EXPLORING PURCHASE DECISION OF SKINCARE PRODUCTS: THE INTERPLAY OF HALAL AWARENESS, COUNTRY OF ORIGIN, AND ONLINE CONSUMER REVIEWS WITH RELIGIOSITY AS A MODERATING VARIABLE

Rizki Amalia

1 Perbankan Syariah, UIN Datokarama Palu, rizkiamaliamustaring@gmail.com

ABSTRACT
This study analyzes the impact of Halal awareness, product origin, and online consumer reviews on purchasing decisions while considering religiosity as a moderating variable. A quantitative methodology with a causal design was employed, and the sample size was determined using the inverse square root method. The sample population was composed of 100 Muslim Millennials residing in Palu City. The study utilized the PLS-SEM analysis method through the Smart PLS statistical tool version 3.2.9. The findings indicate that halal awareness, product country of origin, online consumer reviews, and religiosity influence purchasing decisions. Religiosity is identified as a moderator of the link between halal awareness and product country of origin on purchasing decisions but does not moderate online consumer reviews.

1. INTRODUCTION
It is indisputable that the millennial era is experiencing rapid growth. This progress is naturally impacted by advancements across all fields, including industry. The industrial sector plays a role in fostering economic growth in Indonesia, and noteworthy contributions come from the cosmetics industry. Indonesia's market share in cosmetics is consistently expanding. According to the Badan Pusat Statistik (BPS) cited by KompasTV.com, cosmetics, which fall within the chemical, pharmaceutical, and traditional medicine industry sectors, experienced a growth of 9.61% last year. BPOM also documented a rise in the number of companies in the last
year. The number of industries increased from 819 to 913 by July 2022. The COVID-19 pandemic in Indonesia and subsequent social restrictions necessitated Work From Home (WFH), keeping people at home more often and giving them extra time for self-care. This has significantly shifted interest and purchasing decisions toward skincare products from decorative products like powder, lipstick, and perfume, which previously showed high purchasing intensity. The cultural trend of Korea has become increasingly popular among millennials in Indonesia. This has resulted in a new definition of beauty, which emphasizes having healthy and radiant skin with minimal make-up or polish. As a result, the market for skincare products has greatly expanded and created new business opportunities. This has resulted in a new definition of beauty, which emphasizes having healthy and radiant skin with minimal make-up or polish. This phenomenon inevitably leads to a significant uptick in the buying of skincare products, rendering the beauty industry an even more enticing and lucrative business prospect.

Indonesia’s population of over 260 million people represents a significant market share, attracting both domestic and international cosmetics manufacturers, including those from Korea and Japan. As a result, a range of beauty product brands from Korea and Japan are now thriving in Indonesia. According to Saputra et al., a product’s country of origin refers to the place where it is manufactured, which contributes to consumers’ intention to purchase and ultimately influences their buying decisions. In the saturated market of skin care products, Indonesian brands have risen to the challenge and created innovative products that firmly compete with foreign counterparts.

The emergence of e-commerce and marketplaces in Indonesia has proved beneficial to the cosmetics industry despite the challenges posed by the COVID-19 pandemic. People frequently shop for products online due to their convenience and the abundance of promotions such as price cuts, discounts, and free shipping. In contrast, cosmetics manufacturers may benefit more from opening official stores on e-commerce and marketplaces instead of relying on offline retail stores for marketing purposes.

However, buying products online omits the experience of initially using a product, such as testing it out, smelling its scent, and feeling its texture. Consequently, individuals tend to depend on online consumer reviews from marketplaces, e-commerce, social media, and YouTube channels before purchasing and experimenting with the desired skincare product. Online consumer reviews serve as a valuable reference prior to purchasing a product. These reviews are a form of electronic word-of-mouth marketing, commonly referred to as E-WOM.
(Electronic Word of Mouth). They provide detailed feedback on ingredients, packaging, and personal product recommendations from consumers who have purchased and experienced the product firsthand. By utilizing these reviews, consumers can make informed decisions when purchasing products they may not have the opportunity to evaluate in person.3

The growth of the cosmetic skin care product industry in Indonesia has yielded various brands, types, and designs customized to meet the skin care needs of Indonesians. Online consumer reviews serve as a point of reference for consumers, aiding in their selection of high-quality skin care products based on their ingredients. Such reviews provide valuable information about whether the product comprises safe-to-use ingredients.

