# THE MODERATING EFFECT OF SOCIAL CLASS BETWEEN HALAL COSMEITCS CONSUMPTION VALUE AND PURCHASE INTENTION AMONG MALAYSIAN CONSUMERS

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by

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#### LIST OF ABBREVIATIONS

12MP Twelfth Malaysia Plan 2021-2025

AVE Average Variance Extracted

BCI Bias Corrected Interval

CB-SEM Covariance-base Structural Equation Modelling

COVID-19 Coronavirus Disease

CR Composite Reliability

ELM Elaboration Likelihood Model

eWOM Electronic Word-of-Mouth

f<sup>2</sup> Effect Size

HAS Halal Assurance System

HDC Halal Development Corporation

HTMT Heterotrait-Monotrait Ratio

JAKIM Department of Islamic Development Malaysia

LL Lower Level

LM Linear Model

MEA Ministry of Economic Affairs

MITI Ministry of Investment, Trade and Industry

PLS-SEM Partial Least Squares Structural Equation Modelling

RMSE Root Mean Square Error

SDGs Sustainable Development Goals

R<sup>2</sup> Coefficient of Determinant Values

SPSS Statistical Package for Social Science

TCV Theory of Consumption Value

TPB Theory of Planned Behavior

TRA Theory of Reasoned Action

UL Upper Level

UN United Nations

UNGSII United Global SDG Index Institute

USFCCC United Nations Framework Convention on Climate Change

USD United States Dollar

VIF Variance Inflation Factor

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Appendix A Research Domain of TCV
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# KESAN PENYEDERHANAAN KELAS SOSIAL ANTARA NILAI PENGGUNAAN KOSMETIK HALAL DAN NIAT PEMBELIAN DALAM KALANGAN PENGGUNA MALAYSIA

#### **ABSTRAK**

Walaupun potensi sumbangan kosmetik Halal yang signifikan kepada isu-isu yang tidak mampan, ia bukanlah pilihan utama dalam kalangan pengguna Malaysia. Oleh itu, kajian ini menggunakan teori nilai penggunaan untuk memahami niat pembelian pengguna untuk kosmetik Halal. Data dikumpul daripada 185 responden Islam dan bukan Islam melalui tinjauan dalam talian dan dianalisis menggunakan PLS-SEM. Kajian ini memberikan perspektif baru tentang nilai penggunaan kosmetik Halal, menonjolkan atribut khusus konteks yang berkaitan dalam nilai fungsi, sosial, emosi, epistemik dan bersyarat. Penemuan menunjukkan bahawa nilai emosi sangat mempengaruhi niat membeli pengguna untuk kosmetik Halal, diikuti oleh nilai epistemik, bersyarat dan berfungsi, terutamanya dalam sifat kemampanan dan keselamatan. Tambahan pula, analisis kesederhanaan mendedahkan bahawa hubungan positif antara nilai bersyarat dan niat membeli untuk kosmetik Halal diperkukuh dalam kalangan pengguna dengan kelas sosial yang lebih tinggi. Kajian ini memberikan pandangan berharga tentang niat membeli pengguna berkaitan nilai penggunaan khusus konteks untuk kosmetik Halal. Ia menyumbang kepada industri kosmetik Halal dengan meningkatkan pemahaman teori dan aplikasi praktikal, bertujuan untuk mencapai pembangunan mampan dan mengembangkan pasaran kosmetik Halal di Malaysia.

# THE MODERATING EFFECT OF SOCIAL CLASS BETWEEN HALAL COSMETICS CONSUMPTION VALUE AND PURCHASE INTENTION AMONG MALAYSIAN CONSUMERS

#### **ABSTRACT**

Despite the potentially significant contributions of Halal cosmetics to unsustainable issues, they are not the preferred choice among Malaysian consumers. Therefore, this study uses the consumption value theory to understand consumer purchase intention for Halal cosmetics. Data was collected from 185 Muslim and non-Muslim respondents through an online survey and analyzed using PLS-SEM. The study provides a novel perspective on Halal cosmetics consumption value, highlighting associated context-specific attributes in functional, social, emotional, epistemic, and conditional value. The findings indicate that emotional value strongly influences consumers' purchase intention for Halal cosmetics, followed by epistemic, conditional, and functional value, particularly in sustainability and safety attributes. Furthermore, moderation analysis reveals that the positive relationship between conditional value and purchase intention for Halal cosmetics is strengthened among consumers with a higher social class. This study provides valuable insights into consumers' purchase intentions concerning context-specific consumption values for Halal cosmetics. It contributes to the Halal cosmetics industry by enhancing theoretical understanding and practical applications, aiming to achieve sustainable development and expand the Halal cosmetics market in Malaysia.

#### **CHAPTER 1**

#### INTRODUCTION

#### 1.1 Introduction

This chapter delves into the background of the study. The proceeding section explains the overview of Halal cosmetics in Malaysia cosmetic industry. It proceeds to elucidate the problems addressed in this study, laying out the study's objectives and significance. Furthermore, it sets out appropriate definitions of key research concepts and outlines the study's scope. Finally, this section concludes with a brief introduction to the organizations featured in the subsequent sections of this study.

