El-Mãl | Jurnal Kajian Ekonomi & Bisnis Islam

Vol 7 No 11 (2026) 6547 - 6562 P-ISSN 2620-295 E-ISSN 2747-0490
DOI: 1047467/elmal.v7i11.13378

Determinants of Purchase Decision: The Moderating Role of Halal Brand Awareness

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ABSTRACT

This study aims to analyze the influence of product knowledge, product involvement, and product innovation on the purchasing decisions for halal cosmetic products from PT Paragon Technology and Innovation, and to examine the role of halal brand awareness as a moderating variable in these relationships. The study employs a quantitative approach with an explanatory research design. Data were collected via questionnaires distributed to 180 Muslim Generation Z respondents in Indonesia who had used PT Paragon Technology and Innovation products, utilizing a non-probability sampling technique. Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. The results indicate that product involvement and product innovation have a positive and significant effect on purchasing decisions, whereas product knowledge does not have a significant effect. Moderation analysis reveals that halal brand awareness does not moderate the influence of product knowledge, product involvement, or product innovation on purchasing decisions. These findings suggest that Generation Z's purchasing decisions regarding PT Paragon Technology and Innovation's halal cosmetic products are driven more by consumer involvement with the products and the company's ability to deliver innovations that meet market needs. This study contributes empirically to the literature on consumer behavior in the halal cosmetics industry and offers insights for the company to prioritize product innovation strategies and enhance consumer engagement to drive purchasing decisions.

Keywords*: Purchase Decision, Product Knowledge, Product Involvement, Product Innovation, Halal Brand Awareness*

INTRODUCTION

The global Muslim population has continued to demonstrate a significant upward trend over time. According to the 2025 Indonesian Population Census, Indonesia's total population reached 288.315 million, of which approximately 87.15%, or 251.26 million people, identified as Muslims (Gumilar, 2026). When compared with the projected global Muslim population of 2.2 billion by 2030, representing approximately 23% of the world's population, Indonesian Muslims account for approximately 13.1% of the global Muslim population (Mahardika, 2026). This substantial Muslim population positions Indonesia as one of the most promising markets for the development of the halal industry. According to the State of the Global

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Islamic Economy Report (SGIE) 2025/2026, seven key sectors make significant contributions to the growth of the global Islamic economy, with the halal cosmetics sector being one of the most prominent. This trend indicates that halal cosmetics are no longer perceived as merely complementary products but have evolved into a high-growth industry with considerable market potential, driven by increasing consumer awareness of the importance of using products that are safe, halal, and of high quality.

With the world's largest Muslim population and increasing consumer awareness of safe and high-quality products, Indonesia possesses significant potential to become a global market leader in the halal cosmetics industry. This potential is reinforced by the presence of a leading domestic cosmetics company, PT Paragon Technology and Innovation, which is widely recognized as one of Indonesia's market leaders in the halal cosmetics industry through its prominent brands, including Wardah, Make Over, Emina, Kahf, and Labore. These brands have obtained halal certification and have established a strong position in the national market. Nevertheless, according to the State of the Global Islamic Economy (SGIE) Report 2024/2025, Indonesia ranked second globally in terms of the halal cosmetics ecosystem (Jati et al., 2025). However, the State of the Global Islamic Economy (SGIE) Report 2025/2026 indicates that Indonesia's position declined to fourth place worldwide(Hidayah, 2026). This decline suggests that, despite Indonesia's substantial market potential and the presence of competitive domestic halal cosmetics companies such as PT Paragon Technology and Innovation, the competitiveness of the national halal cosmetics industry still requires continuous strengthening.

Furthermore, according to the State of the Global Islamic Economy Report (SGIE) 2023/2024, Indonesia continues to rank second globally in consumer spending on halal cosmetics (DinarStandard, 2023). This ranking indicates that, despite being one of the world's largest halal cosmetics markets, Indonesia's level of halal cosmetics consumption has not yet fully reflected its potential as the country with the largest Muslim population. Conceptually, a large Muslim population should serve as a key driver of higher consumption of halal products, given that Islam obliges Muslims to consume and use products that are halalan thayyiban (lawful and wholesome). Nevertheless, this condition suggests that a large Muslim population does not necessarily translate into a high level of halal awareness in consumers' purchasing behavior. Therefore, strengthening the competitiveness of Indonesia's halal cosmetics industry remains essential through continuous innovation, improved industrial governance, and greater support for research and development (R&D) of halal products, thereby enhancing Indonesia's competitiveness in the global halal cosmetics market.

