# How Perceived Value Mediates Muslim Consumer Loyalty to Halal Cosmetics: An Analysis of Labelling, Price, and Quality

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| Article History: | Abstract |
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| <br><br><br>**By:**<br>International Journal of Islamic Economics (IJIE)<br><br><br> | **Introduction:** Community productivity is critical in maintaining quality of life to avoid disasters. The use of digital technology in the economic aspect has also provided opportunities for people far from the market to earn income to meet their living needs.<br>**Objective:** This quantitative study aimed to explore the impact of halal labeling, price, and product quality on consumer loyalty toward Indonesian skincare products among Muslim consumers in the Jabodetabek area. Specifically, it examines the mediating role of perceived value in these relationships.<br>**Method:** Primary data were collected through a questionnaire distributed to 115 Muslim respondents who used Indonesian skincare products from Jabodetabek. The study employed random sampling was used for the participant selection. For data analysis, Structural Equation Modeling (SEM) using Partial Least Squares (PLS) was used to assess both the direct and indirect effects of the variables.<br>**Result:** This finding revealed that labeling and price do not directly affect consumer loyalty. At the same time, product quality and perceived value do, with the latter being positively influenced by price and product quality. The study also concludes that perceived value is a crucial driver of consumer loyalty, emphasizing that companies should focus on enhancing product quality and perceived value to strengthen consumer loyalty while recognizing that halal labeling, although important in principle, does not directly impact consumer loyalty or perceived value.<br>**Implication:** The findings suggest that product quality and perceived value are critical drivers of consumer loyalty for skincare products targeting Muslim consumers in Jabodetabeky. Halal labeling, while necessary in principle, does not directly influence loyalty or perceived value. Companies should prioritize enhancing product quality and delivering perceived value to strengthen consumer loyalty while considering competitive pricing strategies that enhance perceived value.<br><br>**Keywords:** Consumer Loyalty; Halal Labelling; Perceived Value Price; Product Quality. |

## A. Introduction

The relationship between perceived value and customer loyalty has been thoroughly investigated in numerous service industry sectors over an extended period (El-Adly 2019). The significance of perceived value as a determinant of purchase intention is considerable in

social commerce (Molinillo et al., 2021). Researchers have investigated the dimensions of perceived value in service environments. (Sweeney & Soutar, 2001) developed a measurement scale to assess these dimensions (Servera-Francés et al., 2019). The concept of perceived value comprises three primary aspects: emotional, social, and functional. Emotional value refers to the subjective experience of a product, whereas social value refers to the perceived social usefulness of the product. Functional value, on the other hand, encompasses the dimensions of price and quality: the product's utility in relation to its short- and long-term perceived costs and the product's performance based on its technical capabilities, respectively. Successful management of perceived value can enable companies to achieve various business objectives, such as enhancing consumer loyalty, improving brand image, and increasing sales (Darmo, 2019) (Triwibowo et al., 2022). Loyalty is often perceived as an attribute encompassing two distinct types of conduct: repurchase and recommendation intentions (Molinillo et al., 2020).

Most research exploring the relationship between perceived value, customer satisfaction, and loyalty concentrates on perceived value as a unidimensional concept, emphasizing its financial aspect. However, this narrow approach to customer-perceived value often overlooks other crucial elements of value that arise from the customer experience (El-Adly, 2019a). In the highly competitive landscape of beauty products, domestic and foreign brands must be attentive to and comprehend consumers' preferences and aspirations to foster brand loyalty.

The cosmetics, skincare, and personal care industries are expanding rapidly, with the cosmetics industry experiencing a significant increase in domestic and international demand. In 2019, the cosmetics industry grew by 7.23 percent, surpassing the national industrial growth rate of 5.02 percent, indicating that this sector has tremendous potential for continued growth (Kemenperin. go. id, n.d.).