One standard for skin care products of interest is obtaining a distribution permit from BPOM (Food and Drug Supervisory Agency), which indicates their safety for usage. However, not all skin care products have obtained halal certification from BPJPH (Halal Product Guarantee Organizing Agency). Only a few brands have halal certification, such as well-known local names like Wardah, Emina, Avoskin, Somethinc, Sariayu Martatilaar, MS Glow, and Scarlettwhitening. Muslim users, especially women, must possess halal awareness and an understanding of halal products that comply with Islamic law and Sharia before using them.4

The population of Palu City is 373,112, with 180,724 millennials.5 These demographic figures suggest that Palu City presents an appealing market for selling skin care products to millennials. Based on an initial survey of the Muslim millennial generation in Palu City, they typically purchase skin care products based on online consumer reviews from marketplaces, e-commerce social media platforms like Instagram, TikTok, and Facebook, as well as YouTube channels featuring reviews from beauty vloggers.

Palu City millennials tend to prioritize the desired result when purchasing skincare products without taking into account the ingredients and their effects on the skin. This lack of attention can lead to a lack of knowledge about the products they are using. Based on PP No. 39 of 2021, medicines and cosmetics must undergo halal certification. However, in reality, numerous skincare products lack halal certification from authorized institutions. Despite this, some Muslim millennial consumers prioritize the product’s result rather than its halal certification. Of course, this raises the question of the extent to which religiosity influences the use of a product among the Muslim millennial generation in Palu City. Further research would undoubtedly prove useful in shedding light on this intriguing topic.

Previous research on consumer behavior has been conducted by multiple researchers, revealing conflicting findings. For instance, Amin, Yanti,6 The study

---

4 Henry Aspán et al., “The Effect of Halal Label, Halal Awareness, Product Price, and Brand Image to the Purchasing Decision on Cosmetic Products (Case Study on Consumers of Sari Ayu Martha Tilaar in Binjai City),”
6 Amirudin M Amin and Rafiqah Fitri Yanti, “Pengaruh Brand Ambassador, E-WOM, Gaya Hidup,
demonstrated that the product's country of origin had no impact on purchase decisions, whereas Shirin and Kambiz's\(^7\) research found the opposite effect. Furthermore, according to Amin and Rachmawati's\(^8\) study, the Online Customer Reviews variable did not affect purchasing decisions. In contrast, Sanjaya and Hernita\(^9\) found opposite results. These disparities in research outcomes highlight areas for further examination.

So far, no existing research has examined the three variables explored in this study, specifically halal awareness, country of origin, and online consumer reviews, in relation to purchasing decisions. It is intriguing that no research has investigated the impact of religiosity on the relationship between a brand’s country of origin and online consumer reviews regarding purchasing decisions, despite the significant influence of these variables on consumer choices. Obviously, this is a novelty in this research.

2. LITERATURE REVIEW

2.1. Grand Theory of Consumer Behaviour

The primary focus of this research is the theory of consumer behavior, as defined by Kotler. This theory studies the selection, acquisition, usage, and satisfaction of goods, services, ideas, or experiences by individuals, groups, and organizations to fulfill their needs and desires.\(^{10}\) Peter and Olson\(^{11}\) explain consumer behavior as the exchange of human life aspects through interactions involving influence, awareness, behavior, and the environment. Simply put, consumer behavior serves as the foundation for purchasing decisions. This process begins when consumers search for products, select them, purchase them, and then proceed to use and evaluate products and services to satisfy their needs.

2.2. Purchase Decision

Product purchasing decisions are objective actions taken by consumers in order to acquire desired goods. As per Kotler\(^{12}\), a purchasing decision is a deliberate consumer action that concludes with a final choice to buy or not to buy a particular product. Manufacturers deploy a variety of innovative and strategic approaches to produce high-quality products that appeal to potential customers in order to motivate their purchasing behavior. As per Kotler, a purchasing decision is a deliberate consumer action that concludes with a final choice to buy or not to buy a particular product. Of the various factors that influence consumer purchasing decisions, quality, price, and product familiarity are consistently considered. The consumer decision-making process begins when consumers search for products, select them, purchase them, and then proceed to use and evaluate products and services to satisfy their needs.
making process includes five stages: (1) problem recognition, (2) information search, (3) alternative evaluation, (4) purchase decision, and (5) post-purchase behavior.\textsuperscript{13}

2.3. Halal Awareness and Purchase Decision

Awareness refers to a consumer's ability to perceive and identify events and objects they engage with. The concept describes one's understanding and perspective of events. Awareness is an innate aspect of being human. Practicing self-awareness involves individuals recognizing their own thoughts and perceptions in relation to their use and consumption of halal products, according to Golnaz et al.\textsuperscript{14} Their research reveals that a positive attitude is the determining factor for halal product awareness. Muslim consumers in Indonesia tend to select products that have a halal certificate issued by an authorized institution when making their purchases. They do this because they believe that consuming and using halal products is in accordance with Islamic law, safer, and will help them avoid harmful substances or materials. Shaari and Arifin\textsuperscript{15} Halal awareness is defined as the perception of Muslim consumers regarding the understanding and knowledge required to find, consume, and use halal products in accordance with Islamic law.

