

## **Determinants of the Halal Cosmetics Adoption among Young Consumers in the Klang Valley**

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### **Abstract**

The global increase in young consumer population and purchasing power has created a new demand for halal cosmetics product development. In Malaysia, it is now the trend in the industry of cosmetics for local manufacturers to produce halal cosmetic products. As the market growth is rapid, the manufacturers of cosmetics are eager to dominate

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the market and come up with many product varieties in order to pursue and satisfy customers. However, most consumers are conscious of the ingredients used in the making of cosmetic products. While the introduction of new products may facilitate companies in gaining competitive advantage, the failure rate of local products is high. Therefore, the objectives of this study are to understand the relationship between product characteristics, social influence and individual innovativeness with halal cosmetics adoption among young consumers in the Klang Valley, Malaysia. The sampling of this study comprised 350 respondents using survey questionnaires that were distributed in shopping malls in the Klang Valley. In order to test the model, this study used the structural equation modelling (SEM) technique using partial least squares (PLS) with SmartPLS 3.2.8. The findings of this study show that there is a positive relationship between product characteristics, social influence and individual innovativeness towards halal cosmetics adoption among respondents. This study demonstrates that halal cosmetics adoption is increasing among young consumers. Therefore, cosmetics producers or marketers need to understand the behaviour of young consumers in order to ensure that failure rate can be minimised.

**Keywords**

Halal cosmetics adoption, young consumers, product characteristics, social influence, individual innovativeness.

**Introduction**

Malaysia has a vision to position itself as the halal hub in the region to promote, distribute, and produce halal products and services to serve Muslims all over the world. The Malaysian government has tirelessly taken numerous efforts to achieve this goal. In order to be recognised as halal, goods need to be certified

by the Department of Islamic Development Malaysia (JAKIM). This is important as the certification provides confidence in consumers for the goods to be marketed in Malaysia or exported abroad. Therefore, it can be argued that halal products have an influence on the lifestyle of Malaysians while at the same time, contribute to the growth of economy in Malaysia.

It is a current global trend in the industry of cosmetics to produce halal cosmetics. This is due to the fact that many consumers are conscious of the ingredients used in the making of cosmetics. This leads to cosmetics manufacturers producing a variety of products to fulfil the market demand which is estimated to be 2.4 billion Muslims worldwide.<sup>1</sup> The market size for halal cosmetics is expected to have a value of USD52.02 billion by the year 2025.<sup>2</sup> Cosmetics are products that are applied to the human body for cleansing, beautifying, promoting attractiveness, and altering appearances<sup>3</sup> whether as leave-on or rinse-off.<sup>4</sup> Our bodies and facial appearances play significant roles in modern society.<sup>5</sup> As such, cosmetics are articles that can be applied on the human body for cleansing, beautifying, or enhancing the appearance without actually affecting the body. It has also been argued that physically attractive people can gain more opportunities to have a perfect match. People also feel that physically attractive people are more intelligent, co-operative, dominant, social and higher in self-esteem.<sup>6</sup>

1. Kenji Sugibayashi et.al., "Halal Cosmetics: A Review on Ingredients, Production, and Testing Methods," *Cosmetics* 6, no. 3 (2019): 37.
2. Laura Wood, "The Halal Cosmetics Market 2019: Size, Share & Trends Analysis Report (2019–2025)," *Business Wire* (6 June 2019), <https://www.businesswire.com/news/home/20190606005610/en/The-Halal-Cosmetics-Market-in-2019-Size-Share-Trends-Analysis-Report-2019-2025---ResearchAndMarkets.com> (accessed 20 September 2020).
3. Federal Food, Drug and Cosmetic Act, 1938.
4. Sugibayashi et al., "Halal Cosmetics."
5. Bryan S. Turner, *The Body & Society: Explorations in Social Theory* (London: SAGE Books, 2008), 97–98.
6. James Andreoni & Ragan Petrie, "Beauty, Gender and Stereotypes: Evidence from Laboratory Experiments," *Journal of Economic Psychology* 29, no. 1 (2008): 73–93.

The market for halal cosmetics has so much potential as it is a new trend in the modern lifestyle.<sup>7</sup> The halal cosmetics industry is gaining the attention of the world due to the confidence that Muslim consumers have on halal-certified products. Cosmetics are considered a “must have” for both men and women because of the attention given to, and awareness of, beauty on the part of Muslim consumers. The demand for halal cosmetic products is on the rise, driven not only for Muslim consumers, but also the interest garnered for high quality halal and safe products.<sup>8</sup>

This study specifically examines how young Muslim consumers perceive halal cosmetics. The literature surveyed highlights that cosmetic products are generally consumed for the purpose of creating an impression as well as managing social contexts due to the cosmetics’ symbolic and communicative attributes,<sup>9</sup> making it more pertinent and appealing to the cohort of young adult consumers, who are found to be more consumption-oriented, socially-conscious and open to multiculturalism.<sup>10</sup> Within the context of Malaysia, they represent the prime market for clothing and personal care products.<sup>11</sup>