**Table 1.1: Number of Cosmetic Industries in Indonesia 2021-2022**

| Years | Number of Cosmetic Industries |
|-------|-------------------------------|
| 2021  | 819                           |
| 2022  | 913                           |

Source: POM Agency

According to the data, the cosmetics industry has experienced a rise in business actors from 819 in 2021 to 913 by July 2022. Notably, the MSME sector comprised a significant portion of this growth, accounting for 83% of all industries (Direktorat et al., 2022). This remarkable growth in the cosmetics industry, as evidenced by the increase in businesses from 819 to 913 between 2021 and July 2022, reflects a dynamic and rapidly evolving market landscape. The significance of Micro, Small, and Medium Enterprises (MSMEs) is highlighted by their dominance, accounting for 83% of the market. This demonstrates the essential role of smaller players in promoting innovation and fulfilling a wide range of consumer needs.

Indonesia has a significant Muslim population, particularly in the Jabodetabek region, encompassing Jakarta, Bogor, Depok, Tangerang, and Bekasi. It is predominantly Muslim and serves as an economic hub and a cultural melting pot where traditional and modern lifestyles coexist harmoniously.

**Table 1.2: Muslim Population of Jabodetabek in 2021**

| Region | Number of Muslim Population (2021) | Percentage |
|---|---|---|
| DKI Jakarta | 9.425.575 | 89% |
| Bogor | 969.343 | 92% |
| Depok | 1.773.341 | 85% |
| Tangerang | 1.166.211 | 83% |
| Bekasi | 2.381.568 | 93% |

Source: Central Bureau of Statistics

Table 2 shows that the average percentage of the Jabodetabek Muslim population is above 80%. Therefore, Indonesia is obliged to provide and guarantee halal products (Izzah Lubis, 2019). Halal statements in Indonesia can be in the form of halal labels and certifications from the BPOM (Samsuri, 2023). Indonesia became the largest consumer of halal cosmetics in 2021.

**Table 1.3: Data consumers of halal cosmetics in 2021**

| Country | Halal Cosmetics Expenditure (in billion USD) |
|---|---|
| Indonesia | 5.3 |
| Turkey | 4.6 |
| Saudi Arabia | 4.5 |
| India | 3.5 |
| United Arab Emirates | 2.9 |
| Pakistan | 2.3 |
| Egypt | 1.8 |
| Nigeria | 1.3 |

Source: State of the Global Islamic Economy Report

According to the State of the Global Islamic Economy Report from 2022, Indonesia leads halal cosmetics usage with a staggering $5.3 billion, followed closely by Turkey at $4.6 billion, and Saudi Arabia, which has reached $4.5 billion (Dinar Standard, 2022). The table emphasizes substantial spending on halal cosmetics in countries with large Muslim populations, highlighting the swift expansion of the market. Besides halal-certified items, consumers focus on product quality and benefits that meet their specific requirements. High-quality products are essential for delivering customer satisfaction and generating profits for a company (Laili and Canggih, 2021). The importance of product quality in cultivating customer loyalty cannot be emphasized sufficiently. By this, we mean the perception of

consumer forms of a product's attributes, such as its features, design, packaging, performance, and dependability, which are experienced or assessed during the product's use or consumption (Rawung et al., 2023).

Firms must recognize the significance of providing products or services at a price that aligns with the level of quality that customers anticipate while also ensuring their satisfaction (Rawung et al., 2023). Pricing is a crucial aspect of profit generation for all companies, and, as such, they strive to optimize it by conducting market research. Pricing strategies significantly influence market demand, which helps companies maintain a competitive edge (I. Juniantara et al., 2018) (Nurfitriani & Nugroho, 2023). Earlier investigations have delved into the consequences of halal labeling, pricing, and product quality on customer loyalty. These studies have used various research subjects to assess the elements influencing customer loyalty.

This investigation focused on the application of Indonesian skincare products. Furthermore, this study employs perceived value as a mediating factor in fostering uniqueness by addressing the aspects of emotional, social, and functional values as indicators. This study investigates the factors that impact consumer loyalty through halal labeling variables, price, and product quality, using perceived value variables as mediating factors. Therefore, this study aims to explore the elements that influence consumer loyalty by utilizing halal labeling variables, price, and product quality, with perceived value variables serving as mediating factors.