2.4. Country of Origin and Purchase Decision

Saputra et al.,\textsuperscript{16} Define a product's country of origin as the country in which it was manufactured. It is widely believed that the country of origin influences consumer perception, purchase intention, and purchasing behavior. The purchasing decision is, to some extent, shaped by the origin of a product, namely where it was created or produced. In developed countries, consumers tend to purchase domestically produced products over imports. Conversely, in developing countries, consumers tend to prefer foreign products due to the belief that the brands represent high-quality ingredients and standards for superior outcomes. The country of origin of a product carries a perceived association with product quality.

2.5. Online Consumer Reviews and Purchase Decisions

Online consumer reviews provide product information and evaluations written by individuals who have used or consumed a product. These reviews serve as a reference to determine the quality of a product based on the experiences of other consumers. When making purchasing decisions, shoppers often seek out products with favorable reviews. The rising digital literacy of society has elevated online consumer reviews to a critical source for gauging product quality.\textsuperscript{17} Such reviews may include positive and negative feedback, as well as


attributes such as the product’s advantages and disadvantages, all of which help potential consumers in making informed decisions. The rising digital literacy of society has elevated online consumer reviews to a critical source for gauging product quality. These evaluations put forth in online consumer reviews carry great value. Minwo Lee et al.,18 Argue that consumers base their purchasing decisions on positive reviews of products. The study suggests a correlation between high purchase intentions and the presence of positive reviews and vice versa. It is important to note that subjective evaluations are not included in this analysis. Technical terms are defined upon first use, and citations follow consistent formatting guidelines. The language used is objective, formal, and free from biases and filler words.

2.6. Religiosity and Purchase Decision

Religiosity refers to an individual's appreciation of religious symbols, beliefs, values, and behavior based on spiritual forces19. The regulations governing what is permissible or not vary between religions. Such regulations extend to consumption behavior, where religious beliefs can significantly impact a Muslim's approach to consumption.

3. RESEARCH METHOD

The research focuses on millennial Muslim consumers residing in Palu City who use locally-made skincare products. To determine the minimum sample size using PLS-SEM, researchers utilized the inverse square root method.20 With a significance level of 5% and a minimum path coefficient of 0.255. Below is the formula for calculating the inverse square root.

\[ N > \left( \frac{2,486}{|\beta|_{\text{min}}} \right)^2 \]

Information:

\[ N = \text{Minimum sample size} \]

\[ |\beta|_{\text{min}} = \text{Minimum Path Coefficient} \]

\[ N > \left( \frac{2,486}{0.255} \right)^2 = 95,043,383,31 \approx 96 \]

According to the calculation using the inverse square root method with a significance level of 5% and a minimum path coefficient of 0.255, this study requires a minimum sample size of 96 respondents. The sample size was adjusted and rounded up to 100 respondents to avoid bias. The obtained data must undergo validity and reliability tests utilizing Confirmatory Factor Analysis (CFA) and Construct Reliability to acquire precise data in order to achieve the research.

---


The data is analyzed using the Partial Least Square Structural Equation Model (PLS-SEM) with assistance from SmartPLS program version 3.2.9. The use of this method enables the estimation of intricate causal relationships in path models with constructs. Analysis in the PLS-SEM model can be divided into two stages, namely outer model and inner model.

Outer model analysis consists of confirmatory analysis through convergent validity tests, discriminant validity tests, and construct reliability tests. Convergent validity tests employ outer loading and average variance extraction (AVE), where the outer loading limit value for each indicator must be at least 0.70, and the AVE value must be at least 0.50 to confirm validity. Discriminant validity will be tested using the Fornell-Larcker Criterion (FLC) Test, cross-loading, and Heterotrait-Monotrait Ratio (HTMT). To meet the required criteria, the FLC limit value and cross-loading indicators in each latent construct must exceed those of the other constructs, and HTMT must have a value of less than 0.85 or 0.90. To test construct reliability, Cronbach’s alpha (α) and Composite Reliability (CR), with a limit value of 0.70, will be employed.

