

Article

# The Effect of Word of Mouth and Halal Labeling on Consumer Decisions for Wardah Cosmetics

Vivi Indriani<sup>1\*</sup>, Haris Hermawan<sup>2</sup>, Yohanes Gunawan Wibowo<sup>3</sup>

1,2,3. Muhammadiyah University of Jember, Indonesia

\* Correspondence: [vindriyani402@gmail.com](mailto:vindriyani402@gmail.com)

**Abstract:** This study examines the impact of word of mouth, halal labeling, price, and product quality on consumer purchase decisions for Wardah cosmetics, focusing on students in Jember, Indonesia. Despite extensive research on consumer behavior, few studies have explored these factors simultaneously within the cosmetic industry. The study aims to fill this gap by analyzing purchasing decisions at the Wardah counter in Roxy Square Jember, known for its wide product range and competitive prices. Using a descriptive quantitative approach with purposive sampling, 95 student respondents were surveyed. The findings reveal that word of mouth, halal labeling, price, and product quality positively and significantly influence Wardah cosmetics purchase decisions. These insights suggest that enhancing these factors can strengthen marketing strategies and boost sales in the competitive cosmetics market.

**Keywords:** Word of Mouth, Halal Label, Price, Product Quality, Purchase Decision

## 1. Introduction

Sustainable economic growth creates a positive business climate. In addition, it is often affected by changes in people's consumption patterns which can shift from basic needs to higher desires and lifestyles. This can encourage consumer interest to buy a product with a selective brand, which is la-beled halal, luxu-rious and innovative. Good marketing is the most important activity for a company, where the main goal is to increase sales volume, in order to achieve the target goals of a company.

As humans, of course, we have needs and desires that must be met, and often in meeting these needs they carry out purchasing activities. With the development of technology and lifestyle, people are be-ginning to understand the importance of taking care of their skin, especially facial skin. In the past, cosmetics were only used for makeup without paying attention to the health of the facial skin, now many people have begun to understand that maintaining the health of the facial skin is as important as applying makeup to the face. In an effort to meet the needs of beauty care. We will choose cosmetic products that can provide maximum satisfaction in their use, so that manufacturers continue to inno-vate so that they can compete in the cosmet-ics industry.

Wardah is a cosmetic brand from Indonesia that is known as one of the halal beauty products. This system is owned by PT Pargon technology and innovation which was established in 1995. This is one of the reasons why the founder of Wardah, Mrs. Nurhayati Subakat because Indonesia has a majority Muslim population and awareness of halal products has increased among consumers. In addition, wardah not only focuses on the halalness of its products, but also strives to provide innovation and high quality in halal

**Citation:** Vivi Indriani, Haris Hermawan, Yohanes Gunawan Wibowo. The Effect of Word of Mouth and Halal Labeling on Consumer Decisions for Wardah Cosmetics. International Journal of Business Diplomacy and Economy 2025, 4(1), 40-43.

Received: 8<sup>th</sup> Oct 2024

Revised: 15<sup>th</sup> Nov 2024

Accepted: 22<sup>th</sup> Dec 2024

Published: 29<sup>th</sup> Jan 2025



**Copyright:** © 2025 by the authors. Submitted for open access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>)

beauty products. This help them differentiate themselves in the market and gain the trust of consumers.

## 2. Materials and Methods

Using Word of Mouth variables, halal labels, price and product quality as dependent variables and purchasing decisions as dependent variables. The data used in this study are secondary data and primary data. The population in this study is students who are in the area, by sampling by purposive sampling or data collection with certain considerations, then the calculation of the number of indicators  $X_5$  which is  $19 \times 5 = 95$  respondents. The data collection technique in this study uses questionnaires distributed through social media such as WhatsApp, Instagram, and Facebook. The data analysis technique in this study uses descriptive statistics, classical assumption tests (normality, multicollinearity, heteroskedasticity), hypothesis tests (multiple linear regression, t-test and determination coefficient test) with the help of the Statistical Package for social science (IBM SPSS) for windows version 25.

## 3. Results and Discussion

The results and discussion contain the results of research findings and scientific discussions. Write down scientific findings (scientific findings) obtained from the results of research that has been done but must be supported by adequate data. The scientific findings referred to here are not data obtained from research results. These scientific findings must be explained scientifically including: What are the scientific findings obtained? Why did that happen? Why such a variable trend? All these questions must be explained scientifically, not only descriptively if necessary supported by adequate scientific basis phenomena.