## B.  Literature Review

Previous research is valuable for understanding the variables that influence consumer loyalty. The following are the earlier research findings on this topic (Zarkasyi et al., 2023) concluded the study demonstrated the influence of e-service quality on marketplace customer loyalty, and it was found that perceived value variables played a significant role in shaping customer loyalty. (El-Adly, 2019a)  showed that the customer satisfaction variable mediates the relationship between perceived value and customer loyalty. (Fajar et al., 2022) concluded that the impact of halal labels and brand image on consumer satisfaction was insignificant. Product quality plays a crucial role in determining consumer satisfaction. Furthermore, each variable (halal label, brand image, and product quality) directly influenced consumer loyalty. Additionally, these variables indirectly affect consumer loyalty through the intermediate variable of consumer satisfaction.

Research conducted by (Rosalina et al., 2019) with the title "*Dampak Promosi, Harga Dan Kualitas Produk Terhadap Loyalitas Konsumen Oppo Smartphone*" concluded that the effect of each independent variable on consumer loyalty for Oppo smartphones is positive and significant. (Ahmed et al., 2023) concluded that service quality and price directly affect consumer satisfaction. Consumer satisfaction has a positive and significant influence on consumer loyalty. Consumer satisfaction variables mediate service quality and price to consumer loyalty. (Quoquab et al., 2020) Show that halal logos directly and indirectly affect customer loyalty. The reputation and trust variables mediate halal logos in customer loyalty. The Reputation and trust variables have a positive effect on customer loyalty.

(Chaniago, 2021) conducted research titled *"Analisis Kualitas Pelayanan, Kualitas Produk, dan Harga pada Loyalitas Konsumen Nano Store'.* According to the study, the results show the quality of service, product quality, and price all impact consumer loyalty. However, only service and product quality contributed significantly to consumer loyalty during the testing phase. Research conducted by (Samsuri, 2023a) concluded that the effects of halal labels, brand image, and product quality on customer loyalty are all significant. (Maimunah, 2020) conducted research titled *"Pengaruh Kualitas Pelayanan, Persepsi Harga, Cita Rasa, Terhadap Kepuasan Konsumen dan Loyalitas Konsumen."* The study indicated that the service quality factor had a negative and insignificant impact on customer satisfaction but a positive and significant impact on customer loyalty.

Additionally, price perception had a positive and significant effect on customer satisfaction but a negative and insignificant impact on customer loyalty. On the other hand, taste positively and significantly influences customer satisfaction and loyalty. Therefore, these findings suggest that customer satisfaction directly and substantially impacts customer loyalty.

(Juniantara & Sukawati, 2018), Conducted research titled *"Pengaruh Persepsi Harga, Promosi, dan Kualitas Pelayanan terhadap Kepuasan dan Dampaknya terhadap Loyalitas Konsumen."* Researchers assert that price perceptions play a positive and significant role in enhancing customer satisfaction. Moreover, the promotion of customer satisfaction has a positive and significant impact. In addition, service quality was found to positively and significantly affect customer satisfaction. Finally, customer satisfaction is found to have a positive and significant influence on customer loyalty. (Wijayani & Prambudi, 2020)  It concluded that the impact of product quality on customer loyalty is substantial and positive, and the effect of brand image on customer loyalty is also significant and positive. In addition, (Xhema et al., 2018) onducted research using the title "Switching costs, corporate image, and product quality effect on customer loyalty:  Kosovo retail market". According to their findings, switching costs, corporate image, and product quality positively impact customer loyalty.

(Shen & Yahya, 2021) conducted research titled " The impact of service quality and price on passengers' loyalty towards low-cost airlines: The Southeast Asia's perspective". This study reveals that service quality and price can positively impact passenger loyalty by increasing passenger satisfaction, which in turn contributes to a higher level of loyalty. (Putri & Verinita, 2019) conducted research with the title *"Analisis Pengaruh E-Service Quality, E-Recovery Service Quality terhadap Loyalitas Melalui Perceived Value sebagai Variabel Mediasi (Studi pada Pelanggan Shopee di Kota Padang".* The study demonstrated that e-service quality and e-recovery service quality influence perceived value, affecting customer loyalty. Interestingly, e-service quality did not directly impact customer loyalty but played a significant role in shaping customer perceptions through perceived value, which mediated the relationship between e-recovery service quality and loyalty. (Wuisan, 2021) conducted research titled *"Pengaruh E-Service Quality dan Food Quality terhadap Customer Loyalty Pengguna GoFood Indonesia yang Dimediasi oleh Perceived Value dan Customer Satisfaction".* The results indicate that e-service quality has a favorable and substantial impact on customer loyalty, and customer satisfaction

mediates the connection between e-service quality and customer loyalty. On the other hand, food quality did not influence customer satisfaction, but perceived value and customer satisfaction served as mediators in the relationship between food quality and customer loyalty