From the perspective of the Qur'an, halal refers to everything that is permissible according to Allah SWT and encompasses various aspects of daily life, including food, beverages, clothing, cosmetics, employment, and other human activities (Akram, 2022). Although the concept of halal cosmetics has gained increasing recognition in recent years, many Muslim consumers in predominantly

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Muslim countries, particularly Indonesia, still do not fully understand the characteristics and significance of halal cosmetic products. Most people continue to associate the concept of halal primarily with food and beverages. Furthermore, scholarly research on halal cosmetics remains relatively limited compared with the extensive body of literature on halal food products (Huriah et al., 2022). This condition indicates that a significant gap persists in public understanding of the halal concept, particularly in relation to cosmetic products. Therefore, further research is needed to examine consumer behavior toward halal cosmetics among population groups that play a strategic role in shaping future market trends, particularly Generation Z.

Benítez-márquez et al. (2022) stated that Generation Z refers to individuals born between the mid-1990s and the early 2010s. Having been born and raised in the digital era, Generation Z differs from previous generations in that they are more closely connected to electronic devices and digital technologies (Singh & Dangmei, 2016). Their extensive engagement with the digital environment, coupled with a strong ability to adapt to rapid technological advancements, has positioned Generation Z as a highly influential consumer group in shaping market trends. In particular, Generation Z represents a significant market segment with substantial purchasing power (Amalia & Rozza, 2022). Therefore, examining the factors that influence purchase decisions among Generation Z is essential for businesses seeking to effectively understand and capture this increasingly important consumer segment.

This study aims to examine the moderating role of halal brand awareness in the relationship between product knowledge, product involvement, product innovation, and Generation Z consumers' purchase decisions for halal cosmetic products of PT Paragon Technology and Innovation. Building upon the studies conducted by Rachmawati et al. (2022) and Ramadhanty and Yolanda (2023), this research introduces product innovation as an additional independent variable to provide a more comprehensive explanation of purchase decisions in the context of halal cosmetics. Moreover, the study investigates whether halal brand awareness moderates the relationships between the independent variables (product knowledge, product involvement, and product innovation) and the dependent variable (purchase decisions), thereby determining whether consumers' awareness of halal brands strengthens or weakens these relationships.

Previous studies have demonstrated a significant positive relationship between product knowledge and purchase decisions, indicating that higher levels of consumers' product knowledge lead to an increase in purchase decisions (Ramadhanty & Yolanda, 2023; Rachmawati et al., 2022). In addition, several studies have identified other influential factors, including product innovation Attih et al. (2023), and Rayi and Aras (2021) and product involvement Ramadhanty & Yolanda (2023), both of which have been found to exert a significant positive effect on consumers' purchase decisions. Nevertheless, previous studies have reported inconsistent findings. Research conducted by Khairunnisa et al. (2023) and Mutiara and Syahputra (2018) found that product knowledge does not have a significant

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positive effect on purchase decisions. Similarly, Tamboto and Pangemanan (2019) and Bei and Widdows (1999) reported that product involvement does not significantly influence purchase decisions. Regarding the moderating role of halal brand awareness, Rachmawati et al. (2022) demonstrated that halal brand awareness significantly moderates the effects of product knowledge and product involvement on purchase decisions. In contrast, Ramadhanty and Yolanda (2023) found that halal brand awareness did not function as a significant moderating variable in strengthening the relationship between product involvement and purchase decisions.

This study is significant because a research gap persists regarding the determinants of halal cosmetic purchase decisions, particularly with respect to the moderating role of halal brand awareness, for which prior empirical evidence remains inconclusive. Moreover, this study extends the existing literature by incorporating product innovation as an independent variable, thereby offering a more comprehensive understanding of the factors that drive purchase decisions. The study is also timely given the rapid expansion and increasing competitiveness of the halal cosmetics industry, while specifically focusing on Generation Z, a consumer segment characterized by considerable purchasing power and a substantial influence on contemporary consumption trends. Accordingly, this study is expected to provide more robust empirical evidence and contribute to both the theoretical advancement of consumer behavior research and the practical development of marketing strategies for halal cosmetic products in Indonesia.