In addition, the comparison with the results of other researchers on the same topic should also be explained. Research results and findings must be able to answer the research hypothesis in the introduction. In this study, there were 95 respondents. The results of data analysis used the SPSS version 25 application with descriptive statistical data analysis techniques and classical assumption tests. The classical assumption test is a test that is carried out before further analysis of the collected data. The classical assumption test consists of a normality test, a multicollinearity test, and a heteroscedasticity test whose results meet the classical assumptions. Furthermore, a multiple linear regression analysis test and hypothesis testing were carried out using the t-test. Based on the results of data analysis, the results of multiple linear regression and t-test were obtained as follows:

Table 1. The results of the Multiple Linear Analysis test

Coefficients <sup>a</sup>							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2,400	,199		,065	,017		
WOM	,357	,220	,162	1,620	,027	.479	2.086
LABEL HALAL	,247	,194	,129	1,275	,009	.593	1.685
HARGA	,201	,208	,100	,969	,039	.303	3.303
KUALITAS PRODUK	,556	,226	,252	2,456	,008	.246	4.067

a. Dependent Variable: PURCHASE DECISION

Table 2. Results of the Coefficient of Determination

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,644 <sup>a</sup>	,618	,579	2,859
a. Predictors: (Constant), Kualitas produk, Harga, Label halal, WOM				
b. Dependent Variable: Purchase Decision				

#### 4. Conclusion

Based on the results of data analysis and discussions that have been carried out by researchers re-garding the influence of word of mouth, halal labels, price and product quality on the decision to buy wardah cosmetics case study of University of Muhammadiyah Jember students at the counter of wardah roqxy jember, it can be concluded as follows:

1. The independent variable Word Of Mouth (X1) partially or separately had a positive and significant effect on the purchase decision (Y) of wardah cosmetics in students in Jember. From the results of this finding, it can be concluded that the Word Of Mouth marketing strategy owned by the wardah has been able to provide a good enough influence, for someone to make a purchase.
2. The variable of halal label (X2) partially or separately has a positive and significant effect on the purchase decision (Y) of wardah cosmetics in students in Jember. From the results of this finding, it can be concluded that the halal label on wardah packaging has an important role, which is used as a benchmark for a person before they make a purchase.
3. The price free variable (X3) partially or separately has a positive and significant effect on the purchase decision (Y) of wardah cosmetics in students in Jember. From the results of this finding, it can be concluded that the prices owned by wardah are very affordable and very diverse according to the needs of their consumers, because the more according to the price given, it will have a good effect on the purchase decision.
4. The independent variable of product quality (X4) partially or separately has a positive and significant effect on the decision to buy (Y) wardah cosmetics in jember. From this finding, it can be concluded that the quality of the products owned by wardah cosmetics is very good, meaning that the high quality of the product means that the higher the influence on the purchase decision.

#### REFERENCES

- [1] S. Ningsi, W. P. W., and Ekowati, "The Effect of Social Media Promotion and Word of Mouth on Purchasing Decisions of MS Glow Skincare," *Journal of Human Capital Management and Business (JMMIB)*, vol. 2, no. 1, 2021.
- [2] K. Nisa, "The Effect of Price Perception, Brand Image, and Word of Mouth on Purchase Decisions (Case Study of Janji Jiwa Coffee Products, Tanjung Duren, Jakarta)," *Journal of Applied Management Science*, 2022.
- [3] W. Ling, T. S., and Pratomo, "The Influence of Brand Image, Price Perception, and Word of Mouth on Consumer Purchase Decisions at The Highland Park Resort Hotel Bogor," *Journal of Scientific Tourism Kesatuan*, 2020.
- [4] V. F. Setianingrum, I., and Sanjaya, "The Influence of Marketing Strategy and Halal Labeling on Consumer Purchase Decisions: A Study of Wardah Cosmetics Consumers in North Lampung," *Upajiw Dewantara: Journal of Economics, Business, and Management Daulat Rakyat*, 2021.

