#### **CHAPTER V**

#### RESULT AND ANALYSIS

# A. Analysis of Willingness to Pay for Halal Labelled Cosmetics Products

The approach taken with the CVM analysis tool in this study was used to determine the value of respondents' WTP for halal labelled cosmetics. The result of implementing CVM are as follows:

### 1. Setting Up the Hypothetical Market

Based on market hypotheses that have been built at the time of research, namely: "Since 2005, cosmetic products that highlight the brand image as halal cosmetic products have started to be in great demand by the public. To get the halal logo in the cosmetic packaging, cosmetic companies must pass a series of halal certification by LPPOM MUI. At present, circulating cosmetics are vulnerable to containing ingredients that are not halal and also dangerous which should be watched out for. The use of cosmetics with ingredients that are not halal (lard, pig collagen, and all its derivatives) and dangerous (mercury, paraben, triclosin, etc.) in a long period of time can harm and damage the skin so it is feared can cause cancer."

### 2. Obtaining Bids

The technique used to obtain the WTP value is an open ended question, which is done by giving an open question to the respondent about the value to be paid. Respondents will answer directly what is the maximum WTP value for halal labelled cosmetics. Which in this research the category of cosmetics consist of skincare, make up, body & oral care, hair care, and perfume.

# 3. Estimating the Mean of WTP (EWTP)

The estimation of respondents' WTP (EWTP) average value is calculated based on the data of distribution of respondents' WTP using the EWTP formula. The respondent's WTP class is obtained by first determining the smallest value until the largest value of the WTP offered by the respondent. In this research, cosmetics category were divided into skincare, make up, body & oral care, hair care, and perfume. Which in those category consist of so many product. So, to make it easier to calculate the author choose some product that may be a representative of each cosmetics category. EWTP calculations for face wash (skincare category), face powder (make up category), body wash (body care), toothpaste (oral care), shampoo (hair care), and body mist (perfume) can be seen in appendix 5. Then the data distribution of respondents' WTP can be seen in Table 5.1.

Table 5. 1
Distribution of WTP

| No.        | Product     | EWTP     | TWTP            |
|------------|-------------|----------|-----------------|
| 1          | Face Wash   | Rp43.750 | Rp1.130.587.500 |
| 2          | Face Powder | Rp74.420 | Rp1.923.161.640 |
| 3          | Body Wash   | Rp31.670 | Rp818.416.140   |
| 4          | Toothpaste  | Rp20.610 | Rp532.603.620   |
| 5          | Shampoo     | Rp21.230 | Rp548.625.660   |
| 6          | Body Mist   | Rp78.310 | Rp2.023.687.020 |
| TOTAL MEAN |             | Rp44.998 | Rp1.162.846.930 |

Source: Attachment

Refer to table 5.1 shows that the estimation of respondents' WTP (EWTP) for face wash is Rp. 43.750, face powder is Rp. 74.420, body wash is Rp.

31.670, toothpaste is Rp. 20.610, shampoo is Rp. 21.230, and body mist is Rp. 78.310.

# 4. Estimating Bid Curve

The respondent's WTP curve is based on the WTP value of the respondents to the number of respondents who choose the WTP value. Figure 5.1 to Figure 5.6 explain the WTP curve for payment of halal labelled cosmetics on non-Muslim community in Yogyakarta on face wash, face powder, body wash, toothpaste, shampoo, and body mist.

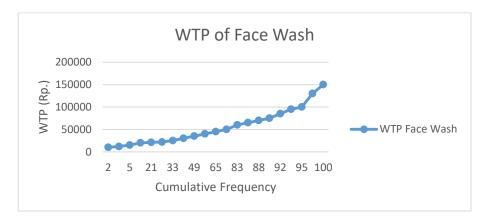


Figure 5. 1 WTP of Face Wash

Figure 5.1 describes WTP of face wash shows that the lowest WTP value is Rp. 10.000 and the highest WTP value is Rp. 160.000 with total 100 respondents that willing to pay for halal labelled cosmetics on non-Muslim community in Yogyakarta that consist of 3 universities that adapt Christian principles.