### 1.2 Background of the Study

"Halal as a whole ecosystem of ethical values that are common to businesses and societies. It's making sure you eat healthy, clean, nontoxic products, and that you are not having a lifestyle that is going to harm you. The halal economy is meant to be value-based. It's making sure you respect everything around you: the environment, animal welfare, sustainability, workers and suppliers' rights, etc. It has many different facets and opportunities."

— Saeeda Ahmed, Ambassador, United Global SDG Index Institute (UNGSII)

The world is experiencing various negative impacts from unsustainable development, such as climate change, greenhouse gas emissions, environmental degradation, deforestation, and pollution (Surampalli et al., 2020). In 2015, almost all world leaders established the 2030 Agenda for Sustainable Development agreement, which introduced a novel worldwide framework for sustainable development, encompassing 17 Sustainable Development Goals (SDGs) aimed at improving human health and well-being and our planet protection, among other objectives. Paris

Agreement, also introduced in the same year under the United Nations Framework Convention on Climate Change (UNFCCC), aimed at combating global warming and strengthening sustainable initiatives for the future of low-carbon. In this regard, leading government agencies and institutions invest vast amounts of money in both public and private initiatives to support more sustainable production and consumption (United Nations [UN], 2022). Human consumption plays a pivotal role in exacerbating environmental issues (Yan et al., 2021b), Harvard Business Review states that nearly 70 percent of its greenhouse gas emissions are attributed to individual consumption activities (White et al., 2019). As such, many countries are working drastically to protect the environment by adjusting the industrial structure and developing new market features that promote the consumption of environmentally friendly products, to reduce pollution levels (UN, 2022).

The cosmetics industry accounted for the sustainability impacts in every stage of the manufacturing process, including greenhouse emissions, waste generation, water pollution, soil contamination, environmental pollution, and biodiversity issues (Bom et al., 2019, 2020). Conversely, the cosmetics industry is recognized as a crucial contributor to a country's social and economic growth as it facilitates trade, innovation advancement, and employment opportunities (Cosmetics Europe, 2022). Considering both the positive and negative aspects, it is reasonable for the cosmetics industry – a sector characterized by its scientific foundation, rapid advancements, and high level of innovation – to focus on improving its operations and products' environmental and social sustainability (Bom et al., 2019). Nowadays, the use of cosmetics has significantly surged globally, which can be attributed to various factors (Cosmetics Europe, 2022). In India, cosmetics usage served more than utilitarian purposes and was considered necessity due to a perceived social status symbol (Ajitha and

Sivakumar, 2017). Similarly, Kang et al. (2020) noted that cosmetics play a crucial role in demonstrating social status and identity. While cosmetics offer numerous benefits to individuals, they also pose possible negative impacts on the environment, such as the greenhouse effect, deforestation, global warming, and waste generation (Amberg and Magda, 2018; Bom et al., 2019, 2000). In the past few decades, research investigated various aspects of developing sustainable cosmetics to reduce carbon emissions (Delistavrou and Tilikidou, 2022; Khan et al., 2023; Morganti et al., 2022). As a result, various types of sustainable cosmetics are available globally, such as organic, green, and natural cosmetics (Barros and Barros, 2020). With the growth of a collective sustainable cosmetics, organic, animal cruelty-free, and vegan labels are ubiquitous on cosmetics packaging. However, a new label is becoming more prevalent in the cosmetics industry – Halal cosmetics.

These sustainable cosmetics have led the cosmetic industry to a new level with minimal or zero synthetic chemical involvement and increased environmental preservation and consumer well-being (Bharti et al., 2022). However, sustainable cosmetics production is still lacking in certain nations, especially in developing countries like Malaysia, where nearly all the organic, green, and natural cosmetics are imported (International Trade Administration, 2021). Most notably, it has been shown that transporting over long distances contributes significantly to greenhouse gas emissions and climate change potential and significant driver of air pollution that has an instantaneous impact on human health and the environment (Fan et al., 2018). Meanwhile, Halal cosmetics appear to strike the right balance between availability and sustainability for global challenges of economic, social, and environmental sustainability in Malaysia.

Halal cosmetics are considered an innovation and revolution in the cosmetics industry (Khan et al., 2021; Khan and Rashid, 2023), as they offer high-quality cosmetics that conform with the halalan toyyiban concept (Adham et al., 2023; Sugibayashi et al., 2019), where ingredients originating from alcohol, pigs, dead animals, blood, human body parts, predatory animals, reptiles, and insects, among other forbidden sources, are strictly disallowed in Halal cosmetics (Handriana et al., 2021; Isa et al., 2023; Ishak et al., 2020; Khan et al., 2021; Nordin et al., 2021; Shahid et al., 2018; Sugibayashi et al., 2019). More specifically, the ingredients derived from permissible animals must undergo a slaughter process in a non-exploitive and humanitarian approach in accordance with Islamic law (Fatima et al., 2023; Handriana et al., 2021; Islam, 2022; Masood and Zaidi, 2023; Sugibayashi et al., 2019). Noteworthily, Halal cosmetics emphasizes the absence of filth in every aspect (Azmi and Elgharbawy, 2022; Fatima et al., 2023; Islam, 2022; Nordin et al., 2021; Sugibayashi et al., 2019), the cleanliness and purification must be maintained throughout the process of preparation, processing, manufacturing, storage, and shipping of Halal cosmetics (Fatimah et al., 2023; Masood and Zaidi, 2023; Ngah et al., 2020; Shahid et al., 2022).