RESEARCH METHOD

This study employed an explanatory research design, as it aimed to examine the causal relationships among variables and to test hypotheses derived from established theoretical frameworks (Sofya et al., 2024; Sugiyono, 2017). This approach was adopted to address questions concerning why and how specific variables influence one another, particularly in the context of the moderating role of halal brand awareness in the relationship between product innovation and purchase decisions for products of PT Paragon Technology and Innovation.

This study employed a quantitative research approach using a survey method by distributing questionnaires to 180 Generation Z respondents. The sample size satisfied the minimum requirement for analysis using Partial Least Squares Structural Equation Modeling (PLS-SEM), which recommends a sample size of at least ten times the number of indicators or the maximum number of structural paths directed toward a single construct in the research model (Hair et al., 2017). Respondents were selected using a non-probability sampling technique based on predetermined criteria aligned with the objectives of the study. Specifically, the respondents were Muslim consumers, members of Generation Z (aged 13–29 years), residents of Indonesia, and individuals who had prior experience using cosmetic products manufactured by PT Paragon Technology and Innovation.

The variables examined in this study were established based on relevant theoretical perspectives and prior empirical research. Purchase decision was

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specified as the dependent variable, whereas product knowledge, product involvement, and product innovation were treated as the independent variables. In addition, halal brand awareness was incorporated as a moderating variable to assess its moderating effect on the relationships between the independent variables and consumers' purchase decisions for cosmetic products produced by PT Paragon Technology and Innovation. The collected data were analyzed using Moderated Regression Analysis (MRA) with the assistance of SmartPLS software to generate empirical evidence regarding the relationships among the variables investigated.

RESEARCH RESULT

a. External Model Analysis (Outer Model)

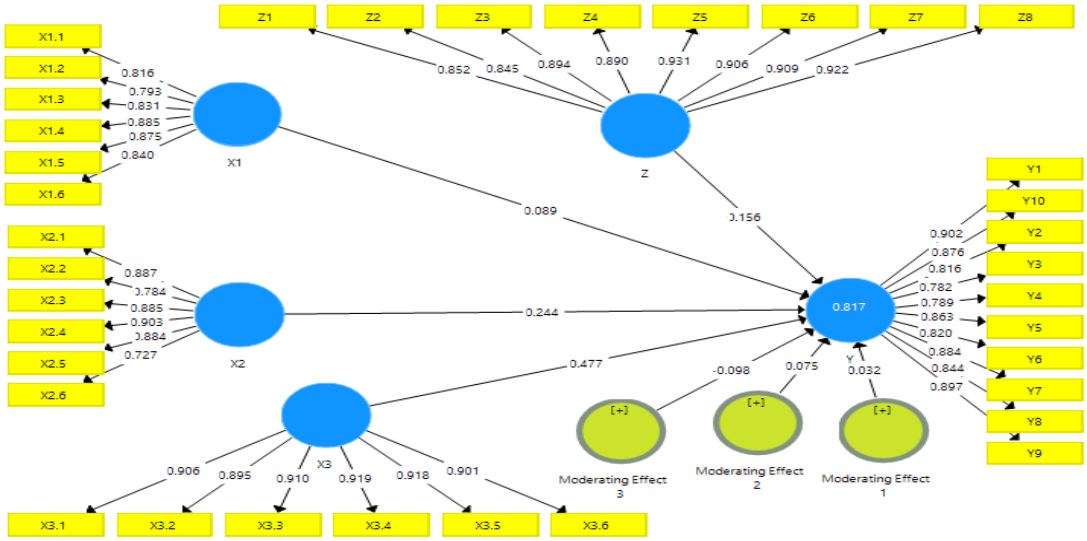


Figure 1. Outer Model

Source: Data processed by the authors using SmartPLS, 2026

b. Analysis of the Measurement Model (Outer Model)

The evaluation of the measurement model was conducted to ensure that each indicator appropriately reflects the latent construct it is intended to measure.