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7. Azreen Jihan Che Mohd Hashim & Rosidah Musa, “Modeling the Effects on the Attitude of Young Adult Urban Muslim Women towards Halal Cosmetic Products: New Insights for Championing the Halal Economy,” *International Journal of Education and Research* 1, no. 7 (2013): 1–8.
  8. Dominique Patton, “Why a Halal Label is Critical for Major Exporters,” *Halal Focus* (31 July 2007), <https://halalfocus.net/why-a-halal-label-is-critical-for-major-exporters/> (accessed 30 July 2019).
  9. Hamza Salim Khraim, “The Influence of Brand Loyalty on Cosmetics Buying Behavior of UAE Female Consumers,” *International Journal of Marketing Studies* 3, no. 2 (2011): 123–133; C.W. Chen, T.H. Chen & Y.F. Lin, “Statistical Analysis for Consumers’ Intentions of Purchasing Cosmetics,” *African Journal of Business Management* 5, no. 29 (2011): 11630–11635.
  10. Sylvia Ann Hewlett, Laura Sherbin & Karen Sumberg, “How Gen Y and Boomers will Reshape your Agenda,” *Harvard Business Review* 87, no. 7–8 (2009): 71–76.
  11. Selamah Abdullah Yusof & Jarita Duas, “Consumption Patterns and Income Elasticities in Malaysia,” *Malaysian Journal of Economic Studies* 47, no. 2 (2010): 91–106.

## **Fundamentals of Halal in the Sharī‘ah**

The term “halal” is used in the Qur’ān which signifies being lawful, allowed or permitted. Halal is not just restricted to food, but engulfs all areas of life. Therefore, halal food means food and drinks which are permitted for consumption by Muslims, and it is obligatory on them to abide by such a rule. Nevertheless, the current use of the word in the field of the halal industry signifies food products, meat, cosmetics, personal care products, food ingredients, and food contact materials.<sup>12</sup>

The Qur’ān and the Prophetic Tradition (Sunnah) use the term halal to connote either a quality of moral conduct or a material. By halal material or food, the Qur’ān provides some general guidelines, which among others are: “They ask you (O, Prophet) what is made lawful for them. Say: (All) good and wholesome things are made lawful”;<sup>13</sup> and, “O ye who believe! Eat of the good things wherewith We have provided you, and render thanks to Allah if it is (indeed) He whom ye worship.”<sup>14</sup> Wholesome and healthy food has been made lawful according to the Qur’ān except that which has been clearly prohibited, for instance, harmful foods and beverages and those that are objectionable on moral basis. This also includes animals that are slaughtered in the name of a deity, other than Allah the Almighty. Moreover, the Qur’ān also carries several specific injunctions with regard to the prohibition of some elements:

He has forbidden you the dead animals, blood, flesh of swine and that which is slaughtered as a sacrifice for others than Allah (or has been slaughtered for idols, on which Allah’s name has not been mentioned

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12. Sri Widias Tuti Asnam Rajo Intan, “The Economics of Halal Industry: More than just Label Marketing,” *MyForesight* (7 November 2019), <https://www.myforesight.my/2019/11/07/the-economics-of-halal-industry-more-than-just-label-marketing/> (accessed 30 June 2020).

13. *Al-Mā‘idah* (5): 4.

14. *Al-Baqarah* (2): 172.

*Narizan, Nor Azaruddin, Ahmad Badri / TAFHIM 13 No. 2 (Dec 2020): 55–83*

while slaughtering). But if one is forced by necessity, without willful disobedience, or transgressing due limits, then is he guiltless. For Allah is Oft-forgiving, Most Merciful.<sup>15</sup>

The Prophetic Tradition relates to the Qurʾān in various aspects. It may clarify ambiguous part of the Qurʾān, specify general rulings in the Qurʾān and may also consist of rulings regarding which the Qurʾān is silent, which is known as the founding tradition (*sunnah muʾassasah*). Therefore, the Sunnah is not merely a supplement to the Qurʾān, but is also an independent reference of the Sharīʿah. With regard to halal and haram, in addition to the types of food explicitly declared as forbidden by the Qurʾān, the Sunnah also rules on some others regarding which the Qurʾān is silent.<sup>16</sup> For instance, the prohibition of donkey meat which is stated in the hadith narrated by Anas:

The Prophet reached Khaybar in the morning, while the people were coming out carrying their spades over their shoulders. When they saw him they said, “This is Muhammad and his army! Muhammad and his army!” So, they took refuge in the fort. The Prophet raised both his hands and said, “Allahu Akbar, Khaibar is ruined, for when we approach a nation (i.e. enemy to fight) then miserable is the morning of the warned ones.” Then we found some donkeys which we (killed and) cooked: The announcer of the Prophet announced: “Allah and His Apostle forbid you to eat donkey’s meat.”<sup>17</sup>

It is also important to note that the textual guidelines of the Sharīʿah on halal and haram could be summarised in one principle, that is, no unjustifiable prohibition should be imposed on a thing that is not explicitly made haram by the text

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15. Ibid.: 173.