Collectively, Halal cosmetics consists of a range of products – including those for babies, bathing, makeup, fragrance, hair care, nail care, oral hygiene, personal cleanliness, shaving, and skincare – that are formulated with Halal-certified ingredients and manufactured in compliance with Halal guidelines. These products are designed for use on specific areas of the human body or mouth (such as gums, teeth, and tongue) with the goals of cleaning, perfuming, protecting, correcting body odours, changing consumers' appearance, and keeping them in good condition (Health Science

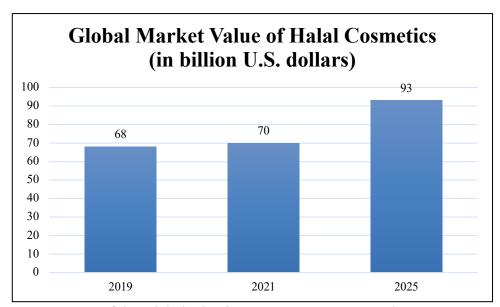
Authority, 2022; Sugibayashi et al., 2019; United State Food and Drug Administration; 2022).

The objective of Halal certification, established through the Halal assurance system (HAS), is parallel with the majority of internationally recognized quality assurance procedures, such as Hazard Analysis and Critical Control Point (HACCP) and Good Manufacturing Practices (GMP) (Adham et al., 2023; Fatima et al., 2023; Sugibayashi et al., 2019). Therefore, Halal certification is trusted as an ingredient and process verifier (Islamic Services of America, 2021); all Halal-certified cosmetics with Halal logo serve as recognized symbols not only cleanliness, safety, purity, and quality (Fatima et al., 2023; Shahid et al., 2023; Sugibayashi et al., 2019), but also of the ethical practices of all parties concerned (Nordin and Radzi, 2021; Noorham et al., 2020).

Globally, Halal cosmetics are recognized as being environmental-friendly, ethical, natural, organic (Hasibuan et al., 2019; Idris et al., 2021; Irfany et al., 2024; Isa et al., 2023; Shahid et al., 2018; Shahid et al., 2022; Sugibayashi et al., 2019; Yousoof et al., 2020), and saving the planet as a whole (Azmi and Elgharbawy, 2022). In this regard, Halal cosmetics are generally perceived as socially responsible (Arifah, 2020) and sustainable (Khan and Rashid, 2023), wherein interdependence in the community, environment, economy, and manufacturing practices (Azmi and Elgharbawy, 2022), and thus the term of Halal cosmetics and sustainable are interrelated and could be used interchangeably (Islamic Services of America, 2020). With most religions emphasize on the importance of economy, society and environment sustainability (Abdullah and Keshminder, 2020; Abumoghli, 2022; Rimmer and Philip, 2020); from Islam (Irfany et al., 2024; Koehrsen, 2021; Nasir et

al., 2022; Zafar and Sulaiman, 2021) to Buddhism (Becker and Hamblin, 2021; Gleig, 2021; Kjønstad, 2020), Christianity (Adeboye, 2020; Swithinbank et al., 2018; Tkáčová and Slivka, 2021) to Hinduism (Khaleel and Shobha, 2021; Muralizallabhan, 2022) to Judaism (Kornfeld, 2021; Longfellow, 2019), this corroborated by recent studies on global trends demonstrated that both Muslims and non-Muslims are becoming increasingly aware of Halal cosmetics with vital sustainable attributes (Irfany et al., 2024; Isa et al., 2023; Hashem and Daniele, 2022), which boosted by rising concerns about individual health (Hashem and Daniele, 2022), environment deterioration (Hasem and Daniele, 2022; Zaki et al., 2021), animal welfare (Hashem and Daniele, 2022; Yousoof et al., 2020) and product safety (Nordin et al., 2021).

Against this backdrop, the global demand for Halal cosmetics has been on an increasing trend (Anubha, 2023), growing from USD68 billion in 2019 to USD70 billion in 2021. It is projected to reach USD93 billion by 2025 (DinarStandard, 2020, 2022) (See Figure 1.1). This growth is mainly attributed to the increasing demand for cosmetics with sustainable and environmental protection (Fortune Business Insights, 2022; Hashem and Daniele, 2022). Although Halal cosmetics have gained popularity, a study suggests that the market share of Halal cosmetics is still smaller compared to conventional cosmetics (Sugibayashi et al., 2019). Therefore, greater adoption of Halal cosmetics by consumers is necessary to mitigate the environmental issues caused by the cosmetics industry and move the world toward a more sustainable economy.