Table 1. Outer Loadings for Measurement Model

Variable		Indicator	Outer Loading
X1	Product Knowledge (PK)	X1.1	0.816
		X1.2	0.793
		X1.3	0.831
		X1.4	0.885
		X1.5	0.875
		X1.6	0.840
X2	Product Involvement (PInv)	X2.1	0.887
		X2.2	0.784
		X2.3	0.885

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		X2.4	0.903
		X2.5	0.884
		X2.6	0.727
X3	Product Innovation (PI)	X3.1	0.906
		X3.2	0.895
		X3.3	0.910
		X3.4	0.919
		X3.5	0.918
		X3.6	0.901
Z	Halal Brand Awareness (HBA)	Z1	0.852
		Z2	0.845
		Z3	0.894
		Z4	0.890
		Z5	0.931
		Z6	0.906
		Z7	0.909
		Z8	0.922
Y	Purchase Decision (PD)	Y1	0.902
		Y2	0.816
		Y3	0.782
		Y4	0.789
		Y5	0.863
		Y6	0.820
		Y7	0.884
		Y8	0.884
		Y9	0.897
		Y10	0.876

Source: Data processed by the authors using SmartPLS, 2026

Based on Table 1, the results indicate that all constructs demonstrate satisfactory reliability and convergent validity. This is evidenced by the outer loading values, all of which exceed the recommended threshold of 0.70.

Table 2. Construct Reliability and Convergent Validity

Variable	Cronbach's Alpha	Composite Reliability	AVE
Product Knowledge (X1)	0.917	0.935	0.707
Product Involvement (X2)	0.920	0.938	0.718
Product Innovation (X3)	0.957	0.966	0.825
Halal Brand Awareness (Z)	0.964	0.970	0.799
Purchase Decision (Y)	0.956	0.962	0.720

Source: Data processed by the authors using SmartPLS, 2026

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Furthermore, Table 2 shows that the Average Variance Extracted (AVE) values for all constructs exceeded the recommended threshold of 0.50, thereby confirming adequate convergent validity. Moreover, both Cronbach's Alpha and Composite Reliability (CR) values surpassed the threshold of 0.70, demonstrating strong internal consistency across all constructs.

c. Structural Model Assessment (Inner Model)

R-Square Test

Table 3. Coefficient of Determination (R^2)

	R Square	R Square Adjusted
Purchase Decision (Y)	0.817	0.809

Source: Data processed by the authors using SmartPLS, 2026

The coefficient of determination (R^2) is a measure used to evaluate the structural model's ability to explain the variance of endogenous variables. In PLS-SEM analysis, R^2 values of 0.75, 0.50, and 0.25 are generally interpreted as indicating substantial, moderate, and weak explanatory power, respectively. The results of the analysis revealed that the R^2 value for the purchase decision construct was 0.817. This finding indicates that the independent variables included in the research model explain 81.7% of the variance in purchase decisions, while the remaining 18.3% is attributable to other variables that were not incorporated into the present research model.

d. Hypothesis Test Result

Table 4. Hypothesis Test

Hypothesis	Original Sample	Std. Deviation	T Statistics	P Values	Decision
PK → PD	0.089	0.079	1.128	0.260	Rejected
PInv → PD	0.244	0.084	2.898	0.004	Accepted
PI → PD	0.477	0.100	4.753	0.000	Accepted
PK → HBA→ PD	0.032	0.089	0.362	0.717	Rejected
PInv → HBA→ PD	0.075	0.106	0.710	0.478	Rejected
PI → HBA→ PD	-0.098	0.129	0.762	0.446	Rejected

Source: Data processed by the authors using SmartPLS, 2026

According to Hair et al. (2017), when a significance level of 0.05 is specified, the coefficients representing the hypothesized causal relationships are considered statistically significant if the t-statistic exceeds 1.96 or the p-value is less than 0.05. Therefore, a hypothesis is accepted when the p-value is below 0.05, indicating a statistically significant relationship. Conversely, if the p-value exceeds 0.05, the hypothesized relationship is not statistically significant, and the hypothesis is rejected.

Based on the aforementioned theory, Table 4 shows that the relationship between Product Knowledge and Purchase Decisions yielded an Original Sample value of 0.089, a T-statistic of 1.128, and a P-value of 0.260. Since the P-value exceeded the significance level (α=0.05), H1 was rejected,