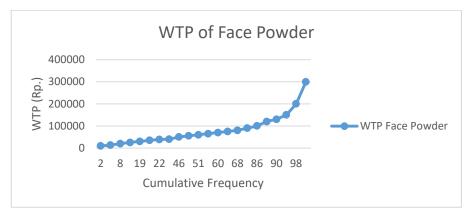


Figure 5. 2 WTP of Face Powder

Figure 5.2 describes WTP of face powder shows that the lowest WTP value is Rp. 10.000 and the highest WTP value is Rp. 300.000 with total 100 respondents that willing to pay for halal labelled cosmetics on non-Muslim community in Yogyakarta that consist of 3 universities that adapt Christian principles.

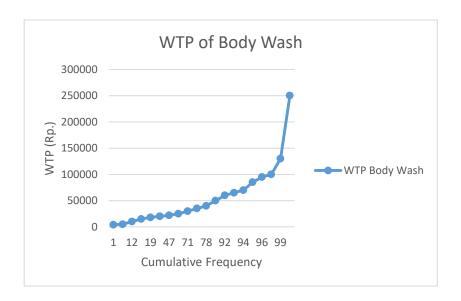


Figure 5. 3 WTP of Body Wash

Figure 5.3 describes WTP of body wash shows that the lowest WTP value is Rp. 4.000 and the highest WTP value is Rp. 250.000 with total 100

respondents that willing to pay for halal labelled cosmetics on non-Muslim community in Yogyakarta that consist of 3 universities that adapt Christian principles.

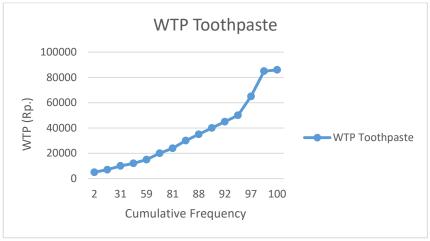


Figure 5. 4 WTP of Toothpaste

Figure 5.4 describes WTP of toothpaste shows that the lowest WTP value is Rp. 5.000 and the highest WTP value is Rp. 86.000 with total 100 respondents that willing to pay for halal labelled cosmetics on non-Muslim community in Yogyakarta that consist of 3 universities that adapt Christian principles.

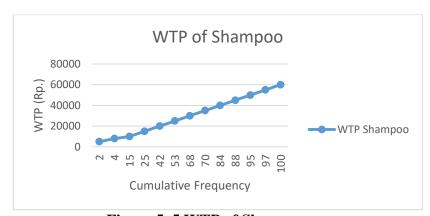


Figure 5. 5 WTP of Shampoo

Figure 5.5 describes WTP of shampoo shows that the lowest WTP value is Rp. 5.000 and the highest WTP value is Rp. 60.000 with total 100 respondents

that willing to pay for halal labelled cosmetics on non-Muslim community in Yogyakarta that consist of 3 universities that adapt Christian principles.

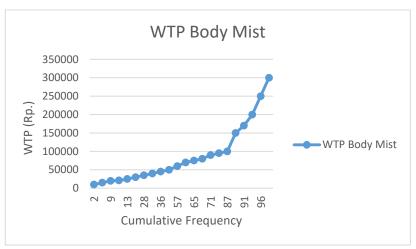


Figure 5. 6 WTP of Body Mist

Figure 5.6 describes WTP of body mist shows that the lowest WTP value is Rp. 10.000 and the highest WTP value is Rp. 300.000 with total 100 respondents that willing to pay for halal labelled cosmetics on non-Muslim community in Yogyakarta that consist of 3 universities that adapt Christian principles.

### 5. Aggregating the Value of WTP or Total WTP (TWTP)

The total WTP (TWTP) value of respondents was calculated based on the data of respondents' WTP distribution. The total WTP is calculated by TWTP formula.

Based on table 5.1 above, it shows the TWTP of halal labelled cosmetics. The TWTP for face wash is Rp1.130.587.500, for face powder is Rp1.923.161.640, for body wash is Rp818.416.140, for toothpaste is Rp532.603.620, for shampoo is Rp548.625.660, and for body mist is Rp2.023.687.020.

## **B.** Descriptive Analysis

Descriptive analysis used to describe the data that has been collected from questionnaire related to respondent's agreement of halal labelled cosmetics product variable for this research.

# 1. Product knowledge (X1)

Table 5. 2 Summary of the Mean of Product knowledge

|      | Items   |      | Description |
|------|---|------|-------------|
| KP1  | I know the quality of halal labelled cosmetics. | 3,00 | Agree       |
|      | I understand the concept of "dangerous" in      |      |             |
| KP3  | KP3 cosmetic products.                          |      | Agree       |
| Mean | Total   | 3,06 | Agree       |

Source: Attachment

Based on the table 5.7 above, descriptive analysis on product knowledge variable show that there were agreement from the statement in questionnaire on 2 instruments about respondents' knowledge of halal labelled cosmetics products. The result above showed that KP1 and KP3 have the mean that were calculated in agree category. It can be concluded that the respondents' agreement on the product knowledge halal labelled cosmetics product statement reach a high value.