- [5] R. T. F. Sayyaf, "Halal Food in Street Food: Halal Awareness, Halal Knowledge, and Halal Labeling on Purchase Decisions (Case Study in Malang City)," *Journal of Islamic Economics*, 2021.
- [6] M. A. Astuti, R., and Hakim, "The Effect of Halal Labels and Product Availability on Consumer Purchase Decisions at 212 Mart in Medan," *Journal of Master of Management*, 2021.
- [7] K. Ilmiyah, and Krishernawan, "The Effect of Product Reviews, Ease of Use, Trust, and Price on Purchase Decisions in Shopee Marketplace in Mojokerto," *Journal of Management*, 2020.
- [8] M. A. K. D. A. Ghufron, B. Wijyantini, and W. E. Setianingsih, "Location, Service Quality, and Word of Mouth Communication on Purchase Decisions," *Budgeting: Journal of Business, Management, and Accounting*, vol. 3, no. 2, pp. 196-207, 2022.
- [9] D. A. Nasution, S. L. A. Limbong, C. H. Ramadhan, "The Effect of Product Quality, Brand Image, Trust, Ease of Use, and Price on Purchase Decisions in Shopee E-commerce (Survey on S1 Management Students, Faculty of Economics, Universitas Labuhan Batu)," *Ecobisma (Journal of Economics, Business, and Management)*, 2020.
- [10] O. F. Montolalu, N. A. Tumbel, T. M. Walangitan, "The Effect of Product Quality on Skincare Purchase Decisions for Scarlett Whitening on Digital Platforms," *Productivity*, 2021.
- [11] S. Apriani, and Bahrun, "The Effect of Brand Image and Product Quality on Purchase Decisions of Maybelline Mascara Cosmetics," *Journal of Human Capital Management and Business (JMMIB)*, 2021.
- [12] V. Batubara, M. Silalahi, P. R. Sani, S. A. Syahputri, R. R. Liana, "The Effect of Promotion, Product Quality, and Price on Consumer Purchase Decisions of Scarlett Whitening Products: A Case Study of FEBI UIN North Sumatra Students," *Journal of Islamic Economics, Finance, and Business*, 2022.
- [13] L. Munawaroh, B. Wijyantini, and W. E. Setianingsih, "Celebrity Endorsers, E-WOM, and Competitive Prices on Online Purchase Decisions," *Budgeting: Journal of Business, Management, and Accounting*, vol. 3, no. 2, pp. 374-388, 2022.
- [14] M. A. Rosyid, M. Muawanah, and M. M. M. Zuana, "The Influence of Halal Labels and Electronic Word of Mouth (E-WOM) on Purchase Decisions of Food and Beverage Products on the Shopee Online Site," *Majapahit Journal of Islamic Finance and Management*, vol. 3, no. 1, pp. 15-31, 2023.
- [15] M. Fatikhudin, S. Widagdo, and A. H. Prastyowati, "The Effectiveness of Halal Labels as Moderating Variables on Product Quality, Brand Image, and WOM on Purchase Decisions of FAZZA Drinking Water Products," *ABM: International Journal of Administration, Business, and Management*, vol. 3, no. 1, pp. 1-12, 2021.
- [16] F. Nurafiani, "The Influence of Halal Products, Word of Mouth, and Price on Japanese Restaurant Food Purchasing Decisions," *ASEAN Journal of Halal Study*, vol. 1, no. 1, pp. 42-50, 2024.
- [17] H. Pujiastuti, et al., "Consumers and Halal Cosmetic Products: Halal Label, Lifestyle, and Word of Mouth Communication," *Journal of Digital Marketing and Halal Industry*, vol. 4, no. 1, pp. 67-76, 2022.
- [18] N. P. Nisrina, "The Influence of Service Quality, Product Quality, and Word of Mouth on Nadheera Luxury Purchasing Decisions," *Economics and Business International Conference Proceedings*, vol. 1, no. 2, 2024.
- [19] D. A. Sumarno, J. Julina, and M. R. Moi, "The Influence of Brand Image, Halal Label, and Word of Mouth on Consumer Purchasing Decisions at Salimah Food Pekanbaru," *Proceedings of the International Conference on Economic and Social Sciences*, vol. 1, 2023.
- [20] K. Amiruddin, and A. R. T. Astuti, "The Impact of Word of Mouth and Customer Satisfaction on Purchase Decisions: The Role of Maslahah as an Intervening Variable in the Cosmetic Products Industry in Indonesia," *Journal of Ecohumanism*, vol. 3, no. 7, pp. 1525-1540, 2024.