## C. Research Methodology

Quantitative data were used in this study. According to (Sugiyono, 2010), quantitative data in (Rizky Reza Pahlawan & Wasis Gunadi, 2022) can be calculated or measured directly and expressed as numbers. The Jabodetabek Muslim community, which exclusively uses Indonesian skincare products, served as the population for this study. A random sampling method was employed to select the sample. The quantity of samples chosen was determined according to Hair et al. (Andini & Mahmud, 2022) confirmed that the minimum sample size used in this study was determined by multiplying the number of indicators by five, and the maximum sample size was calculated by multiplying it by 10. The minimum sample size was 115. This study utilized primary data from various sources, collected using a questionnaire and distributed via Google.

Data were gathered using a Likert scale. No changes were allowed for citations, references, or online citations. The numbers in the text have to remain unchanged. The SEM-PLS analysis method, which incorporates structural equation modeling and partial least squares, was utilized in the data analysis technique to assess the influence model between the independent and dependent variables. This method also examines the direct and indirect effects between independent and dependent variables through the mediating variable (Hiariey et al., 2022). In this study, Structural Equation Modeling-Partial Least Squares (SEM-PLS) was utilized to assess the direct and indirect relationships between halal labeling, price, product quality, perceived value, and consumer loyalty, with the method involving the evaluation of both the measurement model—ensuring the validity and reliability of constructs—and the structural model, where path coefficients, R-squared values, and bootstrapping were employed to determine the significance and strength of the hypothesized relationships, ultimately revealing that product quality and perceived value significantly influenced consumer loyalty. At the same time, perceived value also mediated the effects of price and product quality on loyalty.

### Hypothesis Development
In this study, the following hypothesis was formulated:
H1: The halal labels may influence consumer loyalty.
H2: The effect of price on consumer loyalty is suspected.
H3: The impact of Product Quality on consumer loyalty is suspected.
H4: The effect of Perceived Value on consumer loyalty is suspected.
H5: The influence of the Halal Label on Perceived Value on Consumer Loyalty is
    suspected.
H6: The effect of price on the perceived value of consumer loyalty is suspected.
H7: The impact of Product Quality on the perceived value of consumer loyalty is
    suspected.
H8: The effect of Perceived Value mediating the relationship between halal labels and
    consumer loyalty is suspected.

H9: The perceived value has a suspected effect on the relationship between Price and Consumer Loyalty.

H10: The perceived Value has a suspected effect on the relationship between Product Quality and Consumer Loyalty.

The definitions of the variables used in this study are as follows:

**Table 3.1 : Operational Definition of Variables**

| Variable | Indicators |
|---|---|
| Consumer Loyalty (Y) | Repeat purchases regularly, refusing other similar products from different companies, recommending to others, not interested in other products, giving advice |
| Halal labelled (X1) | Picture, text, combination of picture and text, and stick on packaging |
| Price (X2) | Affordability of product prices, prices that match product quality, prices that match benefits. |
| Product Quality (X3) | Performance, reliability, features, conformance, durability, serviceability, aesthetics, perceived quality. |
| Perceived Value (Z) | Emotional value, social value, and functional value. |

Source: Personal data processing

## D. Results and Discussion

### Data Analysis

### Outer Model

### *Convergent Validity*

A factor loading value greater than 0.5 is considered practically significant to assess convergent validity, indicating that the data are deemed valid.