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indicating that Product Knowledge does not have a significant effect on Purchase Decisions. Furthermore, the effect of Product Involvement on Purchase Decisions produced an Original Sample value of 0.244, a T-statistic of 2.898, and a P-value of 0.004. As the P-value was lower than the significance level (α=0.05) and the Original Sample coefficient was positive, H2 was accepted, indicating that Product Involvement has a positive and significant effect on Purchase Decisions. Likewise, the effect of Product Innovation on Purchase Decisions resulted in an Original Sample value of 0.477, a T-statistic of 4.753, and a P-value of 0.000. Since the P-value was below the significance level (α=0.05) and the Original Sample coefficient was positive, H3 was accepted, indicating that Product Innovation has a positive and significant effect on Purchase Decisions. Regarding the moderating effects, the interaction between Halal Brand Awareness and Product Knowledge, Product Involvement, and Product Innovation on Purchase Decisions produced similar findings. Specifically, Halal Brand Awareness did not exhibit a significant moderating effect on the relationships between Product Knowledge, Product Involvement, and Product Innovation and Purchase Decisions. The interaction terms yielded P-values of 0.717, 0.478, and 0.446, respectively, all of which were greater than the significance level (α=0.05). Therefore, Halal Brand Awareness was not able to moderate the relationships between Product Knowledge, Product Involvement, and Product Innovation and Purchase Decisions for PT Paragon Technology and Innovation products.

DISCUSSION

The Influence of Product Knowledge on Purchase Decisions

Knowledge is defined as an individual's awareness or understanding of a particular subject, acquired through experience and learning processes. In this context, an individual's level of knowledge reflects the extent of their awareness and understanding of a specific object, phenomenon, or issue (Jannah & Al-banna, 2021). In the context of marketing, product knowledge refers to consumers' understanding of a product or brand, which is developed through personal experience as well as information obtained from various sources. This knowledge enables consumers to recognize the characteristics, benefits, and quality of a product, thereby providing a basis for evaluating available alternatives before making a purchase decision.

Several previous studies have reported that product knowledge has a positive and significant influence on purchase decisions (Ramadhanty & Yolanda, 2023; Rachmawati et al., 2022). In this context, product knowledge is considered one of the key factors that can influence consumers' decision-making processes (Jannah & Al-banna, 2021). However, the findings of the present study differ from those of several previous studies, which suggested that product knowledge plays a significant role in influencing purchase decisions. The results of this study are consistent with those reported by Rahman et al. (2024), Khairunnisa et al. (2023), and Mutiara and Syahputra (2018), who found that product knowledge does not have a significant

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effect on purchase decisions. This consistency in findings suggests that, under certain conditions, particularly in the increasingly competitive cosmetics market, purchase decisions are not solely determined by consumers' level of product knowledge. Instead, they are also influenced by psychological and emotional factors, as well as marketing strategies that effectively foster consumer attraction to and trust in a brand.

Therefore, it can be concluded that consumers' level of knowledge regarding the characteristics, benefits, and attributes of PT Paragon Technology and Innovation's halal cosmetic products has not become a primary factor influencing their purchase decisions. Within the context of this study, consumers tend to place greater emphasis on other factors perceived as more relevant, such as product innovation and product involvement. Consequently, although consumers possess knowledge about the products, such knowledge does not necessarily translate into an actual purchase decision.

The Influence of Product Involvement on Purchase Decisions

Product involvement is defined as the personal relationship between a product and its consumers. The enduring level of product involvement is influenced by the extent to which the product is perceived as relevant to consumers' lives (Swinyard, 1993). When a product category is considered important by consumers, the relationship between the product and the consumer becomes stronger. Consequently, higher product involvement is expected to positively influence consumers' purchase decisions.

The concept of product involvement generally encompasses several important dimensions, including product importance, the perceived risk associated with product selection decisions, the symbolic value of the product, and the hedonic value derived from its use (Laurent & Kapferer, 1985). Traylor (1981), as cited in Rachmawati et al. (2022), argues that consumers' personal involvement provides a direct assessment of their perception of a product's importance. The findings of this study indicate that product involvement has a positive and statistically significant effect on purchase decisions for products of PT Paragon Technology and Innovation, as evidenced by an Original Sample value of 0.244, a T-statistic of 2.898, and a P-value of 0.004. These results confirm that Hypothesis 2 is supported. Accordingly, it can be concluded that the higher the level of consumers' product involvement, the greater their likelihood of making purchase decisions regarding products of PT Paragon Technology and Innovation. High product involvement reflects consumers' greater attention, interest, and willingness to evaluate product-related information more thoroughly before making a purchase, thereby strengthening their purchase decision-making process.

The findings of this study are consistent with the research conducted by Rachmawati et al. (2022) and supported by the study of Ramadhanty and Yolanda (2023), which demonstrated a positive and significant relationship between product involvement and purchase decision-making. This indicates that higher levels of

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product involvement are associated with an increase in consumers' purchase decision-making. Furthermore, Park et al. (2007) argued that product involvement is a crucial determinant of consumer behavior. The greater consumers' level of involvement with a product, the more effort they are willing to invest in seeking and acquiring information about that product.