### 2. Promotion (X2)

Table 5. 3
Summary of the Mean of Promotion

|      | Items  | Mean | Description |
|------|--|------|-------------|
|      | I know cosmetics labelled halal from activities or |      |             |
| PR3  | events that I follow                               | 2,14 | Disagree    |
| Mean | Total  | 2,14 | Disagree    |

Source: Attachment

From the table 5.8, the descriptive analysis on promotion variable showed that there was agreement from respondent on 1 instrument about promotion statement.

The result showed that PR3 have mean in the disagree category. Then it may be concluded that the respondents' agreement on promotion statement reached a low value.

# 3. Consumers' Awareness (X3)

Table 5. 4
Summary of the Mean of Consumers' Awareness

|      | Items  | Mean | Description |
|------|--|------|-------------|
|      | I know that there is halal label on cosmetic |      | Strongly    |
| CA1  | products                                     | 3,28 | Agree       |
|      | I am aware that there are halal labels on    |      |             |
| CA2  | cosmetic products                            | 3,00 | Agree       |
| Mean | Total  | 3,14 | Agree       |

Source: Attachment

From table 5.9 above, descriptive analysis on consumers' awareness variable showed that there were agreement from respondents to 2 instruments about consumers' awareness statements. The result showed that CA1 had mean in strongly agree category and CA2 had mean in agree category. Then it could be concluded that the respondents' agreement in consumers' awareness statement reached a high value.

# 4. Purchase Frequency (X4)

Table 5. 5 Summary of the Mean of Purchase Frequency

|      | Items   | Mean | Description |
|------|---|------|-------------|
|      | I make purchases on halal labelled cosmetic       |      |             |
| PF1  | products at least 2x a month                      | 2,21 | Disagree    |
|      | I am satisfied with the quality of halal labelled |      |             |
| PF2  | cosmetics   | 3,20 | Agree       |
|      | I intend to repeatedly purchase halal labelled    |      |             |
| PF3  | cosmetic products                                 | 3,08 | Agree       |
| Mean | Total   | 2,83 | Agree       |

Source: Attachment

From table 5.10 above, descriptive analysis on purchase frequency variable showed that there were agreement from respondents' on 3 insruments about purchase frequency statements. The result showed that all instruments in purchase frequency had agreement in agree category. It can be concluded that the respondents' agreement on the purchase frequency statement reached a high value.

### **5.** Income (**X5**)

Table 5. 6 Summary of the Mean of Income

|  | Items   |      | Description |
|--|---|------|-------------|
| INC  | The income that I get is enough for daily needs |      | Strongly    |
| 1  | in a month                                      | 3,35 | Agree       |
| INC  | I can buy cosmetic products because my          |      |             |
| 2  | income in a month is enough                     | 3,06 | Agree       |
| INC I can save for unexpected costs from the |   |      |             |
| 3  | income I get                                    | 2,94 | Agree       |
| Mean   | Total   | 3,12 | Agree       |

Source: Attachment

From the table 5.11 above, descriptive analysis on income variable showed that there were agreement from respondents on 3 instruments about income statement. The result showed that all instruments in income statements had agreement in agree category. So it may be concluded that the respondents' agreement on income statement reached a high value.

### 6. Willingness to Pay (Y)

Table 5. 7
Summary of the Mean of Willingness to Pay

|                    | Items   | Mean  | Description |
|--------------------|---|-------|-------------|
|                    | I am willing to spend money to pay for halal    |       |             |
| WTP1               | labelled cosmetics                              | 3,02  | Agree       |
|                    | I am willing to pay more for halal labelled     |       |             |
|                    | cosmetics compared to cosmetic products         |       |             |
| WTP2               | without the halal label                         | 2,75  | Agree       |
|                    | I am willing to pay far more for halal labelled |       |             |
|                    | cosmetics compared to cosmetic products         |       |             |
| WTP3               | without the halal label                         | 2,39  | Agree       |
| Mean Total 2,72 Ag |   | Agree |             |

Source: Attachment

From table 5.12 above, descriptive analysis on willingness to pay variable which in this research willingness to pay as a dependent variable. From the table it shows that there were agreement from respondents on 3 instruments about willingness to pay statements. The results showed that all instruments in willingness to pay variable had an agreement on agree category. It can be concluded that the respondents' agreement on the willingness to pay reached a high value.

