

**ANALYSIS FACTORS OF WILLINGNESS TO PAY FOR HALAL
LABELLED COSMETICS ON NON-MUSLIM COMMUNITY IN
YOGYAKARTA**

**(Study at Universitas Kristen Duta Wacana, Universitas Sanata Dharma and
Universitas Atma Jaya Yogyakarta, Special Region of Yogyakarta)**

***ANALISIS FAKTOR-FAKTOR WILLINGNESS TO PAY UNTUK KOSMETIK
BERLABEL HALAL PADA KOMUNITAS NON-MUSLIM DI YOGYAKARTA***

***(Studi pada Universitas Kristen Duta Wacana, Universitas Sanata Dharma dan
Universitas Atma Jaya Yogyakarta, Daerah Isimewa Yogyakarta)***

UNDERGRADUATE THESIS



Written by:

HUSNAA WINNY LISTYARINI

20150430371

**FACULTY OF ECONOMICS AND BUSSINESS
INTERNATIONAL PROGRAM FOR ISLAMIC ECONOMICS AND
FINANCE**

UNIVERSITAS MUHAMMADIYAH YOGYAKARTA

2019

**ANALYSIS FACTORS OF WILLINGNESS TO PAY FOR HALAL
LABELLED COSMETICS ON NON-MUSLIM COMMUNITY IN
YOGYAKARTA**

**(Study at Universitas Kristen Duta Wacana, Universitas Sanata Dharma and
Universitas Atma Jaya Yogyakarta, Special Region of Yogyakarta)**

***ANALISIS FAKTOR-FAKTOR WILLINGNESS TO PAY UNTUK KOSMETIK
BERLABEL HALAL PADA KOMUNITAS NON-MUSLIM DI YOGYAKARTA
(Studi pada Universitas Kristen Duta Wacana, Universitas Sanata Dharma dan
Universitas Atma Jaya Yogyakarta, Daerah Isimewa Yogyakarta)***

UNDERGRADUATE THESIS

In partial fulfilment for the requirement for the degree of Bachelor of Economics
at International Program for Islamic Economics and Finance (IPIEF), Economics
Department, Faculty of Economy and Business.

Written by:

HUSNAA WINNY LISTYARINI

20150430371

FACULTY OF ECONOMICS AND BUSSINESS

**INTERNATIONAL PROGRAM FOR ISLAMIC ECONOMICS AND
FINANCE**

UNIVERSITAS MUHAMMADIYAH YOGYAKARTA

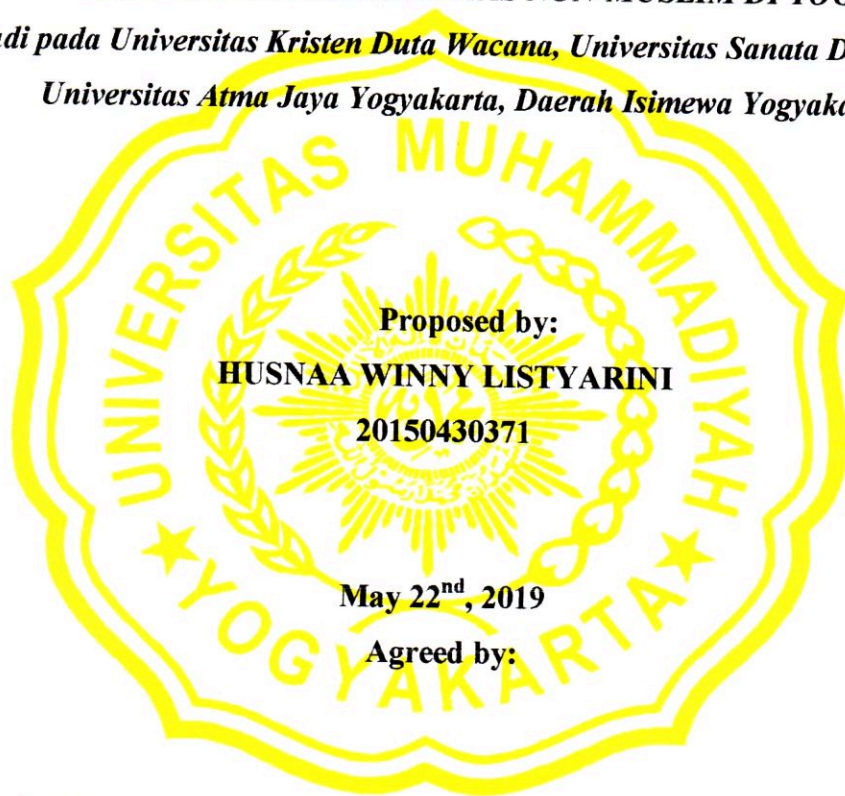
2019

**ANALYSIS FACOTRS OF WILLINGNESS TO PAY FOR HALAL
LABELLED COSMETICS ON NON-MUSLIM COMMUNITY IN
YOGYAKARTA**

**(Study at Universitas Kristen Duta Wacana, Universitas Sanata Dharma and
Universitas Atma Jaya Yogyakarta, Special Region of Yogyakarta)**

***ANALISIS FAKTOR-FAKTOR WILLINGNESS TO PAY UNTUK KOSMETIK
BERLABEL HALAL PADA KOMUNITAS NON-MUSLIM DI YOGYAKARTA***

***(Studi pada Universitas Kristen Duta Wacana, Universitas Sanata Dharma dan
Universitas Atma Jaya Yogyakarta, Daerah Isimewa Yogyakarta)***



Supervisor 1

Supervisor 2

Dr. Lilies Setiartiti, S.E., M.Si.,
NIDN: 05010267501

Dimas Bagus W. K., S.E., M.Sc., Ph.D
NIDN: 0516108502


ANALYSIS FACTORS OF WILLINGNESS TO PAY FOR HALAL LABELLED COSMETICS ON NON-MUSLIM COMMUNITY IN YOGYAKARTA


(Study at Universitas Kristen Duta Wacana, Universitas Sanata Dharma and Universitas Atma Jaya Yogyakarta, Special Region of Yogyakarta)

This undergraduate thesis has been revised and validate before the Examination Committee of the International Program for Islamic Economics and Finance (IPIEF), Department of Economics, Faculty of Economics and Business, Universitas Muhammadiyah Yogyakarta.

Date: 28th June 2019

The Examination Committee:


Dr. Lilies Setiartiti, S.E., M.Si.
Chief Examiner


Dr. Endah Saptutyningsih, S.E., M.Si.
Co-Examiner


Diah Setyawati D., S.E., M.Sc., Ph.D
Co-Examiner

Approved by:

Dean of Faculty of Economics and Business
Universitas Muhammadiyah Yogyakarta



Rizal Yaya, SE., M.Sc., Ph.D., Ak., CA
NIK: 1973121899904143068

DECLARATION

Name : Husnaa Winny Listyarini

Student Number : 20150430371

I hereby declare that this undergraduate thesis entitled **“Analysis Factors of Willingness to Pay for Halal Labelled Cosmetics on Non-Muslim Community in Yogyakarta (Study at Universitas Kristen Duta Wacana, Universitas Sanata Dharma and Universitas Atma Jaya Yogyakarta, Special Region of Yogyakarta)”** does not consist of any content that ever being proposed for any degree in other university, ideas of any research and publication of others, in exception all quotes and ideas which are purposely taken are considered as the research references and listed in the reference list. Therefore, if any violation of intellectual rights is found in this study, I agree to accept any relevant academic consequences.

Yogyakarta, May 22nd 2019



Husnaa Winny Listyarini

MOTTO

“Don’t give up, because the beginning is always be the hardest.”

“Spread kindness. Then someday you’ll receive what you have given. Not today, tomorrow, or the day after tomorrow. Just wait.”

“O believers! Beg for help (to Allah) patiently and with prayers. Really, Allah is with those who are patient.” – QS Al-Baqarah: 153

DEDICATION

This precious Undergraduate Thesis I dedicate to my beloved family.

Mama, Papa, & Kak Lia. Thank you for always be there for me.

Family will be my top priority forever and always!

INTISARI

Penelitian ini bertujuan untuk mengetahui apakah pengetahuan produk, promosi, kesadaran konsumen, frekuensi pembelian, dan pendapatan mempengaruhi kesediaan membayar (Willingness to Pay) kosmetik berlabel halal pada komunitas non-Muslim di Yogyakarta. Penelitian ini menggunakan data primer dengan total 100 responden yang dilakukan menggunakan purposive sampling. Willingness to Pay diperkirakan dengan menggunakan pendekatan Contingent Valuation Method (CVM). Alat analisis pada penelitian ini analisis deskriptif, Contingent Valuation Method (CVM), dan regresi linear berganda pada SPSS 20. Hasil analisis penelitian menunjukkan bahwa kesadaran konsumen, frekuensi pembelian, dan pendapatan berpengaruh positif dan signifikan terhadap kesediaan membayar (Willingness to Pay). Sedangkan nilai WTP yang diperoleh untuk face wash adalah sebesar Rp43.750, face powder sebesar Rp74.420, body wash sebesar Rp31.670, toothpaste sebesar Rp20.610, shampoo sebesar Rp21.230, dan body mist sebesar Rp78.310.