16. Yūsuf al-Qaradāwī, *Kayfa Nataʿamal maʿa al-Sunnah al-Nabawiyah* (Cairo: Dar al-Shuruq, 2002), 52.

17. *Sahih Bukhari*, Volume 4, Book 52, hadith no. 234.

of Qurʾān or the Sunnah. The Qurʾān explicitly declares this fact that, “This day all things good and pure have been lawful to you”;<sup>18</sup> and further in the same chapter, “O ye who believe, forbid not the good things that God has made halal for you.”<sup>19</sup> Following this principle, jurists have formulated certain maxims that regulate the ruling of halal and haram in Islam, which reads: “Permissibility is the basic norm in all things unless there be evidence to the contrary.”<sup>20</sup> However, in spite of the Qurʾān and the Sunnah being the main sources of halal and haram in Islam, independent reasoning (*ijtihād*) and jurist opinion (*fatwā*) are also instrumental, especially in providing solution to new issues on which direct rulings in the two main sources are not available; for instance, questions regarding Muslims consuming a variety of genetically modified foodstuffs or cloned animals.<sup>21</sup>

Furthermore, the role of custom (*al-ʿurf*) is also crucial in ascertaining the value of *mandūb* (recommended) and *makrūh* (reprehensible) which normally correspond with the approval of the people of sound nature (*ahl al-ʿurf*). For instance, although the Shariʿah law recognises a food as halal, yet, when it is not preferred by the local society, the status may be relegated to the *makruh* category. Whereas, a foodstuff that is deemed *mubah* may be elevated to the *mandūb* status due to the society’s preference for it. For example, in the event that there is no indicative ruling in the Qurʾān regarding a type of food, it could be deemed halal according to the Shafiʿites and Hanbalites, if the majority of the Arabs and people of sound nature consider it to be clean.<sup>22</sup> In other words, people’s preferences, climate and cultural factors play a crucial role in the Shariʿah-based evaluation of foodstuffs and materials.

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18. *Al-Māʾidah* (5): 6.

19. *Ibid.*: 87.

20. Abdur Rahman I. Doi, *Shariʿah: The Islamic Law* (Kuala Lumpur: A.S. Noordeen, 2007), 406–407.

21. Mohammad Hashim Kamali, *Principles of Islamic Jurisprudence* (Kuala Lumpur: Ilmiah Publisher, 2000), 314.

22. Wahbah al-Zuhaili, *al-Fiqh al-Islamiyy wa Adillatuhu*, vol. 3 (Damascus: Dar al-Fikr, 1989), 513.

The principle of necessity is also instrumental when discussing the topic of halal with regard to materials and foodstuff. Such a principle is important as it recognises the genuine needs of people and facilitates those who are experiencing hardship. This principle is found in a Qur’ānic statement that declares: “God does not intend to impose any hardship on you.”<sup>23</sup> According to this principle, one may partake things that are clearly ruled as haram by the text due to dire circumstances in which one find oneself. This may include consuming blood, dead meat, pork, wine, and meat that is slaughtered with other than God’s name being invoked, on the ground of dire necessity (*darūrah*). However, the resorting to the provision of *darūrah* is not without strict conditions. Among the conditions are that a person who consumes unlawful things (*al-muḥarramāt*) must be in a helpless condition, there being no way to save his life or that of his dependants other than consuming what is unlawful; the person must have no initial intention to break the law; and he should not take the prohibited food more than the amount that is necessary to save himself and remove him from hardship.<sup>24</sup>

There are also some other jurisprudential principles in the Sharīah that are useful in the halal discourse especially in the production of modern pharmaceuticals and cosmetics. Among others, is the *istiḥālah* concept which connotes the changing of defiled or forbidden substance to produce a totally different substance in name, properties as well as characteristics. The concept derives its authority from the Qur’ān and the Sunnah: “And indeed, for you in grazing livestock is a lesson. We give you drink from what is in their bellies—between excretion and blood—pure milk, palatable to drinkers.”<sup>25</sup>

Animal milk produced by grazing livestock is halal although it lies between stool and blood in the animal blood.

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23. *Al-Hajj* (22): 78.

24. See Uwais ‘Abd Halim, *Mawsu‘ah al-Fiqh al-Islamī al-Mu‘āṣir*, vol. 1 (Mansurah: Dar al-Wafa’, 2005), 167–168.

25. *Al-Nahl* (16): 66.



Moreover, milk is also produced from the foods eaten by animals which are digested in their stomach and transformed into blood, flesh, milk or excretion. In the same vein, ‘Abd Allah bin ‘Umar narrated that: “The Prophet SAW prohibited consuming the meat of *jalālah* animals as well as their milk.” The *jalālah* animals that feed on filth are not lawful for consumption. However, they may become halal when the animals are quarantined and fed with pure fodder until their physical conditions return to the condition of normal livestock.<sup>26</sup> The same process could be traced in the event whereby gelatine originating from unlawful animal bones, skin or veins is produced through the *istihālah* process. Arguably, it is thus pure and halal to be consumed provided that it has totally been transformed in substance and features during such process.

The abovementioned Sharī‘ah principles of halal, while mostly focussing on foodstuff, are also relevant in the context of ensuring the permissibility of cosmetics which is the focus of this article. It must be noted that the constituents of cosmetics can include compounds such as “water, oil, surfactants, polymers, organic solvents, colourants, proteins, vitamins, plant extracts, preservatives and antioxidants.”<sup>27</sup> It is critical that the source of ingredients for cosmetics is ascertained clearly in ensuring that the cosmetics produced is halal.<sup>28</sup> Therefore, in terms of the constituents of halal cosmetics, it is essential that they are derived from “plants, soil, water, permissible animals slaughtered according to Islamic law, marine animals deemed halal, and synthetic materials that are safe for consumers and unadulterated with filth.”<sup>29</sup>

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26. Taqī al-Dīn Ahmad Ibn Taymiyyah, *Majmu‘ah al-Fatawā* (Riyadh: Maktabah al-Ma‘arif, n.d.), 556; Ibn Qudāmah, *al-Mughnī*, vol. 1 (Beirut: Dar al-Kutub al-‘Ilmiyyah, n.d.), 65; Ibn Qayyim al-Jawziyyah, *‘Ilam al-Muwaqī‘in ‘an Rabb al-‘Alāmīn* (Cairo: Dar al-Ḥadīth, 1993), 15.

