

# DOES FAITH DICTATE THE PURCHASING BEHAVIOR OF MALAYSIAN MUSLIM MILLENNIALS AND GEN Z IN HALAL COSMETICS?

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**Abstract:** *The consumption of Halal cosmetics products has experienced significant growth in recent years. The State of the Global Islamic Economy Report (2022) reported that the global market size of Halal cosmetics is estimated to reach US\$93 billion in 2025 at a 4-year CAGR of 7.4%. This empirical study attempts to examine the determinant factors of purchasing behavior of Muslim Millennials and Gen Z in Malaysia towards Halal cosmetics behaviors in the expansion of the Halal economy. In addition, it also seeks to unearth whether faith acts as the mediating variable between determinants of purchasing behavior of Halal cosmetics amongst Malaysian Muslims. The determinants of purchasing behavior (product, price, place, promotion, and people) were examined in this study. Data were collected from 303 Malaysians through a questionnaire used to test the proposed model drawn from the Theory of Planned Behaviour (TPB). Structural equation modeling analysis revealed that three marketing stimuli variables of price, product, and promotion affect the faith and purchasing behavior of Halal cosmetic products, that faith mediates the relationship between price, product, and promotion and purchasing behavior of Halal cosmetic consumers. Results indicated that price, product, and promotion are considered as complementary mediation and that price is “direct-only non-mediation” in Gen Z, but “no-effect non-mediation” in Gen X and Millennials. The outcome of this research will not only advance theoretical knowledge but also provide practical implications to industry players involved in Halal cosmetics industry.*

**Keywords:** Gen Z; Millennials; faith; consumer behavior; Theory of Planned Behaviour; Halal cosmetics

## 1. Introduction

Cosmetics are implements that a person uses to improve the appearance and fragrance of the body. Usually, the production of these cosmetic products is a mixture of various materials such as chemicals, natural resources, and synthetic materials. Meanwhile, Halal cosmetic products mean that the mixed ingredients found in the cosmetic products come from sources that are Halal and permitted for consumption or use in Islam. In other words, there are no prohibited elements as decreed by Allah s.w.t in the al-Quran in these products. The selection of Halal

cosmetics products should be given priority by the consumer because it assures that the product is clean and does not harm oneself and their health if used.

There are many commands from Allah s.w.t in the al-Quran that urge mankind to choose Halal things rather than haram. If the status of Halal or Haram is unclear (i.e., *syubhah*), an individual is advised to stay away from it as supported in the hadith from the Prophet Muhammad s.a.w, as narrated by Bukhari and Muslim which sounds:

إِنَّا لَجَالِدُونَ بَيْنَ الْحَرَامِ وَالْحَلَالِ بَيْنَ مَا هُوَ بَيْنَهُمَا وَبَيْنَ مَا هُوَ بَيْنَهُمَا نَشَاءُ أَنْ تَلَابَسَ بِهِمَا مَعِشَرُ النَّاسِ سَنَوْنَهُمْ لَنَا وَنَحْنُ فَهُمْ لَمْ نَحْمِلْ  
 (... لا شَيْءَ تَفْتَنُكَ إِلَّا بَيْنَهُمَا بَلَدٌ وَوَعَدُ اللَّهِ حَقٌّ وَعَمَّا مَنِ الْبَشِيْءُ تَفْتَنُكَ فِي الْخَلْمِ

*“That which is lawful is clear and that which is unlawful is clear, and between the two of them are doubtful matters about which many people do not know. Thus, he who avoids doubtful matters clears himself regarding his religion and his honor, but he who falls into doubtful matters [eventually] falls into that which is unlawful...”*

Today there are various Halal cosmetic products that can cater to the needs and desires of the Muslim consumers. Among the Halal cosmetics products that are available in the market include makeup, face wash, soap, shampoo, and many more. Unfortunately, not all Muslim consumers first choice is to use Halal cosmetics products. Subsequently, this study seeks to identify what are the factors that encourage Muslim consumers to buy Halal cosmetic products. Is it due to the marketing strategies executed by the manufacturers, the sophistication of technology available today, a person’s religious belief, or others. These influences will be discussed in detail in this study.

## 2. Literature Review and Hypotheses Development

Typically, to know and understand the factors that drive the consumer or customer to purchase a product, it is important to look at their purchasing behavior. Purchasing behavior refers to the consumer’s search, purchase, usage, appraisal, and disposal of product, service, or ideas offered to them to satisfy their needs (Lin & Niu, 2018). Basically, it differs from one individual to another, and one generation to another. To ensure the results obtained are more comprehensive and holistic, this study will focus on the external and internal influential factors to see the purchasing behavior of Malaysian Muslim consumers (particularly among millennials and Generation Z) when they purchase Halal cosmetics products. For the external factors, this study looked at the marketing stimuli, while for the internal factor, this study focused on their religious beliefs.