### C. Quality Data and Instrument Test

This chapter present the statistical result of the conducted analysis in the statistical program IBM SPSS Statistics 20. Before the data is analysed, the instrument will be analysed to see the validity and reliability.

### 1. Validity Test

A validity test is carry out the all data to measure the degree of validity of its instrument in the research. SPSS 20 serve this tool for validity test. In table 5.1 it has summarize of the validity test result.

Table 5. 8 Result of Validity Test

| Variable             | Instrument | Sig.  | alpha | Description |
|----------------------|------------|-------|-------|-------------|
| Product Knowledge    | KP1        | 0,041 | 0,05  | valid       |
| Floduct Knowledge    | KP3        | 0,047 | 0,05  | valid       |
| Promotion            | PR3        | 0,001 | 0,05  | valid       |
|                      | CA1        | 0,027 | 0,05  | valid       |
| Consumers' Awareness | CA2        | 0,008 | 0,05  | valid       |
|                      | CA3        | 0,004 | 0,05  | valid       |
|                      | PF1        | 0,000 | 0,05  | valid       |
| Purchase Frequency   | PF2        | 0,042 | 0,05  | valid       |
|                      | PF3        | 0,012 | 0,05  | valid       |
|                      | INC1       | 0,009 | 0,05  | valid       |
| Income               | INC2       | 0,009 | 0,05  | valid       |
|                      | INC3       | 0,002 | 0,05  | valid       |
|                      | WTP1       | 0,018 | 0,05  | valid       |
| Willingness to Pay   | WTP2       | 0,000 | 0,05  | valid       |
|                      | WTP3       | 0,041 | 0,05  | valid       |

Source: Attachment

From the table 5.2 it shows the result of validity test. To determine the variables are valid or invalid, it has a requirement that the variable has to have significance value < 0,05. In this research, all the instruments above are valid because the significance level is less than 0,05.

# 2. Reliability Test

A reliability test needed to know the indicators without any bias. Test reliability of questionnaire data was carried out using the Cronbach's Alpha calculation method from 0 to 1. Cronbach's Alpha has a requirement that is Cronbach's Alpha value > 0.60 so it means the statement in questionnaire data is reliable. In the table 5.2 it shows the summary of reliability test Cronbach's Alpha.

Table 5. 9
The Result of Reliability Test

| Cronbach's Aplha | N of Items | Description |
|------------------|------------|-------------|
| 0,791            | 14         | Reliable    |

Source: Attachment

From table 5.3 above it shows that Cronbach's Alpha value is 0,791. The Cronbach's Alpha is greater than 0.60 (0,791 > 0.60) it indicates that the overall statement in questionnaire data is at a reliable level, which means that all statements can be relied upon as a measure when repeated measurements.

### **D.** Classical Assumptions

# 1. Multicollineary Test

The purpose of the multicollinearity test in this study was to examine whether the regression model found a correlation (strong relationship) between independent variables. A good regression model should not have a correlation between independent variables or multicollinearity.

To determine the absence or presence of multicollineary in this regression model, it may by looking at the value of Variance Inflation Factor (VIF) and Tolerance, as if VIF < 10,00 and the tolerance value > 0,10 so it means there no multicollinearity. On the table 5.4 it shows the VIF and Tolerance of the data.

Table 5. 10 Value of Tolerance and VIF

| Instrument | Collinearity<br>Statistics |       |
|------------|----------------------------|-------|
|            | Tolerance                  | VIF   |
| PK         | 0,750                      | 1,334 |
| PR         | 0,837                      | 1,195 |
| CA         | 0,790                      | 1,266 |
| PF         | 0,815                      | 1,228 |
| INC        | 0,867                      | 1,153 |

Source: Attachment

From table 5.4 it shows that there is no independent variables that have tolerance value > 0,10 so it means there is no correlation between independent variables. Then from Variance Inflation Factor (VIF) it shows that there is no independent variables that have VIF value < 10,00 so it means there is no multicollinearity between independent variables in regression model.