27. Hiroshi Iwata & Kunio Shimada, “Developing the Formulations of Cosmetics,” in *Formulas, Ingredients and Production of Cosmetics: Technology of Skin-and-Hair-care Products in Japan*, ed. Hiroshi Iwata & Kunio Shimada (Tokyo: Springer, 2017), 101–107.

28. Sugibayashi et al., “Halal Cosmetics.”

29. Ibid.

Criteria for halal cosmetics are defined clearly in the *Malaysian Standard for Halal Cosmetics—General Requirements (MS 2634:2019)*. The criteria listed in the standard are as follows: (1) Do not consist of or contain any part of matter of an animal that is prohibited by the Shari'ah law and *fatwā* for a Muslim to consume or that has not been slaughtered in accordance with the Shari'ah law and *fatwā*; (2) Do not contain anything that is filth (*najis*) according to the Shari'ah law and *fatwā*; (3) Do not intoxicate according to the Shari'ah law and *fatwā*; (4) Do not contain any part of a human being or its yield which are not allowed by the Shari'ah law and *fatwā*; (5) Are not poisonous or hazardous to health; (6) Have not been prepared, processed or manufactured using any instrument that is contaminated with *najis* according to the Shari'ah law and *fatwā*; (6) Have not in the course of preparing, processing and storing been in contact with, mixed, or in close proximity to any materials that fail to satisfy items 1 and 2 above.<sup>30</sup>

### **Problem Statement and Objectives of the Study**

Most cosmetics and other personal care products are made by non-Muslim producers. In Malaysia, up until the end of 2018, statistics show that 121 halal certificates registered under the cosmetics and personal care category are owned by non-Bumiputera while the remaining 83 are the Bumiputera.<sup>31</sup> Uncertainty may arise mainly on the use of materials in the production of cosmetics. Many cosmetics contain alcohol as humectant that helps deliver material into the skin, emollients, or cleaning agents. Fat acid and gelatine, which are porcine in

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30. Department of Standards Malaysia, "Malaysian Standard for Halal Cosmetics—General Requirements (MS 2634:2019)," (Cyberjaya: Department of Standards Malaysia), 2.

31. Rabiatul Adawiyah Abd Rahman & Zalina Zakaria, "Pelaksanaan Standard Kosmetik Halal: Malaysian Standard MS 2200—Bahagian 1: 2008 Barangan Gunaan Islam—Kosmetik dan Dandanan Diri—Garis Panduan Umum: Satu Sorotan Literatur," *Journal of Shari'ah Law Research* 4, no. 2 (2019): 137–158.

origin, are used in products such as moisturizers, shampoo, facial mask, and lipstick.<sup>32</sup> According to a newspaper report, the use of non-halal products which also contain lead can result in hormonal imbalance, kidney problems and inflammatory skin in the long term.<sup>33</sup> Therefore, it is crucial for relevant authorities such as JAKIM in Malaysia to assist in providing more awareness and exposure on the importance of halal certification for cosmetic products. The success of halal certified products also depends on how well consumers understand the Shari'ah principles pertaining to halal cosmetics as well as the products' benefits to them. Educating consumers is essential to highlighting the significance of using halal cosmetics, and this is relevant not only to Muslims but also non-Muslims.

In view of the problem statement, this article is designed with the following objectives, namely: (1) to identify the relation of product characteristics with halal cosmetics adoption; (2) to identify the relation of social influence with halal cosmetics adoption; and, (3) to identify the relation of individual innovativeness of halal cosmetics with adoption of halal cosmetics.

## **Hypotheses**

### *Product Characteristics*

Within the context of halal cosmetics, Muslim consumers may repeat the purchase if the attributes of the products such as their ingredients, texture and performance conform to their

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32. Ahlam Nuwairah Ahmad, Azmawani Abd Rahman & Suhaimi Ab Rahman, "Assessing Knowledge and Religiosity on Consumer Behavior towards Halal Food and Cosmetic Products," *International Journal of Social Science and Humanity* 5, no. 1 (2015): 10–14.

33. Intan Mas Ayu Shahimi, "Lambakan Kosmetik Haram," *Harian Metro* (19 January 2017), <https://www.hmetro.com.my/node/198633> (accessed 30 June 2020).

cultural requirements and personal taste.<sup>34</sup> Product characteristics that are incongruent with Islamic values may lead to cultural conflicts and ethical dilemmas. Prior researches have associated halal cosmetics as symbol of cleanliness, safety and high quality, since the production of these goods need to be carried out under strict hygienic conditions according to Good Manufacturing Practice (GMP) and Public Health Legislation.<sup>35</sup> The sensory experience of cosmetic products is based on their appearance, texture, and smell which in turn, are measures of quality. Thus, the hypotheses propose:

H1: There is positive relationship between product characteristics and halal cosmetics adoption.

### *Social Influence*

The fundamental assumption is that individuals are motivated to employ social influence tactics in order to accomplish preconceived goals.<sup>36</sup> In addition to this, value perceptions, which include purposive value, self-discovery, inter connectivity, social enhancement and entertainment value, affect community user participation through social identity.<sup>37</sup> The social influence theory can also be adopted to examine instant messaging user behaviour.<sup>38</sup> Social influence theory proposes that people develop a sense of the self from the groups to which they belong. Thus, the hypothesis proposes:

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34. Khraim, "The Influence of Brand Loyalty," 123–133.