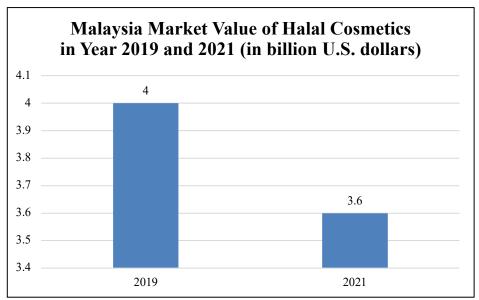
Source: State of the Global Islamic Economy Report, 2020/21, 2022 (DinarStandard, 2020, 2022)

Figure 1.1 Global Market Value of Halal Cosmetics (in billion U.S. dollars)

### 1.2.1 Overview of Halal Cosmetics Industry in Malaysia

Malaysia is encountering significant environmental challenges (Ogiemwonyi and Harun, 2020). It is noted for having one of the highest carbon emissions globally, with 256.049 megatons of carbon dioxide released in 2021 (Ritchie et al., 2020), which poses a serious threat to climate change, environmental pollution, and health impacts (Zen et al., 2021). Noteworthily, consumers' consumption decisions can substantially impact the environment (De Marchi et al., 2022; Moran et al., 2018). It has been reported that the average daily usage of cosmetics by individuals is estimated to be between eight and twelve (Ficheux et al., 2015; Harvard Health Publishing, 2020; Wargala et al., 2021). Although the cosmetics industry has already caused negative impacts on both health and the environment, increased cosmetics sales are expected, leading to even more detrimental effects on the environment and consumer health (Bilai et al., 2020).

The increasing sales of cosmetics, particularly conventional products containing harmful chemicals, pose a significant challenge to Malaysia's sustainable objectives outlined in policies such as the National Policy on the Environment, National Policy on Climate Change, National Green Technology Policy, Green Technology Master Plan Malaysia and Twelfth Malaysia Plan 2021-2025 [12MP] (Prime Minister's Office of Malaysia, 2019). These policies aim to encourage consumers to consume sustainability products, such as Halal cosmetics, to reduce the use of synthetic chemicals that are detrimental to human health and environment. Moreover, Halal Industry Master Plan 2030 (Ministry of Economic Affairs [MEA], 2020) was introduced to drive the holistic development of Malaysia's Halal industry, enhancing the nation's dynamic Halal ecosystem, and supporting future socioeconomic sustainability. The plan encompasses various initiatives, including the implementation of halal-friendly policy and legalisation, and develop new and bigger market for halal products, aimed at fostering growth in the industry. Despite the government's encouragement through these policies, Halal cosmetics do not appear to be preferred by Malaysian consumers (Ali et al., 2019a; Mansor et al., 2022; Mustafar et al., 2018; Ngah et al., 2021, 2023; Nawawi et al., 2018). This is evident that the market value of Halal cosmetics in Malaysia declined by 10 percent from USD4 billion in 2019 to USD3.6 billion in 2021 (DinardStantard, 2020, 2022) (see Figure 1.2).



Source: State of the Global Islamic Economy Report 2020/21, 2022 (DinarStandard, 2020, 2022)

Figure 1.2 Malaysia Market Value of Halal Cosmetics in Year 2019 and 2021 (in billion U.S. dollars)

Malaysia, recognized as the pioneer of the Halal industry (Nordin and Radzi, 2021) with over four decades of experience in developing the industry (MEA, 2020), has emphasized the importance of developing and promoting Halal cosmetics for sustainable development (Dalir et al., 2020; Masood and Zaidi, 2023). Consequently, the Malaysian government identified Halal cosmetics as a key enabler of sustainable development in Malaysia, as stipulated in the 12MP (Prime Minister's Office of Malaysia, 2019). Halal Industry Master Plan 2030 (MEA, 2020) as the blueprint to guide its efforts toward achieving the SDGs, including "SDG8 decent work and economic growth", "SDG9 build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation", "SDG12 ensure sustainable consumption and production patterns", and "SDG15 protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat

desertification, and half and reserve land degradation and halt biodiversity loss" (Masood et al., 2023).

Halal cosmetics are one of the primary forms of sustainable cosmetics in Malaysia and are generally occupied by mainstream brands such as Johnson & Johnson, L'oreal, Procter and Gamble, Colgate-Palmolive, and Unilever (Ali et al., 2019a; Jumani and Sukhabot, 2020), as well as homegrown brands like dUCk Cosmetics, Nurraysa, SimplySiti, So.Lek, Pretty Suci, and Elhajj Halal Skincare (Kamarudin et al., 2020). Halal cosmetics are more popular than other sustainable cosmetics, such as organic or green cosmetics, because consumers are better aware of their advantages (Mefid et al., 2019). For instance, Halal cosmetics are more accessible for consumers to purchase than other sustainable cosmetics (Kholidah and Arifiyanto, 2021), often marketed in specialty stores or departments that carry specific product categories of organic or green goods (Ahmad and Omar, 2018). Despite being more accessible and convenient, Halal cosmetics sales in Malaysia have consistently been lower than conventional cosmetics due to the lack of preference among Malaysians (Mansor et al., 2022; Mustafar et al., 2018; Ngah et al., 2021, 2023).

According to the analysis by GlobalData (2019), the cosmetics market in Malaysia has been growing consistently due to high consumer demand. However, UN Comtrade Database has shown that 2019; Malaysia imported nearly all of its cosmetics, especially natural and organic cosmetics, from international companies in the European Union (EU), China, Thailand, Singapore, Korea, and Japan (International Trade Administration, 2021). Although the Malaysian government has established agencies like the Halal Development Corporation (HDC) and Department of Islamic Development Malaysia (JAKIM) to develop the Halal ecosystem and create

awareness among manufacturers and consumers, however, Halal cosmetics have not made a substantial impact on the cosmetics industry in Malaysia (Al-Banna and Jannah, 2023; Bhutto et al., 2023; Khan et al., 2021; Mustafar et al., 2018).