## 2. Heteroskedasticity Test

Heterocedasticity test is part of the classic assumption test in regression analysis which aims to test whether in the regression model there is an inequality of variance from residual values one observation to another observation is fixed, it is called homoskedasticity. However, if the variance of the residual value is one observation to another observation is different then it is called heteroscedasticity. A good regression model shouldn't occur heterokesdasticity.

To determine the presence or absence of heteroscedasticity in the regression model is to perform the Glejser test. The principle of this Glejser test is to regress the independent variable to the residual Absolute value or Abs\_RES. Decision making in heteroscedasticity test using Glejser test is a significance value (Sig.) Greater than 0.05, so the conclusion is that there is no heteroscedasticity in the regression model.

Table 5. 11 Glejser Test

| Instrument | t      | Sig.  |
|------------|--------|-------|
| PK         | -1,920 | 0,058 |
| PR         | -1,874 | 0,064 |
| CA         | 1,010  | 0,315 |
| PF         | -0,146 | 0,884 |
| INC        | 1,030  | 0,306 |

Source: Attachment

From table 5.5 above it shows that the value of significance from all independent variables are greater than 0,05. So it means that there is no heterokedasticity in this regression model.

Another way to determine the presence or absence of heterokedasticity is by looking the dots pattern of Scatterplot image. If the dots spread above and below 0 on the Y axis so there is no heteroskedasticity problem.

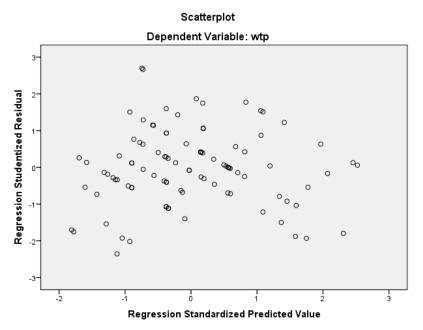


Figure 5. 7 Scatterplot

Based on figure 5.1 above, it shows the dots pattern from Scatterplot regression output. It can be seen that the dots are spread randomly above and

below 0 on the Y axis, so it means there is no heterokedasticity in this regression model.

## 3. Normality Test

The normality test aims to test whether the data used in the study is normally distributed or not. Good data should be normally distributed data. The basis of decision making in the normality test is if the significance value (Sig.) is greater than 0.05 then the research data is normally distributed.

**Table 5. 12 Normality Test** 

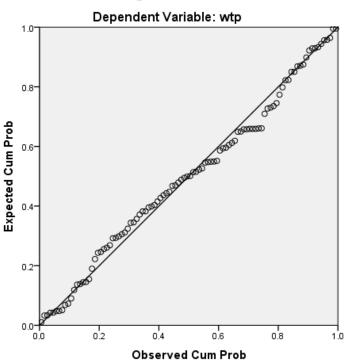
| Statistics              | Unstandardized<br>Residual |
|-------------------------|----------------------------|
| Kolmogorov-Smienov<br>Z | 0,851                      |
| Asymp. Sig (2-tailed)   | 0,464                      |

Source: Attachment

From the table 5.12above it shows the result of normality test. From the result, the value of Asymp. Sig (2-tailed) is 0,464 it means the value is greater than 0,05 which means the residual is normally distributed.

Another way to detect the data is normally distributed or not is by using Normal Probability Plot or as well-known as P-P Plot test. The P-P Plot test is one alternative that is effective enough to detect whether the data to be analyzed is normally distributed or not. In this test, normality is carried out on the residual value in the regression model and not on each variable. A good regression model should have normal residuals. Detecting the normality of residual values is done by looking at the plot dots resulting from the SPSS output and seeing whether these dots are around the diagonal line or not.

To see the normality of a residual value can be guided by existing dots from the results of SPSS output, provided that if the dots are near or follow the diagonal line, it can be said that the residual value is normally distributed.



Normal P-P Plot of Regression Standardized Residual

Figure 5. 8 P-P Plot Regression

Normality test can be seen in the image output Regression Chart Normal P-P Plot. It can be seen that the dots spread around the line and follow the diagonal line, then the regression model has been normally distributed.