The Influence of Product Innovation on Purchase Decisions

Product innovation is one of the key factors driving corporate growth and competitiveness in today's dynamic business environment. According to Kotler and Keller (2016), product innovation is defined as the introduction of new goods or services that offer distinctive features, enhanced quality, or superior benefits compared to existing products available in the market. Product innovation may encompass the development of entirely new products, improvements to existing products, or enhancements in product design and functionality (Attih et al., 2023). Griffin and Hauser (1996) found that consumers are more likely to prefer products perceived as innovative and capable of meeting their evolving needs. This finding highlights the importance of developing a comprehensive understanding of consumer preferences throughout the product innovation process, as such understanding enables firms to create products that better align with changing market demands (Munawaroh et al., 2024).

As presented in Table 4, the relationship between product innovation and purchase decisions for PT Paragon Technology and Innovation products was found to be positive and statistically significant, with an original sample coefficient of 0.477, a t-statistic of 4.753, and a p-value of 0.000, which is below the significance level (α=0.05). Therefore, the third hypothesis was accepted. These findings are consistent with previous studies conducted by Wahyuni (2019) and Attih et al. (2023), which reported that product innovation has a positive and significant effect on purchase decisions. The findings indicate that the greater the level of innovation implemented by a company—through the development of new features, quality improvement, design enhancement, and product modifications that align with consumer needs—the greater the likelihood that consumers will purchase the company's products. Product innovation creates added value and provides a competitive advantage by differentiating a product from those offered by competitors. Consequently, consumers tend to be more inclined to purchase products perceived as innovative because they are considered capable of delivering greater benefits, superior user experiences, and higher levels of satisfaction compared to alternative products..

Considering the substantial potential and the projected increase in demand for halal cosmetics in the future, there is a need to develop more comprehensive halal cosmetic brands to better meet consumers' needs and expectations (Akram, 2022). According to Tidd and Bessant (2018), companies that are responsive to such changes are better positioned to develop products that are relevant and appealing to consumers. For example, in the cosmetics industry, many companies have increasingly focused on incorporating natural and environmentally friendly

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ingredients in response to growing consumer awareness of health and sustainability. These findings further reinforce the notion that product innovation is a strategic factor capable of enhancing consumers' purchase decisions.

The Effect of Product Knowledge on Purchase Decisions with Halal Brand Awareness as a Moderating Variable

Based on the results of the analysis, the interaction between product knowledge and halal brand awareness was found to have no significant effect on purchase decisions. The results of the fourth hypothesis test revealed an original sample estimate of 0.032, a t-statistic of 0.362 (< 1.65), and a p-value of 0.717 (> 0.05). Therefore, the proposed hypothesis was rejected. These findings indicate that halal brand awareness does not moderate the relationship between product knowledge and purchase decisions. In other words, regardless of whether consumers possess high or low levels of product knowledge, halal brand awareness does not strengthen the influence of product knowledge on purchase decisions for cosmetic products produced by PT Paragon Technology and Innovation.

The findings of the present study are consistent with those of Ramadhanty and Yolanda (2023), who found that halal brand awareness did not moderate the relationship between product knowledge and purchase decisions. These results suggest that, despite consumers demonstrating a high level of halal brand awareness, such awareness does not enhance or alter the influence of product knowledge on their purchase decisions. Furthermore, the inability of halal brand awareness to function as a moderating variable may be explained by the insignificant direct effect of product knowledge on purchase decisions.

In moderation analysis, when the independent variable does not exhibit a significant relationship with the dependent variable, the moderator variable has a relatively limited capacity to alter the strength of that relationship. Accordingly, although consumers may possess a high level of halal brand awareness, this condition is insufficient to make product knowledge a determinant of purchase decisions. These findings suggest that purchase decisions are more likely to be influenced by factors other than product knowledge, such as brand image, recommendations, and consumers' personal preferences.