**Tabel 4.1 Convergent Validity**

| | Price | Product Quality | Halal Label | Consumers Loyalty | PerceivedValue |
|---|---|---|---|---|---|
| H1 | 0.642 | | | | |
| H2 | 0.813 | | | | |
| H3 | 0.92 | | | | |
| KP1 | | 0.75 | | | |
| KP2 | | 0.774 | | | |
| KP3 | | 0.81 | | | |
| KP4 | | 0.857 | | | |
| KP5 | | 0.818 | | | |
| KP6 | | 0.853 | | | |
| KP7 | | 0.63 | | | |
| KP8 | | 0.818 | | | |
| LH1 | | | 0.836 | | |
| LH2 | | | 0.813 | | |
| LH3 | | | 0.868 | | |
| LH4 | | | 0.836 | | |
| LK1 | | | | 0.781 | |
| LK2 | | | | 0.753 | |

| | | | | 0.683 | |
|---|---|---|---|---|---|
| LK3 | | | | 0.683 | |
| LK4 | | | | 0.678 | |
| LK5 | | | | 0.527 | |
| PV1 | | | | | 0.893 |
| PV2 | | | | | 0.928 |
| PV3 | | | | | 0.866 |

Source: Personal data processing

According to Table, it can be concluded that each statement is accurate as all factor loading values exceed 0.5.

### Discriminant Validity

The significance of discriminant validity can be determined by comparing the square root of the average variance extracted (AVE) with the correlation with other constructs, where the former should be more prominent.

**Table 4.2: Discriminant Validity**

| | Price | Product Quality | Halal Label | Consumers Loyalty | Perceived value |
|---|---|---|---|---|---|
| Price | 0.8 | | | | |
| Product Quality | 0.74 | 0.792 | | | |
| Halal Label | 0.518 | 0.542 | 0.838 | | |
| Consumers Loyalty | 0.575 | 0.636 | 0.339 | 0.69 | |
| Perceivedvalue | 0.73 | 0.711 | 0.403 | 0.68 | 0.896 |

Source: Personal data processing

Table 4.2 demonstrates that discriminant validity between aspects has been achieved. This indicates that each variable correlates more with its respective variables than others.

### Composite reliability

We aimed for Cronbach's alpha and composite reliability values greater than 0.7 to assess reliability.

**Table 4.3: Composite Reliability**

| | Cronbach's Alpha | Composite Reliability |
|---|---|---|
| Price | 0.717 | 0.839 |
| Product Quality | 0.914 | 0.93 |
| label label | 0.867 | 0.904 |
| Consumer Loyalty | 0.722 | 0.817 |
| perceived value | 0.877 | 0.924 |

Source: Personal data processing

Table 4.3 shows that all variables fulfilled the reliability criteria because their Cronbach's alpha and composite reliability scores surpassed 0.7.

**Inner Model**

*R-Square (R² ) Test*

The value of R2 ranges between 0 and 1, with higher values indicating that the model can better explain the variation in the dependent variable.

**Table 4.4: R-Square**

|  | R Square |
|---|---|
| Consumer Loyalty | 0.51 |
| Perceived value | 0.599 |

Source: Personal data processing

Table 4.4 shows that the R-squared value for consumer loyalty is 0.51. This figure suggests that halal labeling, price, product quality, and perceived value collectively impact consumer loyalty by 51%. Furthermore, for the perceived value variable, an R-squared value of 0.599 indicates that the halal label, price, and product quality variables have a 59.9% effect on perceived value.

*Q-Square (Q² ) Test*

The Q2 value is a measure of the predictive relevance of the model. A value greater than 0 indicates that the model has good predictive ability. However, if it is less than 0, it indicates poor predictive ability. The Q2 value is calculated as follows:

$$Q^2 = 1 - (1 - R^2)$$
$$Q^2 \text{ Consumer Loyalty} = 1 - (1 - 0,51)$$
$$= 1 - (0,49)$$
$$= 0,51$$

According to these calculations, the Q2 value for consumer loyalty was 0.51, indicating that consumer loyalty accounted for 51% of the study's contribution.

$$Q^2 = 1 - (1 - R^2)$$
$$Q^2 \text{ } perceived\ value = 1 - (1 - 0,599)$$
$$= 1 - (0,401)$$
$$= 0,599$$

According to the calculations, the Q2 value for perceived value was 0.599, indicating that this variable (z) accounted for 59.9% of the study's contribution.