# **E.** Regression Estimation Result

Regression analysis is a model that use in this research and the model in this research is formulated as follows:

WTP =  $\beta_0 + \beta_1$  Knowledge +  $\beta_2$  Promotion +  $\beta_3$  Aware +  $\beta_4$  Purfreq +  $\beta_5$  Inc + e

Where:

WTP = Willingness to Pay

 $\beta_0$  = Intercept

 $\beta_1...\beta_6$  = Regression coefficient

Knowledge = Product Knowledge

Promotion = Promotion of product

Aware = Consumers' awareness

Purfreq = Purchase frequency

Inc = Income

e = Error term

Table 5. 13 Regression Model

| Model       | Definition           | Standardized<br>Coefficients | t      | Sig.  |
|-------------|----------------------|------------------------------|--------|-------|
| (Constant)  |                      |                              | -2,651 | 0,009 |
| PK          | Product Knowledge    | 0,014                        | 0,170  | 0,866 |
| PR          | Promotion            | -0,020                       | -0,253 | 0,800 |
| CA          | Consumers' Awareness | 0,192                        | 2,490  | 0,015 |
| PF          | Purchase Frequency   | 0,619                        | 8,135  | 0,000 |
| INC         | Income               | 0,167                        | 2,285  | 0,025 |
| R-square    |                      | 0,531                        |        |       |
| F-stat      |                      | 21,299                       |        |       |
| Prob F-stat |                      | 0,000                        |        |       |

Source: Attachment

From table 5.13 above it shows the t value and the significance of product knowledge, promotion, consumers' awareness, purchase frequency, and income as independent variable.

## F. T Test (Variable Interpretation)

To determine whether the Ha is accepted or rejected, there is some criteria needed in the hypothesis as follows:

- Ho is accepted and Ha is rejected if  $t_{value} < t_{table}$  or the significance > 0.05
- Ho is rejected and Ha is accepted if  $t_{value} > t_{table}$  or the significance < 0.05

## 1. Product Knowledge

The null hypothesis (Ho) states that product knowledge is significantly not influence the willingness to pay (WTP) for halal labelled cosmetic. The alternative hypothesis (Ha) states that product knowledge is significantly influence the willingness to pay for halal labelled cosmetics.

Based on the degree of freedom (df) 100-5-1 and the significance is 5 percent ( $\alpha = 0.05$ ), then the t table obtained 1,986. From table 5.13 above, it shows that the value of t value of knowledge product is 0,286 (0,286 < 1,986) and the significance value is 0,775 (0,775 > 0,05). So the null hypothesis (Ho) is accepted and the alternative hypothesis (Ha) is rejected, so it means that product knowledge is significantly not influence the willingness to pay for halal labelled cosmetics.

#### 2. Promotion

The null hypothesis (Ho) states that promotion is significantly not influence the willingness to pay for halal labelled cosmetics. Then the alternative hypothesis (Ha) states that promotion is significantly influence the willingness to pay for halal labelled.

Based on the degree of freedom (df) 100-5-1 and the significance is 5 percent ( $\alpha = 0.05$ ), then the t table obtained 1,986. From table 5.13 above, it shows that the value of t value of promotion is 0,033 (0,033 < 1,986) and the significance value is 0,974 (0,974 > 0,05). So the null hypothesis (Ho) is accepted and the alternative hypothesis (Ha) is rejected, so it means that promotion is significantly not influence the willingness to pay for halal labelled cosmetics.

#### 3. Consumers' Awareness

The null hypothesis (Ho) states that consumers' awareness is significantly not influence the willingness to pay for halal labelled cosmetics. Then the alternative hypothesis (Ha) states that consumers' awareness is significantly influence the willingness to pay for halal labelled.

Based on the degree of freedom (df) 100-5-1 and the significance is 5 percent ( $\alpha = 0.05$ ), then the t table obtained 1,986. From table 5.13 above, it shows that the value of t value of consumers' awareness is 2,490 (2,490 > 1,986) and the significance value is 0,015 (0,015 < 0,05). So the null hypothesis (Ho) is rejected and the alternative hypothesis (Ha) is accepted, so it means that consumers' awareness is significantly influence the willingness to pay for halal labelled cosmetics. Table 5.13 explains about positive and significant relationship between consumers' awareness variable and Willingness to Pay (WTP). Means that when the awareness from consumers increase, so it will increase the Willingness to Pay (WTP) of halal labelled cosmetics with assumption the others variables are constant.

## 4. Purchase Frequency

The null hypothesis (Ho) states that purchase frequency is significantly not influence the willingness to pay for halal labelled cosmetics. Then the alternative hypothesis (Ha) states that purchase frequency is significantly influence the willingness to pay for halal labelled.