The Effect of Product Involvement on Purchase Decisions with Halal Brand Awareness as a Moderating Variable

Based on the results of the hypothesis testing, the interaction between product involvement and halal brand awareness was found to have no significant effect on purchase decisions for halal cosmetic products of PT Paragon Technology and Innovation. This is evidenced by an original sample coefficient of 0.075, a t-statistic of 0.710 (< 1.65), and a p-value of 0.478 (> 0.05). Therefore, the fifth hypothesis was rejected. These findings indicate that halal brand awareness does not moderate the relationship between product involvement and purchase decisions. In other words, regardless of whether consumers exhibit a high or low level of product

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involvement, the presence of halal brand awareness neither strengthens nor weakens the effect of product involvement on purchase decisions.

The findings of this study are consistent with those reported by Ramadhanty and Yolanda (2023), who also found that halal brand awareness did not serve as a moderating variable in the relationship. This finding indicates that although consumers possess a high level of awareness regarding halal brands, such awareness is not sufficient to alter or strengthen the influence of product involvement on purchase decisions. This may be attributed to the fact that product involvement is a direct determinant that motivates consumers to seek information, evaluate available alternatives, and carefully consider the benefits of a product before making a purchase. Consequently, its influence on purchase decisions does not depend on consumers' level of halal brand awareness. In other words, product involvement remains a significant determinant of purchase decisions, even though its effect is not strengthened by halal brand awareness as a moderating variable. Therefore, improvements in purchase decisions are more strongly influenced by the extent to which consumers perceive a product as relevant to their needs, interests, and preferences than by their level of awareness of the brand's halal status.

The Effect of Product Innovation on Purchase Decisions with Halal Brand Awareness as a Moderating Variable

The results of the analysis indicate that the interaction between product innovation and halal brand awareness does not have a significant effect on purchase decisions. Based on the sixth hypothesis test, the analysis produced an original sample estimate of −0.098, a t-statistic of 0.762 (<1.65), and a p-value of 0.446 (>0.05). These findings indicate that Hypothesis 6 is rejected, suggesting that halal brand awareness does not significantly moderate the effect of product innovation on purchase decisions for cosmetic products manufactured by PT Paragon Technology and Innovation. Therefore, although product innovation has been found to exert a positive and significant direct effect on purchase decisions, this relationship is not influenced by variations in consumers' levels of halal brand awareness. This finding suggests that consumers' purchase decisions are primarily driven by the product innovation itself, while halal brand awareness does not function as a moderating factor that either strengthens or weakens the effect of product innovation on consumers' purchase decisions.

CONCLUSION AND RECOMMENDATION

Conclusion

Based on the overall findings of this study, it can be concluded that not all of the factors examined significantly influence purchase decisions for halal cosmetic products of PT Paragon Technology and Innovation. Product knowledge was not found to have a significant effect on purchase decisions, indicating that consumers' level of understanding of the products has not yet become a primary consideration in the purchasing process of halal cosmetics. In contrast, product involvement and

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product innovation were found to have a positive and significant effect on purchase decisions. These findings suggest that Generation Z consumers' purchase decisions are more strongly influenced by their level of involvement with the products and the company's ability to introduce innovations that align with consumers' needs, preferences, and evolving market trends. Furthermore, this study demonstrates that halal brand awareness does not moderate the relationships between product knowledge, product involvement, and product innovation and purchase decisions. Thus, although the halal aspect remains an essential identity of cosmetic products, halal brand awareness did not strengthen or weaken the relationships between the three independent variables and purchase decisions in this study. These findings indicate that Generation Z consumers' purchasing behavior is driven more by the functional value and product experience offered by halal cosmetics than by awareness of the halal brand as a moderating factor.

Recommendation

Based on the findings of this study, PT Paragon Technology and Innovation is recommended to continue prioritizing product innovation strategies by developing product formulations, quality, design, and features that align with the needs and preferences of Generation Z consumers. Furthermore, the company should enhance consumer engagement by creating more interactive experiences through digital media, user communities, and marketing activities that foster stronger emotional connections between consumers and the brand. Although halal brand awareness was not found to serve as a moderating variable, the company should maintain its commitment to halal principles through continuous consumer education and effective marketing communication to strengthen consumer trust in the quality and halal integrity of its products.

For future research, it is recommended to extend the research model by incorporating additional variables that may influence purchase decisions, such as brand image, brand trust, product quality, price, religiosity, social media influence, and electronic word-of-mouth (e-WOM). Future studies are also encouraged to broaden the characteristics of respondents by including different generational groups, expanding the geographical scope of the study, or employing a mixed-methods approach to provide a more comprehensive understanding of the factors influencing consumers' purchase decisions for halal cosmetic products in Indonesia.

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