*Hypothesis Testing*

Bootstrapping was used for the hypothesis testing. The null hypothesis was deemed valid if the *t*-statistic value was less than 1.96, whereas the alternative hypothesis was accepted if the *t*-statistic value was more significant than 1.96. If the P-value is less than 0.05, the null hypothesis is rejected, indicating a significant relationship between the variables being tested. Conversely, if the P-value is more critical than 0.05, the null hypothesis is accepted, suggesting no significant relationship exists between the variables being tested.

## Table. 4.5: Path Coefficient

|  | Original Sample (O) | T Statistics (|O/STDEV|) | P Values |
|---|---|---|---|
| Price -> Consumers Loyalty | 0.037 | 0.332 | 0.740 |
| Price -> perceived value | 0.465 | 4.555 | 0.000 |
| Product Quality -> Consumer Loyalty | 0.304 | 2.063 | 0.040 |
| Product Quality -> perceived value | 0.395 | 3.940 | 0.000 |
| Halal Label -> Consumers Loyalty | -0.025 | 0.303 | 0.762 |
| Halal Label-> perceived value | -0.052 | 0.480 | 0.632 |
| perceived value -> Consumers Loyalty | 0.446 | 3.422 | 0.001 |

Source: Personal data processing

**H1: Halal Label does not affect Consumer Loyalty**

The effect of halal labels on consumer loyalty was measured using a t-test, which yielded a t-value of 0.303 (Table 1.96) and a p-value of 0.762, more significant than 0.05. These results indicate that H1 is unsupported; therefore, the halal label does not significantly affect consumer loyalty.

**H2: Price does not affect Consumer Loyalty**

The effect of price on consumer loyalty was tested, and the results showed a t-value of 0.332, less than the critical t-value (t) of 1.96 (Table 1.96). The p-value for the price variable is 0.740, more significant than the significance level of 0.05. Consequently, the null hypothesis (H2) is rejected, indicating that price has no significant impact on consumer loyalty.

**H3: Product Quality affects Consumer Loyalty**

The relationship between product quality and consumer loyalty has been found to have a t-value of 2.063, which is greater than the critical t-value of 1.96 (Table 1.96). Additionally, the p-value for the product quality variable about consumer loyalty was 0.040, less than the acceptable threshold of 0.05. Therefore, H3 is considered satisfactory, indicating that product quality considerably impacts consumer loyalty.

**H4: Perceived Value effect on Consumer Loyalty**

The perceived value of consumer loyalty had a t-count of 3.422, more significant than the critical value of 1.96. Consequently, the p-value of the perceived value variable for consumer loyalty is 0.001, less than the significance level of 0.05. Therefore, H4 is accepted, indicating that the perceived value of consumer loyalty has a significant impact.

**H5: Halal label does not affect Perceived Value**

The halal label appears to have no significant impact on perceived value, as the t-count of 0.480 is less than 1.96, and the p-value of 0.632 is more critical than 0.05. Consequently, H5 is rejected, indicating that the halal label does not influence perceived value.

**H6: Price affects Perceived Value**

The price of a product is often determined by its perceived value; in this case, the *t*-value is 4.555, which is greater than the *t*-table value of 1.96. The P-value of the price variable is 0.000, which is less than the significance level of 0.05. Thus, H6 is accepted, indicating that the price of the perceived value has a significant effect.

**H7: Product Quality affects Consumer Loyalty**

The relationship between product quality and perceived value had a *t*-value of 3.940, more significant than the critical *t*-value (Table 1.96). Additionally, the p-value for this relationship was 0.000, which is less than the significance level of 0.05. Consequently, we reject the null hypothesis and conclude that product quality significantly impacts perceived value (H7).