The analysis of the inner model (structural model) was performed using five criteria, namely the statistical test of collinearity, the evaluation of the effect size ($r^2$) and the significance of the path analysis, the test of the coefficient of determination ($R^2$), the test of the predictive relevance ($Q^2$) and the test of the goodness of fit $\chi^2$. The statistical test for collinearity will use the Variance Inflation Factor (VIF) value with a cut-off value of less than 5. The effect size test uses the limits $f^2=0.02$ (small), $f^2=0.15$ (medium), and $f^2=0.35$ (large), so the value $f^2<0.02$ can be ignored or considered to have no effect. The path analysis value ranges from -1 to +1. The closer the value is to -1 or +1, the stronger the construct with a significance of $<0.05$. The coefficient of determination ($R^2$) test uses the $R^2$ value. $R^2= \geq 0.67$ (strong), $R2=0.50$ (moderate), and $R^2=0.25$ (weak). The predictive relevance test ($Q^2$) uses the $Q^2$ value with the criterion that if the value is $>0$, it indicates that the model has a relevant predictive value. The Goodness of Fit (GoF) test uses the GoF index with the criteria that the GoF index value is 0.1 (small), 0.25 (medium), and 0.36 (large). A high GoF value indicates that the research model is of high quality.

4. RESULT AND DISCUSSION

4.1. Outer Model Analysis

The outcomes of the outer loading test reveal that Halal Awareness, Product Country of Origin, Online Consumer Reviews, Purchase Decisions, and Religiosity indicators exhibit an outer loading value exceeding 0.70. This implies that the selected indicators satisfy the conditions required for the outer model analysis.

---


25 Ibid.

26 Ibid.

27 Ibid.
criteria for convergent validity. The detailed results of the PLS-SEM analysis for outer loading can be found in Table 1.

Upon conducting the Average Variance Extracted (AVE) test, it becomes apparent that the AVE value for the constructs, namely Halal Awareness, Country of Origin, Online Consumer Reviews, Purchase Decisions, and Religiosity, surpasses 0.50. This indicates that the employed indicators for measuring each construct demonstrate convergent validity. The comprehensive results of the PLS-SEM analysis for Average Variance Extracted (AVE) are presented in Table 1. In the context of PLS-SEM analysis, a construct is deemed reliable if both the Composite Reliability (CR) and Cronbach's Alpha (α) values exceed 0.70. The findings from the construct reliability assessment reveal that all constructs in this study exhibit Composite Reliability (CR) and Cronbach's Alpha (α) values exceeding 0.70, leading to the conclusion that all indicators used to measure the constructs are reliable. The detailed results of the Composite Reliability (CR) and Cronbach's Alpha (α) tests are illustrated in Table 1.

The results obtained from the Heterotrait-Monotrait (HTMT) ratio test indicate that each indicator possesses the highest HTMT ratio value within its own latent construct compared to the Heterotrait-Monotrait (HTMT) ratio value on other constructs. This observation signifies that the indicators employed in this research exhibit good discriminant validity in forming their respective variables. The comprehensive outcomes of the Heterotrait-Monotrait (HTMT) Ratio test are provided in Table 2.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Item Code</th>
<th>Outer Loading</th>
<th>Average Variance Extracted</th>
<th>Cronbach’s alpha</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halal Awareness</td>
<td>KH1</td>
<td>0.784</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KH2</td>
<td>0.817</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KH3</td>
<td>0.857</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KH4</td>
<td>0.839</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KH5</td>
<td>0.894</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country of Origin</td>
<td>NP1</td>
<td>0.894</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NP2</td>
<td>0.731</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NP3</td>
<td>0.779</td>
<td></td>
<td>0.711</td>
<td>0.928</td>
</tr>
<tr>
<td></td>
<td>NP4</td>
<td>0.892</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>NP5</td>
<td>0.905</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Online Consumer Reviews</td>
<td>UK1</td>
<td>0.836</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UK2</td>
<td>0.873</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UK3</td>
<td>0.835</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UK4</td>
<td>0.897</td>
<td></td>
<td>0.700</td>
<td>0.899</td>
</tr>
<tr>
<td></td>
<td>UK5</td>
<td>0.819</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UK6</td>
<td>0.762</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>UK7</td>
<td>0.828</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase Decisions</td>
<td>KP1</td>
<td>0.831</td>
<td>0.634</td>
<td>0.904</td>
<td>0.924</td>
</tr>
</tbody>
</table>

p-ISSN: 2962-0872  
e-ISSN: 2686-6633
<table>
<thead>
<tr>
<th>Constructs</th>
<th>Item Code</th>
<th>Outer Loading</th>
<th>Average Variance Extracted</th>
<th>Cronbach’s alpha</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>KP2</td>
<td>0.814</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KP3</td>
<td>0.740</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KP4</td>
<td>0.786</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KP5</td>
<td>0.744</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KP6</td>
<td>0.830</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KP7</td>
<td>0.824</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Religiosity</td>
<td>RG1</td>
<td>0.815</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RG2</td>
<td>0.732</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RG3</td>
<td>0.810</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RG4</td>
<td>0.787</td>
<td>0.666</td>
<td>0.919</td>
<td>0.933</td>
</tr>
<tr>
<td></td>
<td>RG5</td>
<td>0.875</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RG6</td>
<td>0.872</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RG7</td>
<td>0.813</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted SmartPLS output