Kata kunci: kosmetik berlabel halal, Willingness to Pay (WTP), Contingent Valuation Method (CVM), regresi linear berganda.

ABSTRACT

This research aims to examine how product knowledge, promotion, consumers' awareness, purchase frequency, and income influence on Willingness to Pay (WTP) for halal labelled cosmetics on non-Muslim community in Yogyakarta. This research used primary data with total 100 respondents by purposive sampling method. Furthermore, Willingness to Pay (WTP) predicted by Contingent Valuation Method (CVM) approach. In addition, the analysis tool in this research are descriptive statistics, Contingent Valuation Method (CVM), and multiple regression model on SPSS 20 as data analysis program. The result of this research shows that consumers' awareness, purchase frequency, and income are positively and significantly influence on Willingness to Pay (WTP). And also the WTP value obtained for face wash is Rp43.750, face powder is Rp74.420, body wash is Rp31.670, toothpaste is Rp20.610, shampoo is Rp21.230, body mist is Rp78.310.

Keywords: Halal labelled cosmetics, Contingent Valuation Method (CVM), multiple regression model.

ACKNOWLEDGEMENT

Bismillahirrahmanirrahmim

All praise to the God Almighty Allah SWT the most gracious and the most merciful for His guidance and blessing during this research is conducted. Peace and salutation always be to the Prophet Muhammad peace be upon him altogether with his accompanies.

After the establishment of this study on “**Analysis Factors of Willingness to Pay for Halal Labelled Cosmetics on Non-Muslim Community in Yogyakarta (Study at Universitas Sanata Dharma and Universitas Atma Jaya Yogyakarta, Special Region of Yogyakarta)**” the author gives special appreciation to the parties in supporting the accomplishment of this study. In particularly they are:

1. The respectable Dr. Lilies Setiartiti, M.Si as my first supervisor and Dimas Bagus Wiranata Kusuma, Ph.D as my second supervisor thank you for the guidance in order to help me all the time of my thesis. Thank you for continuous support of my undergraduate thesis, for the patience, motivation, enthusiasm, and all the small things matter.
2. To my beloved parents, Eddy Wardoyo and Lugyantari Ekowati. Also my forever 911, my sister, Liana Wardani. Thank you for love me unconditionally since day one. Thank you for your endless prayers, supports, trust and encouragement. Pa, Ma, Kak, I finally did it!
3. To my friend, Agung Gumilar. For the countless caramel macchiato, *ce hun tiaw ahui*, and also curry puff whenever I feel depressed of my research, I would like to say thank you for always be there for me through ups and downs, thick and thin, sweet and bitter. Thank you for dealing with my undergraduate thesis' drama faithfully. Thank u, next. Lol.
4. Shout out to my IPIEF's best buddies who is always be there for me throughout undergraduate thesis' drama. Azizah, Rifka, Inar, Syifa, and Mira I couldn't say thank you much more for helping me to finish my kind of

responsibility. We will do it, we can do it, and we finally finished it (stressfully)! See you on top!

5. My dearest Darrel, Anetta, and Chairina to keep me “in line” whenever I felt down. Thank you to make me realize that I am not the only one who is having troubles in life.
6. My love-and-hate relationship with the precious KKN 061! Novi, Della, Inayah, Ellen, Ogoy, Arga, Aji, Yoga, and Bangkit I couldn't say thank you much more for all of you guys! Thank you for ± 2 months of us being together. Before, during, and after Purwodadi's life will be the best responsibility that I should take because I can meet all of you! Thank you for being such a good friends (I really meant to!). Keep in touch and see you on top!
7. My precious IPIEF classmates! Thank you for being genuine friends in class. Our motto still the same until the end right? “IPIEF 2015 itu gak deket, tapi saling sayang” lol. Wish you all the best for life and nothing less. Good luck! Our real journey of life is about to come.