*Testing the Mediation Effect*

Testing for mediation involves assessing the impact of exogenous variables on endogenous variables through intervening variables. This can be partially done by examining the individual effects of these variables.

| | Original Sample (O) | T Statistics (\|O/STDEV\|) | P Values |
|---|---|---|---|
| Price -> perceived value - Consumers Loyalty | 0.207 | 2.686 | 0.007 |
| Product Quality -> perceived value -> Consumers Loyalty | 0.176 | 2.624 | 0.009 |
| Halal Label -> perceived value -> Consumers Loyalty | 0.023 | 0.461 | 0.645 |

Source: Personal data processing

**H8: Perceived value does not mediate the relationship between halal labels and consumer loyalty.**

This is supported by the results, which show a *t*-value of 0.461, less than the critical value of 1.96, and a p-value of 0.645, more significant than the significance level of 0.05. Therefore, the hypothesis (H8) that the halal label affects consumer loyalty through perceived value is rejected, implying that the halal label has no significant impact on consumer loyalty.

**H9: Perceived Value mediates the relationship between Price and Consumer Loyalty**

The effect of price on consumer loyalty, mediated by perceived value, was found to be statistically significant. This conclusion is supported by a *t*-value of 2.686, more important than the critical value of 1.96, and a p-value of 0.007, less than the significance level of 0.05. Therefore, H9 can be accepted, and it can be concluded that price, when perceived value is considered, significantly impacts consumer loyalty.

**H10: Perceived Value mediates the relationship between product quality and consumer loyalty.**

The relationships among product quality, consumer loyalty, and perceived value were examined using statistical analysis. The results showed a significant effect of product quality on consumer loyalty, as indicated by a t-value of 2.624, more important than the critical value of 1.96, and a p-value of 0.009, less than the significance level of 0.05. This suggests that product quality significantly impacts consumer loyalty through the mediating variable perceived value. Thus, hypothesis H10 was accepted.

**Discussion**

**The Effect of Halal Label, Price, Product Quality, and Perceived Value on Consumer Loyalty**

Based on the outcomes of the hypothesis test, the halal label appears to have no significant impact on customer loyalty when it comes to Indonesian skincare products. The lowest rating for the halal label variable is halal label 2 (LH2), which is 93.75 with the statement "the halal writing on the skincare product is visible." This suggests that consumers may disagree that halal writing on Indonesian skincare products may not be visible. Therefore, customer loyalty will not be influenced positively or negatively by the presence or absence of a halal label on the product. The findings of this study are consistent with those of Lubis (2019), who concluded that the halal label has no relevant influence on consumer loyalty. However, this research is not in line with the study conducted by Fajar et al. (2022), who concluded that the halal label directly affects consumer loyalty.

The price of Indonesian skincare products does not seem to boost consumer loyalty. Regarding affordability, Price 1 (H1) is the lowest index value at 92.75, with the statement "the prices of the products offered by these skincare products vary and are reasonable for consumers." However, consumers do not seem to agree with this, as they may perceive that the prices of Indonesian skincare products do not vary and are unaffordable, which can lead to a lack of consumer loyalty. The findings of this study align with those of Prastiwi and Rivai (2022), who conclude that price perception does not affect consumer loyalty. However, this research is not in line with that of Rosalina et al. (2019), who concluded that price significantly affects consumer loyalty.

The quality of products offered by Indonesian skincare products is influential in increasing consumer loyalty. The highest index value in the product quality variable is product quality 4 (KP4) with the statement "the skincare product is in accordance with the standards because it has passed the BPOM test." This means that consumers agree because they perceive that the quality of Indonesian skincare products has passed the BPOM test, which increases consumer loyalty. This study's results align with those of Prastiwi and Rivai (2022) and Rosalina et al. (2019), who conclude that product quality significantly affects consumer loyalty. However, this research is inconsistent with Dewantoro et al. (2021), who concluded that the impact of product quality on customer loyalty is reportedly insignificant.

According to this study, when Indonesian skincare products deliver a satisfying experience to consumers, they enhance their loyalty to the brand. In this case, "perceived

value 1 (PV1)" holds the highest index value, with the statement "I feel satisfied when using these skincare products." This indicates that consumers believe Indonesian skincare products can offer satisfaction, which fosters brand loyalty. These findings are consistent with prior research, such as Akbar and Situmorang (2021), who concluded that perceived value positively and significantly affects consumer loyalty.