Based on the degree of freedom (df) 100-5-1 and the significance is 5 percent ( $\alpha = 0.05$ ), then the t table obtained 1,986. From table 5.13 above, it shows that the value of t value of purchase frequency is 7,485 (7,485 > 1,986) and the significance value is 0,000 (0,000 > 0,05). So the null hypothesis (Ho) is rejected and the alternative hypothesis (Ha) is accepted, so it means that purchase frequency is significantly influence the willingness to pay for halal labelled cosmetics. Table 5.13 explains about positive and significant relationship between purchase frequency variable and Willingness to Pay (WTP). Means that when the consumers purchased the halal labelled cosmetics more often, so it will increase the Willingness to Pay (WTP) of halal labelled cosmetics with assumption the others variables are constant.

#### 5. Income

The null hypothesis (Ho) states that income is significantly not influence the willingness to pay for halal labelled cosmetics. Then the alternative hypothesis (Ha) states that income is significantly influence the willingness to pay for halal labelled.

Based on the degree of freedom (df) 100-5-1 and the significance is 5 percent ( $\alpha = 0.05$ ), then the t table obtained 1,986. From table 5.13 above, it

shows that the value of t value of income is 2,285 (2,285 > 1,986) and the significance value is 0,025 (0,025 > 0,05). So the null hypothesis (Ho) is rejected and the alternative hypothesis (Ha) is accepted, so it means that income is significantly influence the willingness to pay for halal labelled cosmetics. Table 5.13 explains about positive and significant relationship between income variable and Willingness to Pay (WTP). Means that when the income of consumers increase, so it will increase the Willingness to Pay (WTP) of halal labelled cosmetics with assumption the others variables are constant.

#### G. F Test

F test used to know the influence of independent variables on dependent variable in togetherness. Null hypothesis (Ho) states that purchase frequency not influencing willingness to pay for halal labelled cosmetics. Then the alternative hypothesis (Ha) states that purchase frequency influencing willingness to pay for halal labelled cosmetics.

Based on the degree of freedom (df) 100-5-1 and the significance is 5 percent ( $\alpha = 0.05$ ), then the  $F_{table}$  obtained 2,311. From table 5.13 above, it shows that the value of  $F_{value}$  is 21,299 and the value of probability is 0,000. To decide whether Ha is rejected or accepted there is several criteria:

- Ho is accepted and Ha is rejected if  $F_{value} < F_{table}$  or the significance > 0.05
- Ho is rejected and Ha is accepted if  $F_{value} > F_{table}$  or the significance < 0.05

From criteria above it can be decided that the null hypothesis (Ho) is rejected and the alternative hypothesis (Ha) is accepted. Because the  $F_{value}$  from table 5.13

is 21,299 (21,299 > 2,311) then the probability value is 0,000 (0,000 < 0,05). It means that consumers' awareness, purchase frequency, and income are influence willingness to pay for halal labelled cosmetics.

# H. R<sup>2</sup> Test

The coefficient of determination  $(R^2)$  is the contribution of the influence given by the independent variables (X) on the dependent variable (Y). Or in other words, the value of  $R^2$  is useful for predicting and seeing how much the influence of the variable X is given simultaneously to variable Y. The requirements that must be fulfilled in order to interpret the value of  $R^2$  are the results of the F test with significant value.

Based on table 5.13 above, it shows that the value of R<sup>2</sup> is 0,531 means purchase frequency influence willingness to pay for halal labelled cosmetics as much as 53,1% and the other 46,9% influence by another factors outside from this research.

#### I. Discussion

# 1. The Influence Product Knowledge on Willingness to Pay

The first hypothesis of this research is product knowledge significantly influence willingness to pay for halal labelled cosmetics on non-Muslim community in Yogyakarta. Based on primary data that has been processed, the result is product knowledge not significantly influence willingness to pay for halal labelled cosmetics on non-Muslim community. It may be because the respondents in this research are non-Muslim so they didn't take a big concern about the halal cosmetics. And also, product knowledge is not only the

consumers know about product characteristic and the visual of product, but also product knowledge including the consequences of using product, value of satisfaction to be achieved by using product, and also to know the quality of product. Means that consumers not only familiar with several halal labelled cosmetics product but also should know the ingredient in the product.

This research is supported by the research that has been done by Kumar (2016) entitled "The Influence of Product Knowledge, Product Usability and Price toward Costimer Preference: (A Case of Samsung Smartphone Users in President University)". The result from this research is that product knowledge did not have any significant influence toward costumer preference of Samsung smartphone. And also the research that has been done by Erida and Rangkuti (2017) entitled "The Effect of Brand Image, Product Knowledge and Product Quality on Purchase Intention of Notebook with Discount Price as Moderating Variable" also supported result in this research. Hence, the product knowledge did not give any significant effect toward purchase intention.

