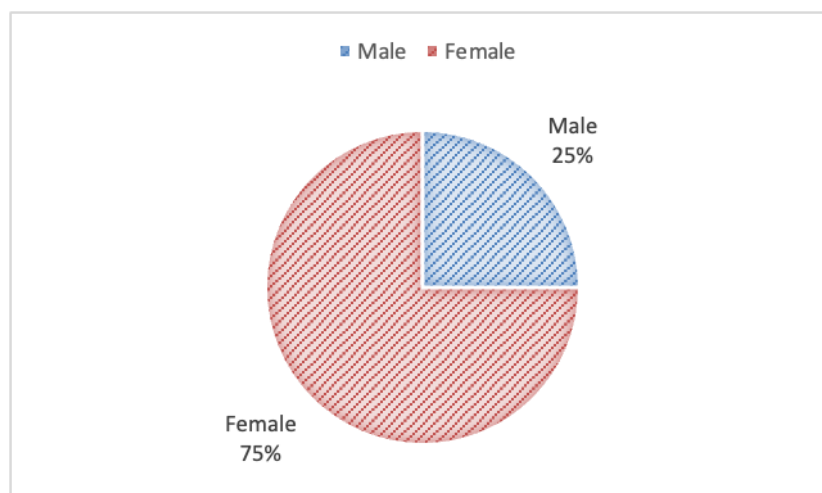


Figure 2
Count of Gender Using Cosmetic-Skincare Halal

Gen-Z is the generation from 1996-2009 birth years. In this paper classification by ages 15-26 years were taken with 4 classifications, namely from the 1st grade aged 15-17, the 2nd grade 18-20, the 3rd grade 21-23 and the 4th grade 24-26. Based on the survey data, it can be seen that the 2nd class used skin care the most from the age of 18-20 as many as 189 people. Next is the 3rd class aged 21-23 years. This is in accordance with the scope of research whose research targets are on campus where 18-20 is the age which is generally the age of college students. Based on Figure. 3, there are 57% students aged 18-20 years and 38% of students 21-23 years using cosmetics-skincare. Because the focus of this research is students in Jambi City where according to research (Hulukati & Jibrani 2018) 18-25 years of age are adults who are generally at the age of college students.

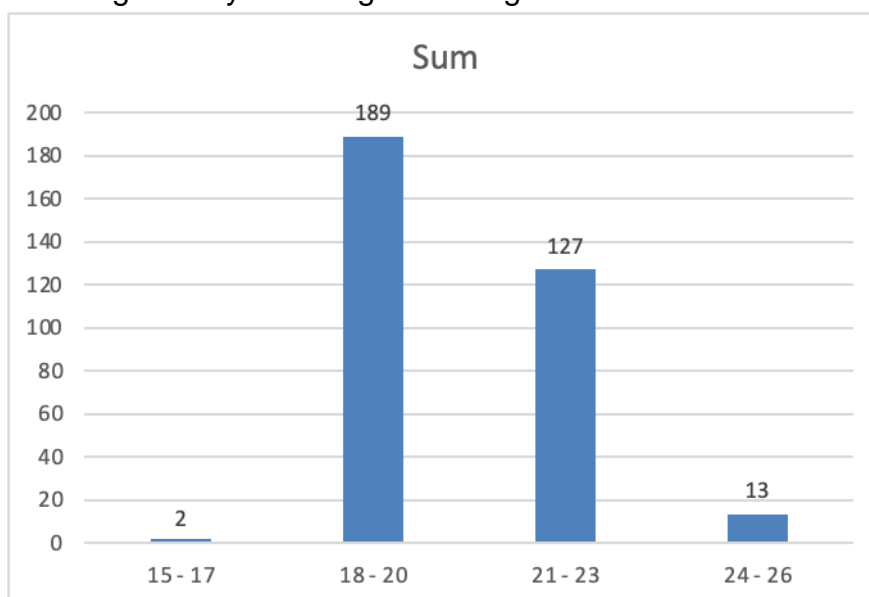


Figure 3

Classification Students by Age using Cosmetic-Skincare Halal

The use of halal products is correlated with the ability of consumers to understand the composition of the product and to know the official halal label that has been issued by the MUI. Recently, there has also been a debate about the latest halal logo, this is also a problem that can be studied by further research. To understand the content of halal products and logos, efforts are needed to find information on purchases. Because not everything that does not have a halal logo from MUI is haram. Consumers need to know and read the composition in detail to determine the halalness of products that do not have the MUI halal logo.

The high level of consumer literacy on the halalness of a product increases their accuracy in choosing a product. Furthermore, the decision to buy a product is by paying attention to the benefits of the product, the halal label on the product, the durability of the product and the appearance of the product (Mulyati, 2019).

Based on Figures. 4 study on campus in Jambi and the most student fill the survey from UIN STS Jambi. UIN STS Jambi is one of the largest Islamic campuses in Jambi. This means that all students at UIN STS Jambi are Muslims. A total of 247 students from 331 or came from UIN STS Jambi. This has implications for knowledge of the MUI halal logo. Based on the survey results can be seen in Figure. 5 as many as 98% know the halal logo from MUI. Because UIN STS is an Islamic campus, it indirectly affects the results of a survey of consumers in buying cosmetic-skincare by paying attention to the halal status of the product.