Multiple studies have found that Malaysian consumers are increasingly reluctant to use Halal cosmetics (Ali et al., 2019a; Mansor et al., 2022; Mustafar et al., 2018; Ngah et al., 2021, 2023; Nawawi et al., 2018). To take the two prominent situations, Malaysian Muslims have a misperception that Halal cosmetics do not offer the same quality as foreign brands (Ali et al., 2019a). Despite Malaysia being a top exporter of Halal cosmetics (Ngah et al., 2023), the majority of Malaysian Muslims prefer to purchase non-Halal certified cosmetics (Nawawi et al., 2018; Ngah et al., 2021, 2023), such as SK-II, Estee Lauder, Shiseido, Christian Dior and Chanel (Masood, 2021; Ngah et al., 2021). Ngah et al.'s (2023) observation is also worth mentioning that young-educated Muslim consumers are willing to pay extra for non-Halal cosmetics. In a similar vein, non-Muslim consumers mistakenly believe that Halal cosmetics are only intended for Muslim consumers, which is further exacerbated by the fact that most Halal cosmetics manufacturers do not cater to the non-Muslim market (Mansor et al., 2020), resulting in an overall Malaysian unfavourable toward Halal cosmetics (Mustafar et al., 2018). Considering that nearly 40 percent of Malaysian's population is non-Muslim (Statista, 2022), the perspectives of both Muslim and non-Muslim consumers are crucial to the sustainable development of the Halal cosmetics industry (Al-Baan and Jannah, 2022).

Meanwhile, incidents of illegal production and consumption of conventional cosmetics continue to increase (Quoquab et al., 2020), with cases of synthetic chemicals and harmful substances found in cosmetics have been receiving much media

coverage in Malaysia (Beware of Harmful Cosmetics, 2021; Kodiappan and Yeng, 2022; Momila Beauty, 2022; NPRA Bans, 2022, 2023). Yet, Malaysian consumers do not seem to favour Halal cosmetics (Mustafar et al., 2018), making it difficult for Halal cosmetics manufacturers to achieve sustainable manufacturing at scale (Masood and Zaidi, 2023; Ngah et al., 2021).

The adoption of Halal cosmetics by consumers is crucial for Malaysia's sustainable development in social, economic, and environmental (Dalir et al., 2020; Masood and Zaidi, 2023), and it also presents an opportunity for Malaysia to become a global leader in the Halal cosmetics industry (MEA, 2020). Despite scholars' expressed optimism about the future of the Halal cosmetics market in Malaysia (Ishak et al., 2020; Septiarini et al., 2023), the Malaysian government anticipated that the growth of the Halal cosmetics industry could face obstacles due to low strategic interment, limited adoption, and incapacity of domestic players to produce value-added products that can meet the demands of the market (Prime Minister's Department, 2021). Based on this notion, to increase sales and expand the market of Halal cosmetics in Malaysia, it is necessary for manufacturers, government agencies, and policymakers to understand the factors that motivating Halal cosmetics purchase among Malaysians.

### 1.3 Problem Statement

Halal cosmetics have the power to drive sustainable development in Malaysia, yet their potential remains untapped as local consumers overlook them due to a lack of understanding of their value. The HDC has recognized the effectiveness of Halal cosmetics as a vehicle for sustainable development, but consumption has declined. It's time to take action and promote sustainable Halal cosmetics that benefit the

environment and the local economy by identifying and educating Malaysian consumers about the value of Halal cosmetics. Understanding Malaysian consumers' halal cosmetics consumption values can pave the way towards a sustainable future in Malaysia.

Despite the practical relevance, academic inquiry into Halal cosmetics consumption value has never been studied, justifying context-specific attributes in functional, social, emotional, epistemic, and conditional values have never been constructed and measured. Consequently, little is known about the impact of consumption value in motivating Halal cosmetics purchase intention. In particular, some unanswered questions remain: What are the motivations behind, and consumption values consumers pursue in return for their consumption of Halal cosmetics? How the consumption values interplay with social class in determine consumers' purchase intention. The nascent consumer behavioural intention literature has provided Halal cosmetics practitioners and marketers with little guidance on how to optimize their strategies to engage with consumers to improve higher sales. As a result, Halal cosmetics companies struggle to assess whether their investment in strategic resources actually lead to positive behavioural and economic outcomes.

While measuring consumption values associated with context-specific attributes of Halal cosmetics is essential, it is far more important for companies to think about how consumers' identification with specific social classes effects consumer behavioral intention with the consumption values. Cavusgil et al. (2018) pointed out that social class serves as a critical tool for segmenting consumers based on varying levels of wealth and income inequality in emerging markets. This is particularly relevant in Malaysia, where significant income disparities exist among

diverse societies (MEA, 2019; Khalid and Yang, 2021). However, there is limited understanding of how consumers' identification with specific social classes contributes to consumer behavioral intention. Failure to grasp the nuanced interplay of social class and its interplay with consumption values associated with context-specific attributes could lead Halal cosmetics industry stakeholders to overlook crucial factors influencing consumers' purchase intentions.