Yogyakarta, May 22nd 2019

Husnaa Winny Listyarini

TABLE OF CONTENT

TITLE PAGE	i
AUTORIZATION PAGE	ii
DECLARATION PAGE	iv
MOTTO	v
DEDICATION	vi
INTISARI	vii
ABSTRACT	viii
ACKNOWLEDGEMENT	ix
TABLE OF CONTENT	xi
LIST OF FIGURE	xiii
LIST OF TABLE	xiv
CHAPTER I INTRODUCTION	1
A. Background	1
B. Limitation of Research Problem	13
C. Formulation of Problem	14
D. Research Objectives	15
E. Research Benefit	15
CHAPTER II LITERATURE REVIEW	17
A. Review of Halal Industry	17
B. Theoretical Framework	26
C. Previous Research	38
D. Hypothesis	45
E. Research Framework.....	45
CHAPTER III RESEARCH METHODOLOGY	46
A. Subject of Research.....	46
B. Type of Data.....	46
C. Technique of Sampling	46
D. Data Collection Technique.....	48
E. Variable Definition Operational Research	48
F. Data Analysis Method.....	51
G. Research Model.....	56
H. Instrument Test.....	57
I. Classical Assumption Test	58
J. Hypothesis Test.....	60
CHAPTER IV GENERAL DISCUSSION	63
A. Characteristics of Respondents	63
B. The Price Perception of Respondent About Halal Labelled Cosmetics. 67	

CHAPTER V RESULT AND ANALYSIS	70
A. Analysis of Willingness to Pay for Halal Labelled Cosmetics Products	70
B. Descriptive Analysis	76
C. Quality Data and Instrument Test	79
D. Classical Assumptions	81
E. Regression Estimation Result	85
F. T Test (Variable Interpretation)	87
G. F Test.....	90
H. R ² Test.....	91
I. Discussion	91
CHAPTER VI CONCLUSION AND RECOMMENDATION	96
A. Conclusion	96
B. Suggestion	97
C. The Future Research	98
REFERENCES.....	100
APPENDIX	

LIST OF FIGURE

Figure 1. 1 10 Largest Muslim Population in the World	5
Figure 1. 2 World Population Based on Religion	6
Figure 1. 3 Women's Favourite Cosmetic Survey in Indonesia	7
Figure 2. 1 Research Model	45
Figure 4. 1 Cosmetics Products Used the Most	69
Figure 5. 1 WTP of Face Wash	72
Figure 5. 2 WTP of Face Powder	73
Figure 5. 3 WTP of Body Wash	73
Figure 5. 4 WTP of Toothpaste	74
Figure 5. 5 WTP of Shampoo	74
Figure 5. 6 WTP of Body Mist	75
Figure 5. 7 Scatterplot	83
Figure 5. 8 P-P Plot Regression	85

LIST OF TABLE

Table 1. 1	Case of the of Illegal and Dangerous Cosmetics in Yogyakarta.....	9
Table 3. 1	Indicators and Instruments of Variables	50
Table 3. 2	Perception Scale Estimation.....	55
Table 4. 1	Characteristics of Respondents Classified by Age	63
Table 4. 2	Characteristics of Respondents Classified by University	64
Table 4. 3	Characteristics of Respondents Classified by Religion	65
Table 4. 4	Characteristics of Respondents Classified by Marital Status.....	65
Table 4. 5	Characteristics of Respondents Classified by Income	66
Table 4. 6	Characteristics of Respondents Classified by Educational Background.....	67
Table 4. 7	Usage Period of Halal Labelled Cosmetics.....	68
Table 4. 8	Price Perception of Respondents on Halal Labelled Cosmetics	68
Table 5. 1	Distribution of WTP.....	71
Table 5. 2	Summary of the Mean of Product knowledge	76
Table 5. 3	Summary of the Mean of Promotion.....	76
Table 5. 4	Summary of the Mean of Consumers' Awareness	77
Table 5. 5	Summary of the Mean of Purchase Frequency	77
Table 5. 6	Summary of the Mean of Income	78
Table 5. 7	Summary of the Mean of Willingness to Pay	79
Table 5. 8	Result of Validity Test	80
Table 5. 9	The Result of Reliability Test	81
Table 5. 10	Value of Tolerance and VIF.....	81
Table 5. 11	Glejser Test	83
Table 5. 12	Normality Test	84
Table 5. 13	Regression Model	86