Halal labels on Indonesian skincare products do not increase consumers' perceived value In the halal label variable, the lowest index value is halal label 2 (LH2), which is 93.75, with the statement "the halal writing on the skincare product is visible." This means that consumers disagree because halal writing on Indonesian skincare products that are not visible does not make consumers' perceived value good or bad for the product.

Consumers' perceived value is essential. In turn, the price of Indonesian skincare products affects perceived value. The highest index value in the price variable is Price 2 (H2), which states that "the price of the skincare product is consistent with the quality of the product provided." Additionally, Price 3 (H3) indicates that "the price of skincare products is reasonable compared to the results obtained by consumers." This suggests that consumers believe the product's price is appropriate for its quality and offers comparable results to what they obtain, indicating that prices that align with product quality and provide similar results will enhance the perceived value of Indonesian skincare products. These findings align with those of Kusdyah (2012), who concludes that price perception significantly affects perceived value.

The quality of Indonesian skincare products positively impacts consumer perceptions of value. According to the product quality variable, product quality 4 (KP4) stands out: "skincare products are in accordance with the standards because they have passed the BPOM test." This suggests that consumers value the quality of Indonesian skincare products that have passed the BPOM test, boosting their perceived value. In other words, the quality of products that meet BPOM standards can increase the perceived value of Indonesian skincare products among consumers.

## The Mediating Effect of Perceived Value between Halal Label, Price, and Product Quality on Consumer Loyalty

The results of the mediation test indicate that perceived value does not partially mediate the relationship between halal label use and consumer loyalty. Unclearly written halal labels do not affect consumers' perceived product value; thus, they do not impact consumer loyalty. Similarly, halal labels that are not visible do not negatively impact consumers' perceived value of a product. Ultimately, they do not affect consumer loyalty. Therefore, consumer loyalty remains unaffected by the product's perceived value of the halal label.

On the contrary, perceived value partially mediates the relationship between price and consumer loyalty. Prices that align with product quality and are competitive increase the positive assessment (perceived value) of a consumer's experience of using a product, resulting in increased consumer loyalty. Moreover, perceived value partially mediates the relationship between product quality and consumer loyalty. When product quality, such as

the BPOM standard, increases the positive assessment (perceived value) of a consumer's experience of using a product, consumer loyalty increases. Additionally, the direct correlation between product quality and consumer loyalty underscores the critical role of stringent quality control measures. When products consistently meet or exceed BPOM standards, consumers develop trust in the brand, which is pivotal for fostering long-term loyalty. This trust is not just built on a single satisfactory experience, but is reinforced through a series of positive interactions with the product over time (Faizi, 2024).

The study implies that companies in the Indonesian skincare industry should prioritize enhancing product quality and perceived value, as these are the primary drivers of consumer loyalty, while recognizing that halal labeling and pricing strategies alone are insufficient for fostering loyalty. Thus, a holistic approach that combines quality, value, and strategic marketing is essential for sustaining consumer loyalty.

## E.  Conclusion

Based on the results of the analysis and discussion, it can be concluded that the presence of halal labels and prices does not have a significant impact on consumer loyalty toward Indonesian skincare products. This suggests consumers do not prioritize halal labels or prices when choosing products. Conversely, product quality and perceived value significantly influence consumer loyalty to Indonesian skincare products. This indicates that good product quality and positive consumer assessments can lead to loyalty towards the products used. The halal label did not significantly affect perceived value, which means that the presence of a halal label does not necessarily positively or negatively affect the perceived value of a product. Price and product quality, on the other hand, have significant effects on perceived value, implying that both factors can enhance the perceived value of Indonesian skincare products. The halal label does not considerably affect consumer loyalty, which is mediated by perceived value. This suggests that consumer loyalty remains unaffected by the halal label and instead depends on the consumer's assessment (perceived value) of the product's perceived value. However, price and product quality significantly impact consumer loyalty mediated by perceived value. This means that consumer loyalty can increase or decrease based on consumers' assessment (perceived value) of the price and quality of the product offered. A limitation of this study is the lack of references related to perceived value as a mediating variable. Therefore, further research should be conducted to develop variables that influence consumer loyalty and include perceived value as a mediating variable.

## F.  Bibliography

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