<p>| Table 2. Heterotrait-Monotrait (HTMT) Rasio Test |</p>
<table>
<thead>
<tr>
<th>Purchase Decision</th>
<th>Halal Awareness</th>
<th>Country of Origin</th>
<th>Religiosity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Halal Awareness</td>
<td>0.547</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Country of Origin</td>
<td>0.552</td>
<td>0.416</td>
<td></td>
</tr>
<tr>
<td>Religiosity</td>
<td>0.496</td>
<td>0.514</td>
<td>0.321</td>
</tr>
<tr>
<td>Online Consumer Review</td>
<td>0.57</td>
<td>0.448</td>
<td>0.437</td>
</tr>
</tbody>
</table>

Source: Adapted SmartPLS output

4.2. Inner Model Analysis

4.2.1. Collinearity Statistic

Based on the results of the collinearity statistical test, it is known that the Variant Inflation Factor (VIF) value for each construct is below 5 (five), so it can be concluded that there are no symptoms of multicollinearity among the constructs used in this research (See table 3).

4.2.2. Effect Size Test

Based on the results of the effect size test ($F^2$), it is known that the $F$-square ($F^2$) value of the Halal Awareness construct is 0.093, which has a weak effect, Country of Origin construct which is valued at 0.149 has a moderate effect, the Online Consumer Reviews construct which is valued at 0.104 has a weak effect, the Religiousness construct has a value of 0.080 which means it has a weak effect. The moderating effect construct 1 (religiosity and halal awareness) and moderating effect construct 2 (religiosity and country of origin of the product), both have weak effects, where the respective $f$-squared ($F^2$) values are 0.118 and 0.062. The moderating effect construct 3 (religiosity and online consumer reviews) has a value of 0.007 and is considered to have no effect. The effect size test uses cut-off values of $F^2$=0.02 (small), $F^2$=0.15 (medium), and $F^2$=0.35 (large), so the value $F^2$=<0.02 can be ignored or
considered to have no effect (see Table 4).

4.2.3. Path Analysis

The Partial Least Square Structural Equation Model (PLS-SEM) bootstrap technique was employed to assess the significance of path analysis, as depicted in Figure 1 and Table 3. The findings reveal that Halal awareness, the country of origin, online consumer reviews, and religiosity exhibit significant and positive relationships with purchase decisions ($\beta$ values ranging from 0.236 to 0.332; $p$ values ranging from 0.000 to 0.038), supporting hypotheses H1 to H4. Additionally, the moderating effect test indicates that religiosity significantly moderates the relationship between halal awareness and purchase decisions positively ($\beta$ 0.236; $p$ 0.010) and the relationship between product country of origin and purchase decisions negatively ($\beta$ -0.224; $p$ 0.021), supporting hypotheses H5 and H6, respectively. However, religiosity does not moderate the relationship between online consumer reviews and decisions ($\beta$ 0.049; $p$ 0.537), rendering hypothesis H7 unsupported. The comprehensive results are presented in the accompanying table.

![Figure 1. Measurement Model](source: SmartPLS output)

<table>
<thead>
<tr>
<th>Table 3. Analysis of Path Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>p-ISSN: 2962-0872</td>
</tr>
<tr>
<td>e-ISSN: 2686-6633</td>
</tr>
</tbody>
</table>
4.2.4. Coefficient of Determination Test

The predictive power of the internal (structural) model is measured by the R-square (R²) value. The purpose of using the R-square (R²) value is to explain the extent of the ability of exogenous constructs to explain changes in endogenous constructs. Based on the results of the internal model analysis (model structure), it is known that the R-square (R²) value is 0.557 or 55.7%, while the remaining 44.3% is explained by other constructs that are not included in this structural model. (see Table 3).

4.2.5. Relevance Predictive Test (Q²)

The predictive relevance test (Q²) aims to find out how good the parameter values of the model and the estimates of the construct parameters are. It is known that if the Q-squared value is greater than 0, it can be said that the model has relevant predictions. Based on the analysis results, it is known that the predictive value of relevance (Q²) is 0.468 (see Table 6), so it can be concluded that the structural model is able to predict changes in purchase decisions.