### 2.1 Marketing Stimuli

Marketing stimuli is the stimulus that influences the decision making of consumers when they want to purchase a product or service offered to them. Marketing stimuli can be divided into two categories, namely internal stimuli and external stimuli. Internal stimuli refer to consumer’s internal factors, such as their religious belief; while external stimuli refer to the consumer’s external factors, such as marketing messages in terms of product, price, place, promotion, and people strategies. Research questions are:

H<sub>1</sub> - Product attributes have a positive influence on the purchase behaviour of Halal cosmetics among Malaysian Muslim millennials and Generation Z.

H<sub>2</sub> - Price attributes have a positive influence on the purchase behaviour of Halal cosmetics among Malaysian Muslim millennials and Generation Z.

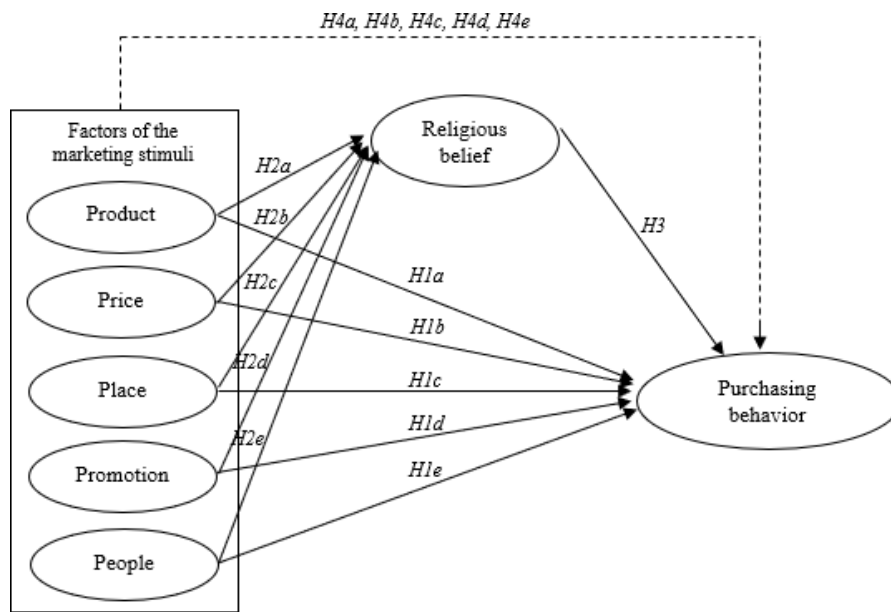
H<sub>#</sub> - Promotion attributes have a positive influence on the purchase behaviour of Halal cosmetics among Malaysian Muslim millennials and Generation Z.

H<sub>§</sub> - People attributes have a positive influence on the purchase behaviour of Halal cosmetics among Malaysian Muslim millennials and Generation Z.

## **2.2 Religious Belief**

Basically, religious or Islamic teaching is something that must come first or be a guide for Muslims in doing something, including in making decision to buy the products or services offered to them. This religious belief is closely related to Halal awareness since Febrianka et al. (2023), and Syukur and Nimsai (2018) revealed that religious belief can increase Halal awareness significantly. Logically, when someone has awareness or knowledge about Halal, it will encourage them to buy Halal products. This is consistent with the findings of Purwanto and Sudargini (2021) and Vizano et al. (2021) who revealed that the higher awareness of Halal products, the greater the relationship between buying interest and buying behavior of Halal products. For products, one method commonly used to highlight if the products offered is permissible or lawful according to Islamic law is by placing Halal brand on the packaging. Halal brand has an impact on the customer's intention to purchase as revealed by Masood (2021), Khan et al. (2021), and Nasirun et al. (2019). In addition, in the studies of Rahman and Handayani (2022), Jaiyeoba et al. (2020), Anggadwita et al. (2019) and Hong (2018), this factor was found is one of the most important determinants in influencing customers to buy halal products. This is supported by Nugraha Pratama et al. (2023) and Bashir et al. (2018) who found that halal-based brand awareness has a significant impact on the intention to purchase and buying behaviour towards Halal products. In this regard, this study suggests the hypothesis below:

**H<sub>6</sub>:** Religious belief is a mediating between the factors of marketing stimuli and purchasing behaviour towards Halal cosmetics among Malaysian Muslim millennials and Generation Z.