35. Azreen & Rosidah, "Modeling," 1–8.

36. Robert Hogan & Gerhard Blickle, "Socioanalytic Theory," in *Handbook of Personality at Work*, ed. Neil D. Christiansen & Robert P. Tett (New York: Routledge, 2013), 53–70.

37. Utpal M. Dholakia, Richard P. Bagozzi & Lisa Klein Pearo, "A Social Influence Model of Consumer Participation in Network and Small-Group-Based Virtual Communities," *International Journal of Research in Marketing* 21, no. 3 (2004): 241–263.

38. Paschal Sheeran, "Intention-Behavior Relations: A Conceptual and Empirical Review," *European Review of Social Psychology* 12, no. 1 (2002): 1–36.

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H2: There is positive relationship between social influence and halal cosmetics adoption.

*Individual Innovativeness*

An innovation is an idea, practice, or object that is perceived as new by an individual or organisation. People and organisations vary a great deal in their “innovativeness.” Innovativeness has to do with how early in the process of adoption of new ideas, practices, etc. that the individual or organisation is likely to accept a change. Within the halal industry, consumers who are more open to new experience may have little trouble changing their daily routine from using non-halal to halal personal care products. They may habitually enjoy searching for information about potential benefits of halal cosmetic brands and may also influence other shopper’s product choices by sharing their knowledge.<sup>39</sup> Thus, the hypothesis proposes:

H3: There is positive relationship between individual innovativeness and halal cosmetics adoption.

**Halal Cosmetics Adoption**

As stated earlier, “halal” is a term that connotes lawfulness and permissibility, and covers all areas of life, while “haram” is anything that is forbidden to Muslims.<sup>40</sup> Motivated by the gaps identified above, this study aims to determine the adoption of halal cosmetics among Muslims. In examining the factors that may affect their attitudes towards such product, this study expands prior research work related to Muslim consumers

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39. Kim Kyoung-hwa & Kim Deukha, “A Study on the Attitude toward Make-Up Cosmetics by Fashion Leadership—Ranging in Silver Generation Women,” *Journal of the Korean Society of Design Culture* 16, no. 4 (2010): 52–68.

40. Jennifer R. Eliasi & Johanna T. Dwyer, “Kosher and Halal: Religious Observances Affecting Dietary Intakes,” *Journal of the American Dietetic Association* 102, no. 7 (2002): 911–913.

depending greatly on labels on the outer packaging in facilitating them to select halal cosmetics.<sup>41</sup> Yet, with various products available on the market written in their scientific nomenclature, the adoption of halal cosmetics products may become complex without proper halal label or illegitimate use of halal logo. In this article, consumer’s adoption of halal cosmetics is also shaped by social pressure and the opinion of their reference group such as family and friends. Consumer innovativeness is found to be a significant factor, suggesting that Muslim consumers appear to adopt halal cosmetics, based on the level of their innovativeness.

### Proposed Conceptual Framework

The relationship among the three hypotheses and halal cosmetics adoption is shown in Figure 1 below.

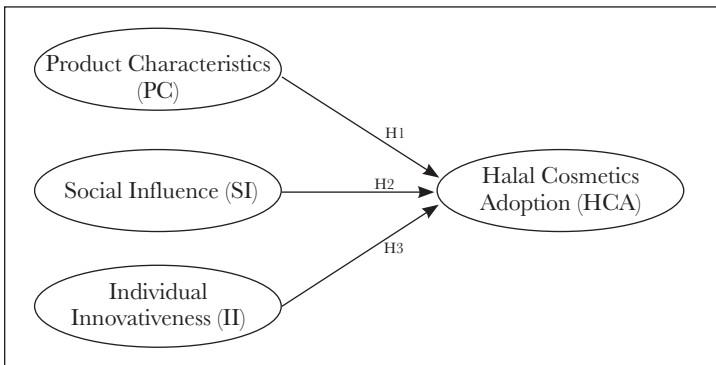


Figure 1: Conceptual Framework

41. Norafni@Farlina Rahim, Zurina Shafii & Syahidawati Shahwan, “Awareness and Perception of Muslim Consumers on Halal Cosmetics and Personal Care Products,” *International Journal of Business, Economics and Management* 2, no. 1 (2016): 1–14.

## **Research Methodology**

The unit of analysis of this study is at the customer level. Respondents of this study consist of consumers in the chosen area between the age of 18 and 25 years old (generation Y, the young consumer is from age 18 to 25 years old). The total sample of this study is 350. Based on the general rule, the minimum number of respondents or sample size is five-to-one ratio of the number of independent variables to be tested, although some proposed that the acceptable ratio is ten-to-one.<sup>42</sup> Non-probability purposive sampling was used in this study. Since a list of all the elements of the population could not be obtained, this study used a non-probability sampling of convenience sampling. In non-probability sampling, members are selected from the population in a non-random manner. The advantage of probability sampling is that sampling error can be calculated. Sampling error is the degree to which a sample might differ from the population. When inferring to the population, results are reported plus or minus the sampling error. In non-probability sampling, the degree to which the sample differs from the population remains unknown.<sup>43</sup> The questionnaire comprises three parts which are parts A, B and C. Part A is for demographic and personal details of respondents, part B consists of screening questions, and part C is the assessment tools to identify the relation of halal cosmetics adoption among young consumers in the Klang Valley. Some modification is made to the original version of the instrument in order to suit this study's context in examining halal cosmetics adoption.