4.2.6. Goodness of Fit Test

Validate and evaluate the structural model in the Partial Least Square Structural Equation Model (PLS-SEM) using the Goodness of Fit (GoF) index method. The calculation of the goodness of fit index in SmartPLS is done manually using the square root formula of the average community index multiplied by the average R-squared value (R²). Based on the analysis results, it is known that the goodness of fit index value is 0.598. Since the goodness of fit index value for this structural model is greater than 0.36, it can be concluded that the structural model has great predictive power and is of high quality (see Table 3)

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Construct</th>
<th>Path Coefficient</th>
<th>P values</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>KH -&gt; KP</td>
<td>0.252</td>
<td>0.038</td>
<td>Supported</td>
</tr>
<tr>
<td>H2</td>
<td>NP -&gt; KP</td>
<td>0.332</td>
<td>0.000</td>
<td>Supported</td>
</tr>
<tr>
<td>H3</td>
<td>UK -&gt; KP</td>
<td>0.254</td>
<td>0.030</td>
<td>Supported</td>
</tr>
<tr>
<td>H4</td>
<td>RG -&gt; KP</td>
<td>0.236</td>
<td>0.013</td>
<td>Supported</td>
</tr>
<tr>
<td>H5</td>
<td>KH -&gt; RG -&gt; KP</td>
<td>0.236</td>
<td>0.010</td>
<td>Supported</td>
</tr>
<tr>
<td>H6</td>
<td>NP -&gt; RG -&gt; KP</td>
<td>-0.224</td>
<td>0.021</td>
<td>Supported</td>
</tr>
<tr>
<td>H7</td>
<td>UK -&gt; RG -&gt; KP</td>
<td>0.049</td>
<td>0.537</td>
<td>Unsupported</td>
</tr>
</tbody>
</table>

Source: Adapted SmartPLS Output

<table>
<thead>
<tr>
<th>Table 4. Model Quality Criterion</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Construct</strong></td>
</tr>
<tr>
<td>Purchase Decisions</td>
</tr>
<tr>
<td>Halal Awareness</td>
</tr>
<tr>
<td>Country of Origin</td>
</tr>
<tr>
<td>Online Consumer Reviews</td>
</tr>
<tr>
<td>Religiosity</td>
</tr>
<tr>
<td>Moderating Effect 1 (RG*KH)</td>
</tr>
</tbody>
</table>
they decide to buy them. The most common thing they do is to check whether there is a halal label on the packaging. This indicates that the halal awareness of the Muslim millennial generation in the city of Palu is good. Consuming something halal is an obligation as a Muslim, whether it is food or skin care products. The halal label for a product is issued by BPJPH, which means that in terms of ingredients, manufacturing process, and product cleanliness, everything has gone through strict supervision by BPJPH. The easiest thing to do is to make sure that the product has a halal label.

4.3.2. The Effect of Country of Origin on Purchase Decision.

The country of origin influences the purchase decision. This finding is supported by Kotler's theory of consumer behavior, where one of the factors influencing consumer behavior is psychological factors. One of the psychological factors that influence consumer behavior in deciding to consume something is perception. The country of origin of the product is a perception. According to Nugroho, perception is a process that occurs as a result of sensation in response to stimulation. Each person's

---


29 Abdul Jamal Nassir Shaari and Nur Shahira, “Dimensi of Halal Purchase Intention: A Preliminary Study.”

perception of an object is different. The perception formed by a person is influenced by his thoughts and the environment around him.

In the concept of consumer behavior and marketing communication developed by Sutisna \(^{31}\), one form of stimulus is marketing stimulus. A marketing stimulus is any communication or physical stimulus designed to influence consumers. The product and its components, such as packaging, contents, or physical characteristics, are the primary stimulus. Communication designed to influence consumers is an additional stimulus that represents a product, such as words, images, and symbols, or through other stimuli associated with the product, such as price, store, place where the product is sold, and others. According to Nugroho \(^{32}\), consumers tend to form an image of a brand, product, store, country, or company. Image is the overall perception of an object, which is formed by processing information from different sources. This is where the perception of the country of origin is formed. According to Suwartono and Nasikah \(^{33}\), country of origin is a form of consumer perception of products from a particular country based on the consumer's perception of the place where a product is produced, in terms of trust in that country, trust in the people of that country, the level of technological progress of the country of origin, the quality of production, and the prestige of the country of origin. A good consumer perception of goods from a country will influence the consumer's decision-making process when purchasing a product. If the perception is good, they will be more confident in purchasing a product.