#### 1.4 Research Questions

The earlier sections have outlined the problem statements; the present study aims to examine the consumption values motivating consumers' intention to purchase Halal cosmetics in Malaysia to raise the nation's Halal cosmetics adoption rate. To provide a clear direction for steering the research process, the following questions are proposed to address the research problem:

RQ1: Do consumption values (functional, social, emotional, epistemic, conditional) associated with context-specific attributes of Halal cosmetics motivate Malaysian consumers' purchase intention for these products?

RQ2: To what extent does social class moderate the relationship between consumption values (functional, social, emotional, epistemic, conditional) and Halal cosmetics purchase intention?

### 1.5 Research Objectives

Based on the research questions, the research objectives are as follows:

RO1: To investigate how consumption values (functional, social, emotional, epistemic, conditional) associated with context-specific of Halal cosmetics motivate Malaysian consumers' purchase intention for these products.

RO2: To examine the moderating effect of social class on the relationship between consumption values (functional, social, emotional, epistemic, conditional) and Halal cosmetics purchase intention.

#### 1.6 Significance of the Study

The present study presents the significance for academicians, practitioners, marketers, and policymakers, all of which will be discussed in detail in the following section.

# 1.6.1 Theoretical Significance

This study makes significant theoretical contributions to the field. First, it innovatively integrates insights from the consumption value and social class literature into the existing model of studying Halal cosmetics purchase intention. While previous studies are very much focused on the impact of Islamic religion (Bhutto et al., 2023; Handriana et al., 2021; Khan et al., 2021; Khasanah and Yudiana, 2021) and Muslim consumer adoption (Arbak et al., 2019a, 2019b; Sulaiman et al., 2020; Wei et al., 2020; Widyanto and Sitohang; 2021), this study went one step ahead to test consumption values association with Halal cosmetics on both Muslim and non-Muslim consumers. This investigation is particularly relevant considering the transformative impact of the COVID-19 pandemic on long-term changes in consumer behaviour (Fabius et al., 2020; Tanrikulu, 2021), particularly in the cosmetics domain (Ma and Kwon, 2021). Through the lens of the theory of consumption value (TCV), which encompasses functional, social, emotional, epistemic, and conditional value and plays a pivotal role

in influencing consumers' choice-making process (Sheth et al., 1991) that yet to be explored in the burgeoning scarcity literature.

Second, this study contributes further to the existing body of knowledge by emphasizing the significance of the unique context-specific attributes associated with the consumption values of Halal cosmetics. The prior literature in this emerging field has primarily focused on a generalized perspective, such as generic perceived value (Al-Banna and Jannah, 2023; Handriana et al., 2021; Letsoin & Riorini, 2023). This study expands the generic perceived value (Al-Banna and Jannah, 2023; Handriana et al., 2021; Letsoin & Riorini, 2023) by establishing a connection between these unique context-specific attributes of Halal cosmetics, which encompass safety, health, and sustainability.

Furthermore, this study adds to the extant literature by broadening the scope of prior empirical research on Halal cosmetics. This study investigates the moderating role of social class, which was previously been limited to its antecedent perspective (Yan et al., 2018). As a result, this study's exploration of social class through the moderator perspective represents a pioneering advancement in the literature of Halal cosmetics. This suggests that the relationship between consumption value and purchase intention differs based on the consumer's social class levels (Adiba, 2019). This study's contribution to the literature is strengthened by confirming the novel concept of social class moderating the relationship between consumption values and Halal cosmetics purchasing intention.

#### 1.6.2 Practical Significance

The current study suggests several practical implications for marketers and practitioners of the Halal cosmetics industry, who aim to encourage the adoption of Halal cosmetics among Malaysian consumers.

First, the present study examines the relationship between consumption values consumers associate with Halal cosmetics and their purchase intention. In doing so, it establishes the importance of the TCV framework as a strategic tool in providing crucial insights to the strategic decision-making of practitioners and marketers. For instance, practitioners can formulate strategies targeting particular values to motivate consumers' intent to purchase more effectively. Conversely, practitioners and marketers can converse their strategic resources wisely by overlooking consumption values that have minimal impact. Consequently, Halal cosmetics practitioners can sustain a competitive edge over conventional competitors in the cosmetics industry by achieving higher sales.

The issue of unsustainable development has garnered significant attention in Malaysia (Ogiemwonyi and Harun, 2020). However, the escalation of sustainability concerns have not been accompanied by a parallel growth of sustainable consumption (Ahamad and Ariffin, 2018). As a result, policymakers are developing new policies (MEA, 2020; Prime Minister's Office of Malaysia, 2019) and campaigns (Pambekti et al., 2023) to encourage the purchase of sustainable products, specifically Halal cosmetics, which perceived as socially responsible (Arifah, 2020), and sustainable (Khan and Rashid, 2023) that aligned with most religions (Becker and Hamblin, 2021; Irfany et al., 2024; Kornfeld, 2021; Muralizallabhan, 2022; Tkáčová and Slivka, 2021). While current sustainable-targeted campaigns aimed at boosting the sales of Halal cosmetics are limited, this study can be beneficial to policymakers and marketers to

curate campaigns and marketing strategies that resonate with Malaysia's diverse societies comprising multiple religions and ethnicities, without relying solely on religious connections, to avoid potential backlash from religious groups perceiving such campaigns as religious practices.