A sample of 450 self-administered questionnaires were used for gathering data from the respondents. The process of distribution and collection of questionnaires was carried out over

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42. See for example Joseph F. Hair, William C. Black & Barry J. Babin, *Multivariate Data Analysis: A Global Perspective* (London: Pearson Education, 2010).

43. Uma Sekaran & Roger Bougie, *Research Methods for Business: A Skill Building Approach* (New Jersey: Wiley, 2016), 247–251.

a period of three months. A total of 330 questionnaires were received and used for this analysis which translates to about a 73 per cent response rate. The next section presents the assessment of constructs in terms of their validity and reliability within the research framework. A questionnaire using a seven-point Likert scale was used to gather data for each construct of the research model. All instruments were adapted from previous literatures and were modified to measure the performance. The questionnaires were designed based on a multiple item measurement scale adapted from previous research.

In order to test the research model as illustrated in Figure 2, the data analysis of this study utilised the structural equation modelling (SEM) technique using partial least squares (PLS) with SmartPLS 3.2.8 software.<sup>44</sup> SmartPLS is a second-generation analysis software that can be used to test composite models with latent variables. The recommended two-stage analytical procedures as recommended by quantitative analysts are followed,<sup>45</sup> whereby the measurement model is first tested to validate the instruments, followed by the testing of the structural model to check the hypothesised relationships.

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44. Christian M. Ringle, Sven Wende & Alexander Will, “SmartPLS 2.0 (beta).” *Hamburg: SmartPLS* (2005), <https://www.smartpls.de> (accessed 10 April 2012).

45. James C. Anderson & David W. Gerbing, “Structural Equation Modelling in Practice: A Review and Recommended Two-Step Approach,” *Psychological Bulletin* 103, no. 2 (1988): 411–423.



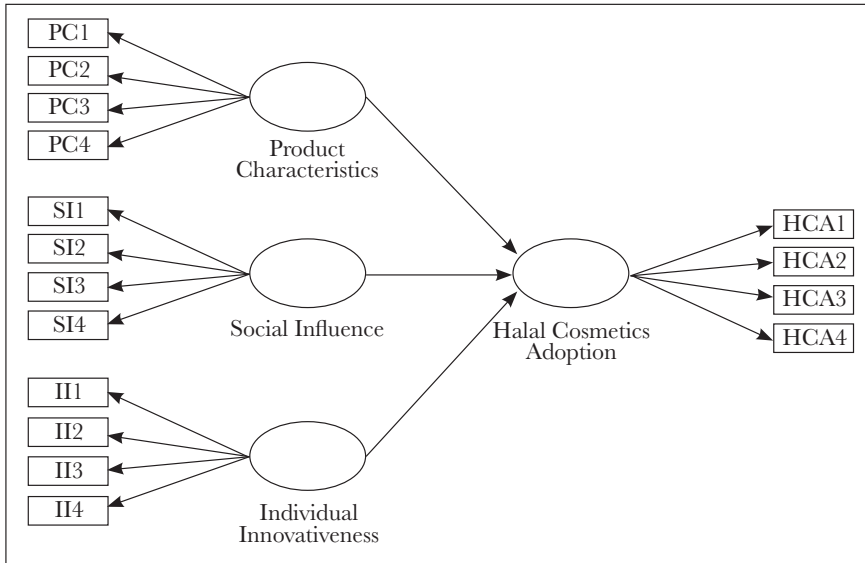


Figure 2: Research Model

## Result and Discussion

The objective of the study was to examine the relation between halal cosmetics adoption and product characteristics, individual innovativeness and social influence among young consumers in the Klang Valley. In order to realise the objective of the study, a model was proposed that tested the direct relationship. The rationale for carrying out this analysis was to determine how halal cosmetics adoption influenced young consumers.

## Demographic profile

Table 1 shows the result of demographic profile. There were 121 males and 209 female respondents. The age group ranged from 18 years to 25 years, and are also detailed in Table 1. Table 1 shows the age and gender combinations for the selected sample of respondents.

	<b>Frequencies</b>	<b>Percentage (%)</b>
Gender:		
Male	121	36.7
Female	209	63.3
Age:		
18–19 years	72	21.8
20–21 years	117	35.5
22–23 years	63	19.1
24–25 years	78	23.6
Race:		
Malay	184	55.8
Chinese	52	15.8
Indian	84	25.5
Others	10	3.0
Employment:		
Government	23	7.0
Private	106	32.1
Self-employed	28	8.5
Unemployed	22	6.7
Schooling	151	45.8

**Table 1: Sample Demographics**

The descriptive analysis includes the profile in terms of gender, age, race and occupational state of each respondent. The majority of the respondents who participated in this survey were females with 63.3 per cent followed by male respondents with 36.7 per cent. In terms of age, the majority of the respondents were between 20 and 21 years old or 35.5 per cent. Next, the age range was between 24 and 25 years old with 23.6 per cent, while 21.8 per cent of respondents were of the age 18 to 19 years old, followed by 22 to 23 years old with 19.1 per cent. The race of the respondents shows that the majority were Malays which consisted of 55.8 per cent, followed by Indians at 25.5 per

cent, Chinese at 15.8 per cent, and finally other races at 3.0 per cent. The breakdown of the respondents in terms of occupation shows that the majority of the respondents who participated in the survey were students at 45.8 per cent, followed by the private sector at 32.1 per cent, self-employed consisting of 8.5 per cent, government at 7.0 per cent, and finally 6.7 per cent of the respondents being unemployed.