But this research is not supported by the research that has been done by Rochmanto (2014) entitled "The Effect of Product Knowledge and Religious Norms on Consumer Attitudes in the Intention of Consuming Halal Food and Beverage Products" which the respondents of this research are Muslim. The result is, product knowledge is significantly influence the intention of consuming halal food and beverage in Semarang.

## 2. The Influence Promotion on Willingness to Pay

The second hypothesis of this research is promotion significantly influence willingness to pay for halal labelled cosmetics on non-Muslim community in Yogyakarta. Based on primary data that has been processed, the result is promotion not significantly influence willingness to pay for halal labelled cosmetics on non-Muslim community. Refer to Kotler and Armstrong (2012), there is several ways to promote the product such as advertising, sales promotion, personal selling, public relation, and direct marketing. The assumption of why the promotion in this research did not significantly affect willingness to pay for halal labelled cosmetics is that the promotion carried out is not too focused on the "Halal" of a cosmetic product, but rather in terms of the cheap price and the visual of product itself. For example, not every halal labelled cosmetic product put "Halal" in their advertisement and did not take any concern too much on "Halal label" when the company doing any cooperation with any celebrity or even just beauty influencer in social media.

This research supported by the research that has been done by Yusup (2011) entitled "Analysis the Influence of Promotion, Price, Product Quality, and Services on Purchase Decision on Honda Motorcycle". It states that promotion not significantly influence the purchase decision for Honda motorcycle.

But this research not supported by the research that has been done by Shamout (2016) entitled "The Impact of Promotional Tools on Consumer Buying Behavior in Retail Market". It states that price discount, free sample,

and buy one get one significantly influence the consumer buying behavior during sales promotion. Meanwhile, the coupons did not significantly influence the consumer buying behavior during sales promotion.

# 3. The Influence Consumers' Awareness on Willingness to Pay

The third hypothesis of this research is consumers' awareness significantly influence willingness to pay for halal labelled cosmetics on non-Muslim community in Yogyakarta. Based on the primary data processed, the result is consumers' awareness positively influence the willingness to pay for halal labelled cosmetics on non-Muslim community with assumption the other factor is constant. It means that as the consumers' awareness increase, then the willingness to pay for halal labelled cosmetics also increase.

This statement supported by the research that has been done by Putri (2017) entitled "Consumers' Willingness to Pay for Halal Labelled Chicken Meat". And the result is the consumers' awareness significantly influence the willingness to pay for halal labelled chicken meat. And also the research that has been done by Nuriana (2013) entitled "Willingness to Pay Analysis of Certification Halal for Wardah Cosmetics Product on Two Sales Location in Bogor". The result is also the same, consumers' awareness is significantly influence the willingness to pay for Wardah cosmetics product in Bogor.

#### 4. The Influence Purchase Frequency on Willingness to Pay

The fourth hypothesis of this research is purchase frequency significantly influence willingness to pay for halal labelled cosmetics on non-Muslim community in Yogyakarta. Based on the primary data processed, the result is

purchase frequency positively influence the willingness to pay for halal labelled cosmetics on non-Muslim community with assumption the other factor is constant. It means that as consumer purchase the product more often, then the willingness to pay for halal labelled cosmetics also increase.

This statement supported by research that has been done by Wang (2019) entitled "Consumer's Willingness to Pay a Premium for Organic Fruits in China: A Double-Hurdle Analysis". The result shows that purchase frequency positively significant influence consumer's willingness to pay unsafely fruits in China.

# 5. The Influence Income on Willingness to Pay

The fifth hypothesis of this research is income significantly influence the willingness to pay for halal labelled cosmetics on non-Muslim community in Yogyakarta. Based on the primary data processed, the result is income positively influence the willingness to pay for halal labelled cosmetics on non-Muslim community with assumption the other factor is constant. It means that as the income increase, then the willingness to pay for halal labelled cosmetics also increase.

This statement supported by research that has been done by Zahroh (2017) with titled "The Factors That Influencing Willingness to Pay the Visitors of Pangandaran Beach Using Contingent Valuation Method (CVM)". The result shows that income positively influence the visitor's willingness to pay in Pangandaran beach.