In addition, organizations such as the HDC and Ministry of Investment, Trade, and Industry (MITI) maintain a presence on various communication platforms (i.e., television and social media) where they share information and visuals aimed at raising awareness for Halal cosmetics consumption and the sustainable growth of the economy. Considering this, the findings of this study can support these governmental bodies in leveraging appropriate consumption values to develop impactful advertising and educational initiatives across diverse communication platforms to effectively motivate consumers to purchase Halal cosmetics. The expansion of Halal cosmetics holds the potential to catalyze scientific innovation and manufacturing in the cosmetics industry, potentially fostering increased employment opportunities (Cosmetics Europe, 2022).

Malaysia exhibits notable income inequalities among its diverse religious and racial populations (MEA, 2019; Khalid and Yang, 2021), a phenomenon becoming increasingly common in such societies (Lindh and McCall, 2023). In this regard, the consumption behavior of individuals from different social classes considerably impacts on sustainable products (Yan et al., 2021a). Hence, the study findings provide marketers with actionable insights that can be operationalized through strategies such as tailoring message framing and pricing based on consumer segmentation and policymakers to develop messages that address the needs of diverse consumer groups to encourage positive purchase intention toward Halal cosmetics successfully.

Moreover, the practical significances are not necessarily limited to the Halal cosmetics market. This study helps marketers who market products similar to Halal cosmetics (e.g., green, sustainable, and environmentally friendly products) to improve their understanding of their target consumer groups.

### 1.7 Scope of Study

This study is limited to examining the intention to purchase Halal cosmetics among Malaysians, encompassing various product categories for babies, bathing, makeup, fragrance, hair care, nail care, oral hygiene, personal cleanliness, shaving, and skincare. Data was collected from individuals who claimed to be involved in cosmetics purchasing, thereby forming a purposive sample.

The present study is driven by the quest to answer the following questions: "What determines consumers' purchase intention toward Halal cosmetics?" and "And in the context of sustainability, what are the antecedents of consumers' purchase intention towards Halal cosmetics across different socioeconomic backgrounds?". To accomplish this, the present research examines (1) if the consumer perceived consumption value of functional value, social value, emotional value, epistemic value, and conditional value jointly determine consumers' purchase intention toward Halal cosmetics; (2) if the socioeconomic background underpinning that underlines the relationship between consumption value and purchase intention – in other words, how social class moderates this relationship.

#### 1.8 Definition of Key Constructs and Terms

To aid in understanding the research model in this study, Table 1.1 provides definition for the relevant constructs and key terms investigated in this study.

Table 1.1 Definition of Key Constructs and Terms

Construct/ Term	Definition
Halal cosmetics	Cosmetics (i.e., baby products, bath products, makeup products, fragrance products, hair products, manicuring products, oral hygiene products, personal cleanliness products, shaving products and skincare) that sourced from Halal ingredients and produced in accordance with the Halal system, intended to be applied on specific part(s) of human body or month (including gums, teeth and tongue) for the purpose of cleaning, perfuming, protecting, correcting body odours, changing consumers' appearance and keep them in a good condition (Health Science Authority, 2022; Sugibayashi et al., 2019; United State Food and Drug Administration; 2022)
Non-Halal cosmetics	Cosmetics with forbidden ingredients in their composition (Ngah et al., 2021)
Non-Halal certified cosmetics	Cosmetics which are free from forbidden ingredients in their composition but whose manufacturers did not apply for Halal certification (Ngah et al., 2021)
Functional value	The perceived utility generated by product's functional, utilitarian, or physical performance capacity, which results from the product's safety features (Sheth et al., 1991; Kushwah et al., 2019)
Social value	The perceived value derived from feelings of social pressure or social respect that arises from engaging in sustainability conscious actions (Mutum et al., 2021; Sheth et al., 1991)
Emotional value	The perceived ability of stimulating feelings or emotions associated with environmental protection, stemming from the underlying product (Chakraborty et al., 2022a; Rasoolimanesh et al., 2020; Sheth et al., 1991)
Epistemic value	The perceived value derived from product's ability to satisfy consumers' curious tendencies and reflects an aspiration for knowledge that mainly associated with novelty-seeking in consumption (Sheth et al., 1991; Sivapalan et al., 2021)

Conditional value The perceived value derived from specific

circumstances or conditions that motivate a

consumer to purchase a product (Sheth et al., 1991;

Tanrikulu, 2021)

Social class A combination of individuals' access to material

resources (e.g., income, education attainment, and occupational prestige) and self-perceptions of one's relative social rank (Kraus et al., 2011, 2012;

Martin and Côté, 2019)

Purchase intention The degree of individual willingness to purchase

Halal cosmetics (Sreen et al., 2018)

## 1.9 Organizations of Remaining Chapters

This study comprises five chapters. The first chapter introduced the concept of Halal cosmetics and outlined the problem statement. It presented six research questions and research objectives while emphasizing the significance of the study. Chapter two reviewed the underpinning theory and discussed past empirical evidence related to the issues under investigation. This chapter further elaborated on the variables in the research framework and formulated hypotheses for empirical testing. Chapter three delved into the rationale for conducting a qualitative study and provided details on research methodology, including the development of questionnaires and data collection procedures. Chapter four was dedicated to the analysis of collected data and the presentation of findings. Lastly, in the fifth chapter, the study concluded by discussing the findings in the context of extant literature, assessing the study's implications, and offering suggestions for future research directions.