### **Measurement Model Analysis**

To assess the measurement model, existing literature suggests that the indicator loadings, average variance extracted (AVE), and also the composite reliability (CR) values to measure the convergent validity (CV) have to be looked at. The CV evaluates whether or not the items represent one and the same underlying construct. The loadings of the indicators have first to be assessed to ensure that they be above the threshold of 0.5, the AVE be above 0.5, and the CR value be above 0.7.<sup>46</sup> As from Table 2, all the values are above the recommended value points, thus ensuring achievement of CV. At the next level, discriminant validity (DV) was verified which indicates the extent to which a construct differs from other constructs within the model. The square root of the AVE is compared with the correlations among constructs. In cases where the square roots of the AVE values are higher than the correlation values in the respective row and column, it can be confirmed that the measures are discriminant. Table 3 shows that the square roots of the AVEs are higher than the row and column values; as such DV is confirmed.

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46. Wynne W. Chin, Abhijit Gopal & William David Salisbury, "Advancing the Theory of Adaptive Structuration: The Development of a Scale to Measure Faithfulness of Appropriation," *Information Systems Research* 8, no. 4 (1997): 342–367; Roya Gholami, Ainin Sulaiman, T. Ramayah & Alemayehu Molla, "Senior Managers' Perception on Green Information Systems (IS) Adoption and Environmental Performance: Results from a Field Survey," *Information & Management* 50, no. 7 (2013): 431–438.

<b>Construct</b>	<b>Item</b>	<b>Loadings</b>	<b>AVE</b>	<b>CR</b>
Product Characteristics (PC)	PC1	0.884	0.840	0.682
	PC2	0.896		
	PC3	0.846		
	PC4	0.655		
Social Influence (SI)	SI1	0.831	0.839	0.661
	SI2	0.822		
	SI3	0.767		
	SI4	0.828		
Individual Innovativeness (II)	II1	0.828	0.727	0.530
	II2	0.699		
	II3	0.711		
	II4	0.662		
Halal Cosmetics Adoption (HCA)	HCA1	0.875	0.783	0.610
	HCA2	0.656		
	HCA3	0.809		
	HCA4	0.770		

Note: Item PC5 was deleted due to low loadings.

Table 2: Measurement Model

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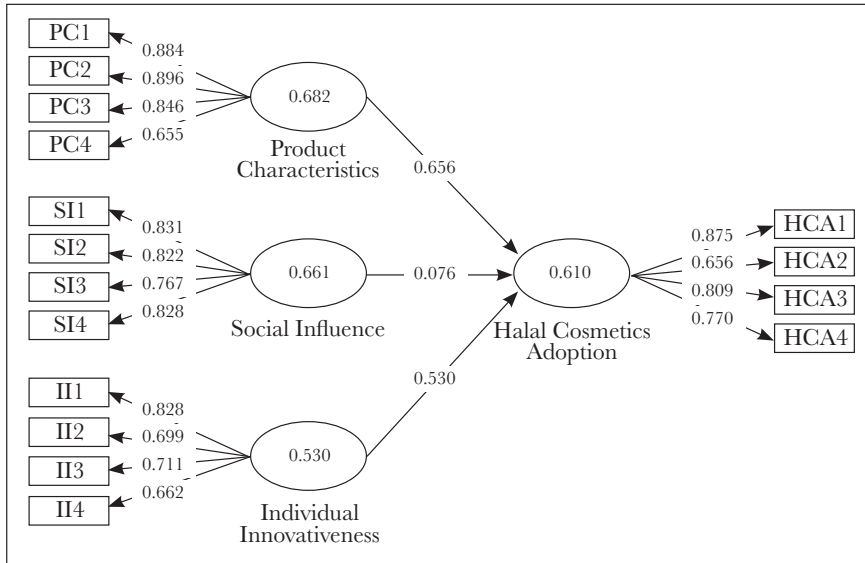


Figure 3: Measurement Model

The second step was to test discriminant validity,<sup>47</sup> which is the extent to which a construct is truly distinct from other constructs in terms of how much it correlates with other constructs, as well as how much indicators represent only a single construct.<sup>48</sup> Two methods to evaluate the discriminant validity are proposed<sup>49</sup> by looking at the cross loading indicators and following the Fornell and Larcker criterion.<sup>50</sup> The discriminant validity was also assessed by examining the correlations between the measures of potential overlapping constructs. Items should load higher on their own constructs in the model. The average

47. Anderson & Gerbing, “Structural Equation Modelling,” 411–423.  
 48. Hair et al., *Multivariate Data Analysis*; Gholami et al. “Senior Managers’ Perception on Green Information Systems,” 431–438.  
 49. Hair et al., *Multivariate Data Analysis*.  
 50. Claes Fornell & David F. Larcker, “Evaluating Structural Equation Models with Unobservable Variables and Measurement Error,” *Journal of Marketing Research* 18, no. 1 (1981): 39–50.

variance shared between each construct and its measures should be greater than the variance shared between the construct and other constructs.<sup>51</sup> As depicted in Table 2, the square correlations for each construct are lower than the AVE by the indicators measuring construct, which indicates adequate discriminant validity. As a whole, the measurement model demonstrates adequate convergent validity and discriminant validity.

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1. Halal Cosmetics Adoption	<b>0.781</b>			
2. Individual Innovativeness	0.291	<b>0.728</b>		
3. Product Characteristics	0.711	0.281	<b>0.826</b>	
4. Social Influence	0.386	0.364	0.430	<b>0.813</b>

Table 3: Discriminant Validity

### Structural Model Analysis

The structural model, also known as an inner model in PLS-SEM, describes the relationship between the latent variables in the research model. The variance explained (R<sup>2</sup>) the endogenous constructs and the significance of all path estimates established the goodness of the theoretical model.<sup>52</sup> Table 4 shows the Smart PLS 3.2.8 results of the structural model testing. The variables representing product characteristics ( $\beta = 0.079$ ,  $p = 0.034$ ), social influence ( $\beta = 0.656$ ,  $p = 0.00$ ), and individual innovativeness ( $\beta = 0.076$ ,  $p = 0.063$ ) were positively related to halal cosmetics adoption. Thus, H1, H2, and H3 were supported (Table 4).

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- 51. Deborah Compeau, Christopher A. Higgins & Sid Huff, “Social Cognitive Theory and Individual Reactions to Computing Technology: A Longitudinal Study,” *MIS Quarterly* 23, no. 2 (1999): 145–158.
  - 52. Wynne W. Chin, “How to Write Up and Report PLS Analyses,” in *Handbook of Partial Least Squares*, ed. Vincenzo Esposito Vinzi, Wynne W. Chin, Jörg Henseler & Huiwen Wang (Berlin: Springer, 2010), 655–690.

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Hypotheses	Relationship	Std. Beta	SE	t-Value	P Values	UL	LL	Decision
H1	Product Characteristics → Halal Cosmetics Adoption	0.079	0.043	1.839	0.034	0.576	0.715	Supported
H2	Social Influence → Halal Cosmetics Adoption	0.656	0.043	15.366	0.00	0.013	0.158	Supported
H3	Individual Innovativeness → Halal Cosmetics Adoption	0.076	0.048	1.577	0.063	0.005	0.145	Supported

Table 4: Hypothesis Testing

**Conclusion and Recommendation**

This study supports predictable views of the influence of independent variables of product characteristics, social influence and individual innovativeness on the halal cosmetics adoption among young consumers in the Klang Valley using the partial least square (PLS) techniques in testing hypotheses. It also examines how halal cosmetics adoption may predict young consumers’ preferences. The results show that the measures used exhibit both convergent and discriminant validity. As such, the measures in the proposed model in this study are shown to be reliable. The findings of this study confirm views that product characteristics, social influence and individual innovativeness are identified to be positively and significantly linked to the halal cosmetics adoption among young consumers in the Klang Valley.<sup>53</sup>

53. The findings of this article corroborate those from studies such as Suhana Mohezar, Suhaiza Zailani & Zainorfarah Zainuddin, “Halal Cosmetics Adoption among Young Muslim Consumers in Malaysia: Religiosity Concern,” *Global Journal Al-Thaqafah* 6, no. 1 (2016): 47–59; Phuah Kit Teng & Wan Jamaliah Wan Jusoh, “Investigating Student Awareness and Usage Intention towards Halal Labelled Cosmetics and Personal Care Products in Malaysia,” paper presented at the 4th International Conference on Business and Economic Research, at Golden Flower

Therefore, more efforts should be carried out to disseminate awareness and knowledge of halal cosmetic products to Malaysian industries in general. Cosmetic producers or marketers need to understand the behaviour of young consumers. Future studies are needed to examine non-Muslim students' awareness, understanding and intention to use halal cosmetic products, and also their willingness to pay for halal cosmetic products. The success of halal-certified cosmetics based on MS 2634: 2019 depends on how well consumers understand the principles pertaining to halal. Educating consumers is essential to highlighting the significance of using halal cosmetics, and this is relevant not only to Muslims but also non-Muslims.

In view of the large potential of halal cosmetics, marketers and manufacturers should consider getting their products certified halal. This is because halal certification is now considered to be an important branding strategy in business that can bring about many opportunities. This study has provided empirical evidence of the adoption of halal cosmetics in Malaysia which is important in understanding the level of acceptance and understanding of consumers vis-à-vis halal cosmetics. Data from this study have provided insights which could facilitate industry practitioners in improving cultural competence and providing superior halal cosmetic products to the culturally sensitive market segments which can lead to increasing market share.

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Hotel, Bandung, 4–5 March 2013; Syed Aqif Mokhtar & Mohsin Butt, "Intention to Choose Halal Products: The Role of Religiosity," *Journal of Islamic Marketing* 3, no. 2 (2012): 108–120; Jamal Abdul Nassir Shaari & Nurcahyani Arifin, "Dimension of Halal Purchase Intention: A Preliminary Study," *International Review of Business Research Papers* 6, no. 4 (2010): 444–456; Abdullah Swidi, Wie Cheng, Mohamad Ghozali Hassan, Asma Al-Hosam & Abdul Wahid Mohd Kassim, "The Mainstream Cosmetics Industry in Malaysia and the Emergence, Growth and Prospects of Halal Cosmetics," paper presented at the Third International Conference on International Studies, at Hotel Istana, Kuala Lumpur, 1–2 December 2010.



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