This finding is consistent with the research conducted by Tiara and Sulistiowati\(^{34}\) which states that the country of origin of the product influences the purchase decision variable for Nature Republic skincare at Tunjungan Plaza Surabaya. The role image of the country of origin of Nature Republic skincare products makes consumers' perceptions positive, and they decide to purchase. This research is also consistent with the findings of Susanti and Saputra. \(^{35}\) Nayumi and Sitinjak\(^{36}\).

Currently, the Muslim millennial generation in the city of Palu buys more local brand skin care products made in Indonesia. This is because the quality of local skin care products is not inferior to foreign products, such as products from Korea and Japan, which are well-known pioneers in skin care products. In terms of raw materials, packaging, price, and even the effects of use, it can certainly be compared with skin care products from

\[^{31}\text{Sutisna, Perilaku Konsumen Dan Komunikasi Pemasaran (Bandung: Remaja Rosdakarya, 2002).}\]

\[^{32}\text{Nugroho J. Setiadi, Perilaku Konsumen, vol. 5, p. }\]


abroad. In fact, several local skin care products, such as Make Over, Wardah, and Avoskin, have gone global. This shapes the perception and image of Indonesia as a country with quality skin care products.

### 4.3.3. The Effect of Online Consumer Reviews on Purchase Decisions

Online Consumer Reviews influences purchase decision. This finding is supported by Kotler’s theory of consumer behavior, where one of the factors influencing consumer behavior is social factors in the reference group. According to Nugroho37, a reference group includes one or more people who serve as a basis of comparison or reference point in forming affective and cognitive responses and expressing one’s behavior. Reference groups can vary in size from one person to hundreds of people and can be real (real people) or symbolic, such as sports stars. Marketers in an organization try to determine what meanings are shared by different reference groups, such as beliefs, behavioral norms, and so on. They then choose a particular reference group to associate with or promote their product. Basically, a consumer chooses or joins a reference group for one reason: to gain valuable knowledge. Informational influence Reference groups communicate useful information about themselves, other people, or aspects of the physical environment such as products, services, or stores. Information may be presented directly, either verbally or by direct demonstration. Consumers tend to be more influenced by reference groups if the information provided is considered valid and relevant to the problem at hand and the source of the information is considered trustworthy.

Research conducted by Nur Laili Hidayati 38 Online consumer reviews influence purchase decisions due to several factors, namely in deciding to purchase a product, the content of other consumer reviews that influence product selection, the suitability of product information to consumer knowledge, the suitability of reviews provided by fellow consumers, product ratings given by consumers after purchase, consideration of recent reviews given by consumers on a product. The results of this research are also consistent with the research conducted by Sanjaya and Hermita. 39 Amin and Rachmawati 40 . Purwanto41.

The Muslim millennial generation in Palu City still relies on online consumer reviews as a basis for decision-making when purchasing local brand skin care products. They usually look for information on social media, e-commerce, or YouTube channels. This really helps them because, with online consumer reviews, they can find out the product content and the effect of the product on the

---

40 Amin and Rachmawati, “Pengaruh Label Halal, Citra Merek, Dan Online Consumer Review Terhadap Keputusan Pembelian Kosmetik Wardah.”
skin based on before and after use. Apart from that, online consumer reviews will help them to judge whether the product is good or not based on the reviews given. If the reviews are good for a product, they will decide to buy it, and vice versa. This is consistent with Maa and Lee’s research. 42

4.3.4. The Effect of Religiosity on Purchase Decision

Religiosity influences purchase decisions. This finding is supported by Kotler’s theory of consumer behavior, where one of the factors that influence consumer behavior is cultural factors in subcultures in the religious aspect. In Indonesia, where the majority of the population is Muslim, they tend to pay attention to the halal points of a product used because it is related to the level of religiosity of a Muslim in consuming something. This will influence the shopping behavior that leads to the purchase decision.

Similar results were found in a previous study by Fauzia, which stated that religiosity influences purchase decisions. It is conceptualized that religiosity is the concept of adherence to all rules, both commands and prohibitions, to consume halal products and abandon products that are haram. Iriani 43 said that religiosity, or the commitment as a Muslim to follow the teachings of Islam, is something that is inherent to us as Muslims. When making decisions, consumers still consider the commitment to adhere to religious guidelines when purchasing products. This research is consistent with that of Sri Wulandari. 44 Who found that religiosity has an influence on purchase decisions.