**Figure 1.** Proposed models for the factors of the marketing mix (product, price, place, promotion, and people) affecting purchasing behavior and mediated by religious belief of Halal Cosmetics in Malaysia based on the Theory of Planned Behavior (TPB) model by Ajzen and Fishbein (1991)

### 3. Research Methodology

This research was conducted with a quantitative approach to investigate the influence of the factors of the marketing mix (i.e. product, price, place, promotion, and people) on purchasing behaviour. Furthermore, the study also explored the role of religious belief in mediating the relationship between factors of the marketing mix and purchasing behaviour. This section provides details on the instruments used for measurement, data collection methods, and analysis techniques employed.

#### *Questionnaire design and survey*

Survey method has been employed and primary data have been collected from the respondents by self-administered questionnaires through online survey using Google Form to Muslim consumers at various locations throughout Malaysia. In order to accomplish the objective as well as answer the research question, the primary data was gathered through the employment of a structured closed-ended questionnaire. The cover page of the questionnaire provided respondents with an idea of what the research is all about.

The survey was created to gather all respondents' information and is divided into two sections. In the first section (Section A), the questionnaire includes questions about the details of participants' demographic such as gender, birthdate, education, location, salary per month and job status. The second section comprises 37 items that assess the levels of the factors of the marketing mix, purchasing behaviour and religious belief. Table 1 depicts the sources of the questionnaire items. However, some of the items were developed by the authors to ensure it is more comprehensive. The questionnaire used a 5-point Likert-scale for its suitability when it comes to collecting data using a survey method as indicated by Hair et al. (2009). All items were evaluated using a five-point Likert scale, ranging from strongly disagree (1) to strongly agree (5).

## Discussion

All the hypotheses regarding marketing mix and purchasing behavior: H1a, H1b, and H1d; as well as marketing mix and religious belief: H2a, H2b, and H2d, was found to have significant and positive effects on purchase behaviour of Muslim millennials and Gen Z towards Halal cosmetics. That is specifically H1a (product), H1b (price) and H1d (promotion) affects positively the purchase behaviour of Muslim millennials and Gen Z.

Regarding the mediation effects, the relationship between product and promotion falls under the category of complementary mediation. This is because both the direct and indirect effects were significant and had the same direction. These findings suggest that product and promotion play crucial roles in influencing the intention to purchase Halal cosmetics products with religious belief. Specifically, the positive impact of product quality (H1a) and promotions (H1d) to purchase behaviour concur with the findings of Masood (2021) although the respondents were categorised as working adults and university students. Results from this study also suggests that the behaviour of Muslim millennials and Gen Z are also similar. Apparently regardless of which generation Halal cosmetics purchasers belong to, they will favour Halal cosmetics which are of high quality. Promotions also play a significant role towards influencing purchase behaviour of Halal cosmetics consumers as it increases their awareness to what is available in the market.

Results of the mediation analysis indicated that product and promotion (H4a and H4d) had significant and positive effects with product quality brought on with religiosity impacts purchase behaviour of Halal cosmetics purchase behaviour significantly. This is to say that, the quality of a cosmetics products which has been certified Halal increases faith of purchaser in the said product and dictates their behaviour positively.

Analysis of hypothesis in Table 7, indicated religious belief and purchasing behavior of Muslim millennials and Gen Z for Halal cosmetic products (H3) are significant and positive. Such findings aligned with the findings of Haque (2018) who conducted a study on Muslim consumers' purchase behavior towards Halal cosmetics products in Malaysia. Furthermore, the direct effect between religious belief and purchasing behavior of halal cosmetic products (H3) was also significant and positive which indirectly concurred with that conducted by Handriana (2021) that affirmed religiosity had a significant impact on consumers' attitude towards Halal cosmetics products. This behaviour is expected as Muslims are obligated to buy Halal products and leave that which are Haram or *shubhah*.

In the case of price, the mediation effect results indicate that it is considered a direct-only non-mediation factor. It implies that price is important in shaping the intention to buy Halal cosmetics products. Especially in times of economic distress, consumers will always be dictated by their disposable income which ultimately influence their purchase behaviour regardless of their faith. However, according to Hong et al. (2018) price affects Halal cosmetics purchases by Chinese Muslims between the age of 17 – 25 years; especially if the price of halal products is competitive compared with non-halal products, they will buy more halal products. competitive compared with non-halal products, they will buy more halal products.

On the other hand, place and people exhibit a no-effect non-mediation pattern, as there are no significant direct or indirect effects. This indicates that place and people are not influential factors in the intention to purchase Halal cosmetics products.

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