According to Kotler, the decision to buy a product is a consumer action that affects the reference and preference for a particular brand (Kotler & Keller, 2007). Every consumer has different sensitivities and preferences, this makes a purchase decision difficult. So that a consumer's decision making is a process of integrating knowledge and product preferences.

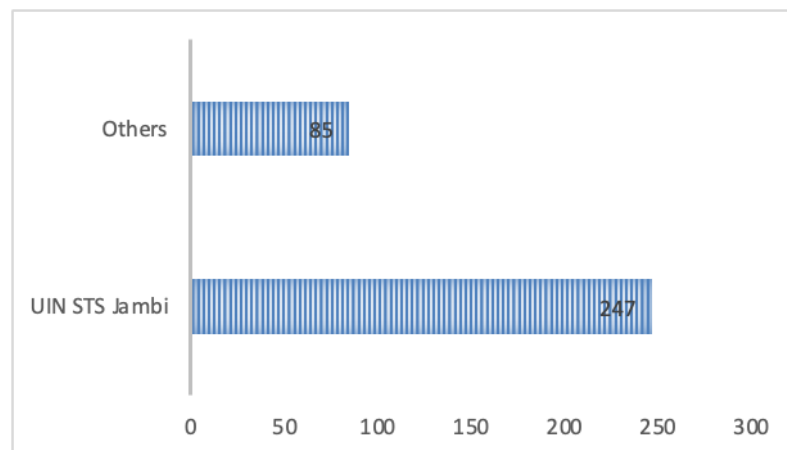


Figure 4

Count of Campus Using Cosmetic-Skincare Halal

Furthermore, after the consumer makes a decision in purchasing the product, the task of the halal product guarantee agency (JPH) which guarantees or is responsible for the implementation of the halal product guarantee, UUJPH provides responsibility for the establishment of the BPJPH (Halal Product Assurance Organizing Agency) which is under the Ministry of Religion. Because the status of halal can make a

change in the decision to buy a product. For example, there is a cosmetic-skincare that is suitable for skin X but turns out to contain things that are forbidden. Of course for Muslims this will affect the decision to buy the product.

BPJH can identify and enforce halal products. Because there are many cosmetic-skincare ingredients whose composition is halal but do not yet have a halal logo from MUI. Socialization of the submission of halal status can be done so that cosmetic-skincare with halal content has a halal logo. This makes it easier for the Muslim community to decide to buy cosmetic-skincare labeled halal.

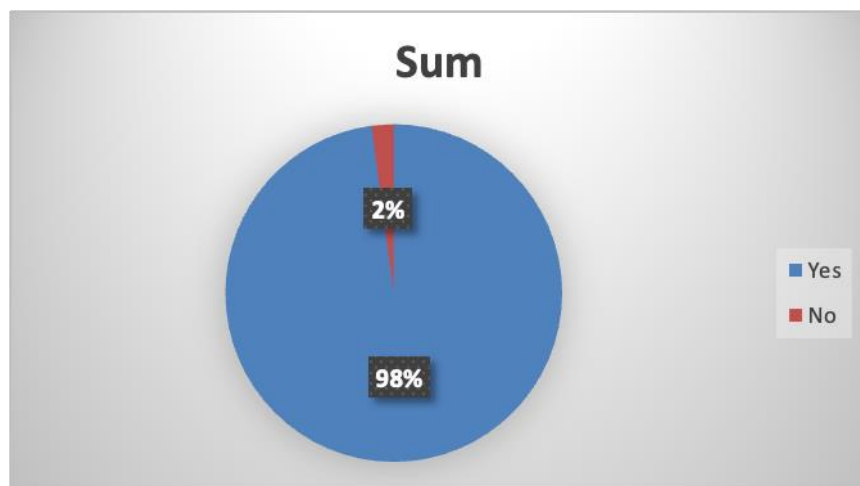


Figure 5
Count of Student Know Logo Halal Certified From MUI

The implementation of halal product guarantees is the authority of the minister of religion who is specifically assigned to BPJPH. With a body that is responsible for the status of halal products, consumers, especially the Muslim community, need not worry. Millennial consumers tend to be critical in viewing or assessing a product (Zulham, 2016), (Taufiq & Andina, 2018).

To fulfill critical consumer desires, producers can register halal products that can be obtained from authorized institutions. Every product sold can use the label so that people don't have to worry about buying the product, the label is used as a guarantee that the product is fit for consumption (Zani et al, 2013)

In Islam, the consumption behavior of an economic activity in the use of goods and services to meet daily needs by allocating the management of available resources must be based on the principles of the Qur'an and Sunnah. Cosmetic-skincare is also a necessity that is used so that it must pay attention to the halal

status. The composition of cosmetic-skincare must also be based on the principles of the Qur'an and Sunnah. With the halal label on each product, it can certainly make it easier for someone to make a decision whether the product is in accordance with the principles in the Qur'an and Sunnah.



Figure 6
E-commerce to buy Cosmetic-Skincare Halal

The term 'online shopping intention' is used instead of 'purchase intention' to identify Gen Z consumers' intention. They are shop from their favorite shop. Most of Gen Z shop their product that want to buy in online shop. Consumer purchase intention can be defined as the desire of consumers to purchase a product. Before a consumer make a purchase, they search the data of product and make decision that usually believes in the information of product (Ku, 2011).

Purchase intention is determined by perceived value based on costs and benefits of a given market offering. In addition, purchase intention can be in the stages of pre-purchase and postpurchase decisions Chu and Lu (2007). Regarding the Internet, online shopping intention is an important predictor of actual buying behavior, and it refers to an outcome of criteria assessment by consumers regarding web site quality, information search, and product evaluation (Abdul-Muhmin, 2010; Yang & Lai, 2006).

According to (Tunsakul, 2020) the simplicity of ease of use be taken into account in the development of online shopping platforms. Online retailers should still pay attention to providing a pleasant shopping experience. Many consumers enjoy shopping through flash sales, dynamic pricing (prices change regularly), or coupon collecting. In addition, simplicity of shopping platforms includes ease of subscription, transaction, page navigation, payment, and order tracking.

Lastly, online retailers should also pay attention to the usefulness of an online shopping platform. Smart phone users, for instance, keep mobile applications they find useful, and uninstall those they do not. Usefulness is the ability of a system to help users fulfill their goals, save cost and time, and quickly search for information. An e-marketplace such as eBay, Lazada or Shopee allows buyers to search for and compare product information, to get what they want, and to pay the best prices for products.

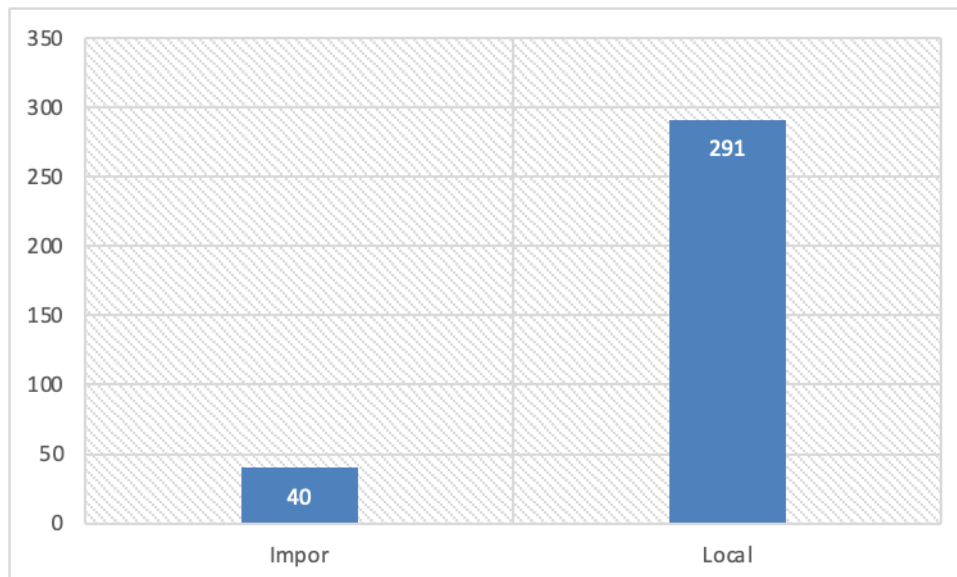


Figure 7
Preference Product Cosmetic-Skincare

Based on Figure. 7 survey results showed that as many as 291 people out of 331 or 88% used local products. This means that most prefer to use local products. Local products have a variety of choices that have been certified halal, but there are also imported products that are certified halal. This can also influence preferences in buying local cosmetic-skincare. Due to the limitations of the study, it was not studied more deeply the reasons for product use preferences.

Based on previous research (Andriani & Setiawan, 2020) showed that 74% chose to use local skincare products. It is also appropriate in this study that more people

use local products. In his research, people's considerations in buying local skincare products are because they are more suitable for their skin, the price of skincare products is more affordable, the products are easier to find, love for local products, local skincare products are made from natural ingredients, product quality is more reliable and many have received good reviews from beauty influencers, have BPOM standards so they are safe for skin, and their products are halal.

4. Conclusion

Based on the survey results that have been described in the research results, it can be seen that Gen-Z prefers to buy cosmetic-skincare products online, namely 84%. Furthermore, due to research on cosmetic-skincare, women are more dominant in buying halal cosmetic-skincare, which is 75%. However, this can also be used as an object for further research because men also buy cosmetic-skincare products. The author is aware of the limitations of the study. In this study the authors did not include the homogeneity variable. To determine the awareness of the halalness of a product in further research, it may be possible to spread it evenly so that there is no bias and get maximum results. Furthermore, samples and variables that support the research can be added.

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