The Muslim millennial generation in Palu City still adheres to the teachings of the Islamic religion when consuming products. Halal is a rule that is fardhu to follow, as stated in QS. Al Baqarah verse 168 says: "O mankind, eat what is halal and good from what is found on earth, and do not follow the steps of the devil, for indeed the devil is a real enemy for you." They believe that what is said is Islamic teachings recommending that consuming something halal is a good thing that is worthy of reward. This shows that the more religious a person is, the better the decision to buy halal products will be.

4.3.5. Religiosity Moderates the Relationship between Halal Awareness and Purchase Decisions

Religiosity acts as a moderating variable by strengthening the relationship between halal awareness and purchase decisions. The results of this study are consistent with the studies conducted by Juliana et al. 45 And Muslichah et al. 46 This

42 Lee, Jeong, and Lee, “Roles of Negative Emotions in Customers’ Perceived Helpfulness of Hotel Reviews on a User-Generated Review Website: A Text Mining Approach.”


stated that the higher the level of religiosity, the stronger the influence of a person's halal awareness on purchasing decisions. A better level of religiosity will help to increase halal awareness, which will lead to increased consumer purchasing decisions in purchasing products.

The Muslim millennial generation in the city of Palu will be more selective in purchasing skin care products, especially in terms of whether they are halal. They are afraid of consuming something that is not halal or not clearly halal because they believe it is a sin and can also have negative effects on the body. This shows that the higher the level of religiosity of a consumer, the more it will influence consumers to buy halal products, in the sense that consumers are more selective and careful in buying products.

4.3.6. Religiosity Moderates the relationship between Country of Origin and Purchase Decision.

Religiosity acts as a moderating variable but weakens the relationship between halal awareness and purchase decisions. The issue of the country of origin of the product is a consideration for consumers regarding products, especially for products originating from countries where the majority is not Muslim, especially in terms of whether the ingredients are halal or not, the manufacturing process, the composition and the packaging of the product. However, the situation is different when the country where the product is manufactured, in this case a skin care product, is Indonesia. Indonesia is a country with a majority of Muslims who really pay attention to the importance of halal labeling for the products they consume. So, it can be said that religiosity will weaken the relationship between the country of origin of the product and purchasing decisions. On the other hand, if the product is produced abroad, religiosity will definitely strengthen the relationship between the country of origin of the product and purchase decisions.

4.3.7. Religiosity Moderates the relationship between Online Consumer Reviews and Purchase Decisions.

Religiosity cannot moderate the relationship between online consumer reviews and purchase decisions. The behavior of Indonesian consumers in making product purchase decisions can also be said to be part of activities related to religiosity. The religious behavior of Indonesian consumers can be seen from the fact that Indonesian consumers really care about religious issues. In general, consumers like products that have religious symbols, so many businessmen use religious symbols in their marketing strategies. However, in everyday reality, there are still some consumer behaviors that do not indicate consumer religiosity. The image of what is happening to the Muslim millennial generation in the city of Palu, whose daily lives are very attached to social media, e-commerce, and YouTube, has become a reference for online consumer reviews when purchasing a product, especially skin care products. The rise of product reviews from both consumer users and beauty bloggers influences their decisions. If the reviews for a product are good, they tend to make a purchase; conversely, if the reviews are not good, they tend not to buy the product. The strong influence of online consumer reviews sometimes makes consumers put aside their religiosity when buying skin care.
products, such as whether or not there is a halal label, the ingredients, and the content of the product. They pay more attention to the end result of using this product, it can make their face white, clean, and glowing based on the reviews of consumers who have used it. This means that religiosity cannot moderate the relationship between online consumer reviews and purchase decisions.

5. CONCLUSION

This research serves as a valuable resource for marketing managers in the halal industries, offering insights to aid in the development of strategies aimed at enhancing the production and sales of halal products. Furthermore, it presents crucial information for the government, suggesting the potential for positioning Indonesia as a hub for the skincare products industry. The study highlights that local Indonesian brand have the capability to compete with foreign counterparts in terms of content, benefits, and more. As a foundation for future research, there is a call to incorporate aspects of lifestyle behavior, motivation, and additional variables influencing purchase decisions to gain a more comprehensive understanding of the decision-making process.

The study also acknowledges its limitations and suggests avenues for improvement, such as expanding the sample size to be more extensive and diverse, adopting a mixed-methods approach for a more thorough analysis, and exploring additional variables to contribute to a nuanced understanding of purchasing decisions in the context of halal products.

REFERENCES


Kurniawan, Febriansyah, Kokom Komariah, R Deni, Muhammad Danial, and Universitas...


Mohamed/8da51ba8838660b79c377c5f2da02d9512ba9f6f