#### **CHAPTER 2**

#### LITERATURE REVIEW

#### 2.1 Introduction

This chapter begins with an overview of Halal cosmetics and consumption values. Next, analyse the appropriate theories used in the research, then identify and delineate the variables. Lastly, it establishes the theoretical framework underpinning this research, paving the way for developing the research model and hypotheses.

### 2.2 Overview of Halal Cosmetics and Consumption Values

Malaysia is encountering critical issues in achieving truly sustainable developments (Ghazi et al., 2020), while Halal cosmetics is identified as an effective vehicle to promote sustainable developments by addressing human health, environmental and economic sustainability (Halal Development Corporation, 2021a; Hashem and Daniele, 2022). More specifically, the country is confronted with pressing cosmetics safety issues that are commonly associated with the exposure of consumers to toxic ingredients and hazardous chemicals from conventional cosmetics (Beware of Harmful Cosmetics, 2021; Momila Beauty, 2022; NPRA Bans, 2022, 2023). The rising consumer concern about cosmetics safety has led them to embrace sustainable cosmetic products that promote environmental, social, and economic sustainability (Bom et al., 2019; Jaini et al., 2020). In response to this demand, many businesses are aggressively promoting Halal cosmetics as means to gain a competitive advantage through increased profitability, improve environmental performance and society's well-being (Arifah, 2020), while Halal cosmetics are widely perceived as natural, safe, healthy, ethical, environmentally friendly and animal welfare benefits (Hosseini et al., 2021; Sugibayashi et al., 2019).

In the past, Halal cosmetics consumption was often associated with Muslim consumers, more specifically Islamic religion-related factors, for instance Islamic religious commitment, Islamic religious belief, among others (Bhutto et al., 2023; Khan et al., 2021), and concentrated in Muslim market (Al-Banna and Jannah, 2023; Arbak et al., 2019a, 2019b; Ngah et al., 2021; Sulaiman et al., 2020). However, the narrative of Halal cosmetics has changed tremendously over time, as consumers today demand Halal cosmetics for its nested attributes that account for environmental and social wellbeing (Arifah, 2020; Future Market Insights, 2021; Halal Development Corporation, 2021b). Without denying that Islamic religiosity and the Muslim population influence Halal cosmetics, understanding the consumers' perceived consumption value is the first step to determining the motivational factors that guide their purchasing decisions (Lee et al., 2022). More specifically, consumers tend to favour buying the products they perceive as offering the utmost value (Kotler et al., 2021). This view is aligned with academic studies in the Halal cosmetics domain that have suggested consumer purchase intentions are influenced by their associations with the values of the product (Al-Banna and Jannah, 2023). In light of the above discussion, the present study adopts TCV as an underpinning theory to support the research framework development in predicting consumers' purchase intention toward Halal cosmetics.

Driven by the fact that the Halal cosmetics consumption value is still at the infancy stage in the current market situation (Azmi et al., 2021), accompanied by high reluctance of potential consumers to adopt the Halal cosmetics (Ali et al., 2019a; Mansor et al., 2020; Mustafar et al., 2018). Noteworthily, academic scholars and market practitioners implicitly posit that intentions are the most proximal to behaviour (Morwitz and Munz, 2020). More specifically, the purchase intention is highly correlated with consumers' actual purchase behaviour and is a possible index and

predictor that the intention of consumers leads to actual purchase behaviour (Ajzen and Fishbein, 1977; Davidson and Jaccard, 1979) and willingness to pay for the product (Wekeza and Sibanda; 2019). Haque et al. (2018) concur in the Halal cosmetics context regarding the ability of purchase intention to predict consumers' likelihood of purchasing Halal cosmetics, contributing to the environment and sustainability (Sulaiman et al., 2020). Taken collectively, such studies' findings provide a foundation and preliminary support for examining purchase intention towards Halal cosmetics is more relevant than actual behaviour.

#### 2.3 Overview of Theoretical Underpinning

#### 2.3.1 Theory of Consumption Value (TCV)

The TCV, introduced by Sheth et al. (1991), is a framework for predicting, describing, and explaining consumer behaviour of products and service preferences – why consumers opt for one product or brand over another. Essentially, the authors suggest that consumer choice behaviour is influenced by multiple, independent consumption values, each of which contributes differentially to any choice situation (Sheth et al., 1991). The TCV integrates various disciplines, including economics, psychology, sociology, marketing, and consumer behaviour, which identified five independent values that make a different contribution to predicting consumer preference: functional values, social value, emotional value, conditional value, and epistemic value (Sheth et al., 1991), as illustrated in Figure 2.1. The definition of the respective dimension of the TCV is further discussed as follows: