

# The Influence of Brand Awareness, the Knowledge and Halal Label on Purchase Decisions of Cosmetics Emina through to Reference Group as a Moderating Variable on the Generation Y and Generation Z in the City of Medan

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## ABSTRACT

This study aims to determine the relationship between two or more variables. Independent variables (exogenous) in this research are brand Awareness (X1), Product Knowledge (X2) and Halal Label (X3). The dependent variable (endogenous) in this study is the purchase decision (Y). Moderator variable in the research is the Reference Group (Z). This research is explanatory research. Population in this research is the target population all women who buy Cosmetics Emina from Generation Y and Generation Z in the City of Medan that are not yet known amount. As for the sampling technique the sample size by using the Method of Hair that is by doubling a minimum of 10 of the total free variables and bound. In this research there are 5 research variables, and the authors selected 20 times of doubling, so that the obtained number of respondents taken as many as 100 people the sample of the study. The method of analysis used is path analysis using Smart-PLS. Method of data collection by questionnaire and interview. The results showed that brand Awareness has positive and not significant to the purchase decision, Knowledge and no significant positive effect on purchase decision, the Label halal and no significant negative effect on purchase decisions, Reference Group and a significant negative effect moderate brand awareness on purchase decisions, The Reference group effect is

negative and significant moderate knowledge on purchase decision and Reference Group influence negative and not significant moderate the halal label on the purchase decision of cosmetic products Emina on Generation Y and Generation Z in the City of Medan.

**Keywords:** Brand Awareness, Knowledge and Halal Label, Purchasing Decisions, Reference Groups.

## INTRODUCTION

The human need to appear confident in public, good time to get out of the house, work, presentation and so on. In order to support their appearance, men choose good clothes, the body is perfumed and do not miss the cosmetics that make their faces look more clean and shine. Although the user of the cosmetic contained in men and women, however women remain as the primary users and only a few are men who use cosmetics. This is because women are more concerned with the appearance of a clean and graceful in public, on the contrary men the majority tends to be happy what they are looking.

Purchase cosmetic for women to be an essential purchase and have a budget of its own. The results of the research Beauty Index 2018 conducted by MarkPlus, Inc. in

collaboration with the ZAP Clinic in the year 2018, the known amount of the budget to the purchase of cosmetics women from across the generations in Indonesia shows that the purchase of cosmetics is quite high in Indonesia and from the third group of cross-generational above, it is seen that Generation X is the buyer who bought the most cosmetic needs because they have the income (money) and age is increasingly making should be more extra care to the skin. However, in a number of target market Generation Y and Z is the potential market in Indonesia. Data from the Central bureau Statistics of Indonesia year 2019, a special Population of Medan City released the distribution of population in accordance with the traffic generation as follows:

**Table 1.2: The Number of Women Inhabitants of the City of Medan based on Traffic Generation**

No	Generation (Age Group)	Number Of Women	Percentage
1	Generation X (40 – 55 year)	189.120	24,19%
2	Generation Y (25 – 39 year)	270.313	34,58%
3	Generation Z (10 – 24 year)	322.291	41,23%
	Total	781.724	100,00%

*Source: Processing of BPS Kota Medan, 2020*

The above Data show the distribution of generation Y and Z the majority in the City of Medan. It is in the world of marketing cosmetics became the potential market is quite big and has encroached well. The level of needs of generation X is large compared to any other generation could be so because of their appearance also has begun to decline compared with the generation on it. On the other hand, generation Y and Z for the number of are the majority, so the potential is great for developed markets.

The potential excavation of generation Y and Z (or often called the millennial generation) can be developed if companies put serious attention on this segment. One example of the management of serious in the segment of generation Y and Z is a Cosmetic Emina. Talking about halal cosmetics in the past, people will be easily crossed in the minds of their

specialized cosmetic brands Wardah and seemed nothing can beat the image of Wardah cosmetics as halal cosmetics with the user most in Indonesia. However, since the year 2016, start many cosmetic manufacturers are paying attention very seriously at the millennial generation over awareness of the brand cosmetics and halal cosmetics the. They change the tagline is present, display the ads with the use of a reference group of you millennial, customized packing, inclusion of cosmetic ingredients labeled kosher and the price is also more competitive compared with the big brands previous Wardah Cosmetics. Their strategy is quite telling to finally be able to increase the awareness of the millennial generation of top-brand cosmetics Emina.

Consumers of cosmetic products, in general it is difficult to move from brand to brand in the other. Consumers tend to hang on to the brand that they use. Consideration that consumers take before deciding on the purchase of cosmetic products is on the harmony and security with their skin to the products that they use. Cosmetic products is associated with health, in choosing the wrong cosmetic products not only have an impact on does not support the appearance, but also cause irritation on the skin, even more severe impact cause a serious disease on the skin

In general, before consumers choose cosmetic products that are in accordance with the needs of the skin and their appearance, consumers ask the nearest person or to experts in the field of beauty. It is intended that they get the right product. This reference in a marketing perspective referred to with the reference group. The reference group is a group which is considered as a frame of reference for the individual in the purchase decision (Schiffman and Kanuk, 2007: 201).

Cosmetics manufacturers realize the importance of the role of the reference group, therefore they always use a reference group that is familiar with the consumer. The reference group in the cosmetics

industry, is usually a doctor of beauty, an iconic figure, even to the influencers that are currently booming in the social media. The influence of reference groups in educating the customers felt quite effective. Research conducted by Anam, Rois and Hufon (2019) found that one of the variables in the research i.e. the Reference Group also handing out partially on the consumer Purchase Decision. The role of the reference group to educate and set an example to consumers can attract the interest of consumers, especially the group that is used as a reference has a viscosity on the consumer.

The selection of reference groups the right to encourage consumers to make purchasing decisions, especially in cosmetic products where the consumer requires a reference from trusted people. Consumers in deciding the purchase of cosmetic products tend to be careful. There are several factors that drive purchase decisions, among them are psychological factors of consumer Pride and Ferrell (in Sangadji, 2013: 335). This is where the important role of Reference Groups, where they try to convince the consumer that they are confident using the product and the charm of their beauty is affected by the product.

Indonesia as a country which is inhabited with Muslim-majority population, BPS data showed the number of Muslim population in Indonesia is 86,3% of the entire population in Indonesia (BPS, National 2020), while specific to the City of Medan the percentage of Muslims is 65,16% (BPS Medan, 2020). As Muslims, the need to use cosmetic the on the harmony and security of the above, there are other considerations to be considered, namely halal.

Institutions of the research Center of Halal Lifestyle and Consumer Studies (CHCS) released that 72,5% of Muslim consumers believe in the importance of consuming halal food as part of religious obligation of Islam. It is part of the realization of halal is increasing among consumers (kabar24.bisnis.com, 2020). But

the number of muslim consumers that big is not necessarily balanced with awareness and knowledge will fully halal products that it uses. Most of the awareness of halal products that are used only limited to material that is consumed, does not contain pork and alcohol. However many have not yet realized that the halalness is also judged from the things how the process of making the product, how the acquisition of material products, the content of the substances used. Because of the knowledge many consumers are still limited and varied on the importance of halal products.

Manufacturers of food, drugs and cosmetics are aware that the consumer that the majority of Indonesian Muslims need the certainty of halal products, to this, manufacturers of cosmetic products (both from outside and within the country) aware to provide labels on their products. The manufacturer considers the product is halal is not something the obligations set by the government in this case is the Majelis Ulama Indonesia (MUI), but based on the awareness to give the consumers comfort from the side of the Islamic shari'a.

One of the halal cosmetics circulating in Indonesia is the brand Emina. Emina is a cosmetic brand that targets the teen market in Indonesia (Moslem, 2019). Brand Emina produced by PT. Paragon Technology and Innovation (PTI) which is an industrial company engaged in the field of cosmetics. Entering the market in Indonesia since year 2015. As for some of the types of products Emina among them is the mask, pressed powder, foundation, mascara, soap washing the face, lipstick and other.

Surprisingly, cosmetic Emina included in the five local brands that are most often talked about by netizens on twitter the Wardah, Sariayu, Purbasari and Mustika Ratu.

Although the brand Emina new present in Indonesia, but its role is taken into account. Product Emina is also very popular with consumers teens and adults (the generation Z and Y). One of the

shopping sites online are quite popular in Indonesia Sociolla ever put Emina as the best-selling products to among young people. Some of the products favored by young people when shopping at Sociolla is as follows:

**Table 1.4: Product Variants Emina Best-Selling in Indonesia**

No	Variant	Selection of Products
1	Skincare	Masquarade sheet mask, Sun Protector SPF 30, Bright stuff
2	Makeup	Emina Creamatte, Emina Magic Potion, Cheeklit pressed blush

Source: [www.sociolla.com/best-seller](http://www.sociolla.com/best-seller), 2020

Data released Sociolla good enough for new products and has been able to be accepted quickly by consumer teenagers and adults. Although in the product, the brand Emina is already able to be received by the teen market, but it is not guarantee the brand Emina become a big brand in consumers Indonesia. Though discussed quite often in twitter (the platform of the virtual world) and became a best seller for cosmetic products among youth and adults, but in the real world brand awareness Emina still have not been able to occupy an important position. The results of the Top Brand Index is still dominated by the big brands in Indonesia can be seen that the several lines of cosmetic products led halal cosmetics and cosmetics that are not certified halal. The biggest challenge for a brand new entry into the market is to create brand awareness (Kotler and Armstrong, 2012). Brand Emina still not able to achieve the level of brand awareness in the minds of consumers Indonesia in the study. Emina trying to improve the brand awareness of cosmetic products with how to improve the promotion introducing the products through the website, social media, held a beauty class that its products using the brand emina own. This is done to bring and introduce their products. The difficulty of creating brand awareness is one of them because consumers are still not familiar with the product (Kotler and Armstrong, 2012). Knowledge of the product by consumers based on research conducted by Candra and Yoesmanam (2015) capable of creating

brand awareness and eventually with regard to consumer purchase decisions.

In order to get an idea of the knowledge society of the City of Medan in particular women who are at the span of generations Y and Z on product knowledge Emina, the authors conducted a survey pre-study of 20 women (sampling randomly with conditions of the respondents never purchased a cosmetic product is Emina, and regardless of their religion. As for the results of the survey pre study on 20 respondents above are as follows:

1. Are You experiencing problems to determine the product features Emina?  
The results show that the majority of respondents ' constraints in accessing cosmetic products Emina. This indicates respondents ' knowledge of cosmetic features Emina is not deep, just knowing the course.
2. Whether the quality of the product Emina are in accordance with the price?  
The results show that the majority of the respondents consider the price offered in accordance with the quality of its products, this indicates the respondents understand the information about the price.
3. Do You experience problems when buying products Emina?  
The results show that the majority of respondents experience problems when buying products Emina. Against this the author asks what the problem is, one of the respondents answered the availability in the store or pharmacy are very limited.
4. Do You know how to use the product Emina?  
The results show that the majority of respondents do not know in detail how the use of the product Emina. This indicates that the respondents ' knowledge of the use of cosmetics Emina is still not good.
5. Whether the halal label helped You about the product Emina?  
The results show that the majority of respondents are not so concerned with



the halal label on the packaging of cosmetic products Emina. This shows that the respondents are not so pay attention to the problem of halal in cosmetic products Emina.

Based on the results of a survey pre-study showed that the level of knowledge users of cosmetic products Emina is still not good. This shows that the business of the company in introducing the product Emina has not been well received by consumers. So also with the awareness of the halal label, consumers are not so care about.

From the explanation above, it can be concluded that many of the current cosmetic companies perform a variety of efforts to improve the consumer purchasing decision, especially from the segment of generation X and Y, because this generation is the majority of consumers of cosmetic products that are unreached with the good. In general, consumers of cosmetic products is looking for information from the reference group before they use what is brand that suits their needs. The other side, Indonesia as a muslim majority country, its inhabitants not only the rate of the elements of harmony and the benefits of a cosmetic product, but also pay attention to the elements of halal, both in terms of content and ways of processing these products. Against such phenomena, one of the cosmetic products with the brand Emina present in Indonesia and already have a halal certificate on their products. This is in order to answer the needs of Indonesian muslims against the security of the product from the side of the islamic religion Islam. The presence of Emina is quite good in Indonesia and never became a top discussion product local cosmetics on twitter and also best-selling products for teenagers and adults in the media online shopping Sociolla, but for brand awareness, product Emina has not been able to become the Top Brand in Indonesia. In order to know how the gait of cosmetics brand Emina in the City of Medan, the authors conducted a survey pre study that found that the majority of respondents (women of

generation Y and Z and never use a product Emina) does not have the product knowledge Emina with good, so also the awareness of halal products, the majority of respondent did not so consider it something important.

## **LITERATURE REVIEW**

### **Brand Awareness**

Brand awareness alone is the first step when building a product brand, because brand awareness is the process stems from the feelings of a consumer towards ignorance will be a brand it to sure that it is the only one in the class of product specific. If a brand can seize the attention fixed in the minds of consumers, then the brand will be difficult to replaced by other brands. So consumers will remember a brand that has been known to although often provided by the service provider with a different brand with the brand before (According to Hasan, 2014: 24)

### **Product Knowledge**

Product knowledge is a collection of various information about the product. This knowledge includes the product category, brand, terminology products, attributes or product features, product price, and trust about the product. Knowledge will affect consumers purchasing decisions even re-purchase. When consumers have greater knowledge, then he will be better in making decisions, more efficient, more precise in processing information and are able to recall information better (According to Sumarwan, 2003: 120).

### **Label**

The Label is a part of a product which carries verbal information and is part of the packaging about the product. Labels designed and imprinted on the products have different types. The Label indicates the identity of the supporters of the product. One of the labels listed on the products are the halal label. Halal Label is a guarantee given by an institution authorized LP POM MUI to ensure that the product has passed

the testing of halal according to Islamic law (Tjiptono, 2016).

### Reference Group

Reference group is any person or group that is considered as a basis of comparison or reference for someone in the shaping of values and attitudes general or specific, or specific guidelines for behavior. From the perspective of marketing, the reference group is a group which is considered as a frame of reference for the individual in the purchase decision (Schiffman and Kanuk, 2007: 201).

### Purchase Decision

The purchase decision is a process of integration that combines the knowledge to evaluate the two behavioral alternatives or more and choose one of them (Sangadji, 2013: 332). Purchase decisions are affected by the environment, culture, family and so on that form of attitude in making a purchase. So it is concluded that the purchase decision is a process by which consumers conduct an assessment of various alternative options and selecting one or more alternatives that is required based on considerations specific considerations (Manap, 2016: 247).

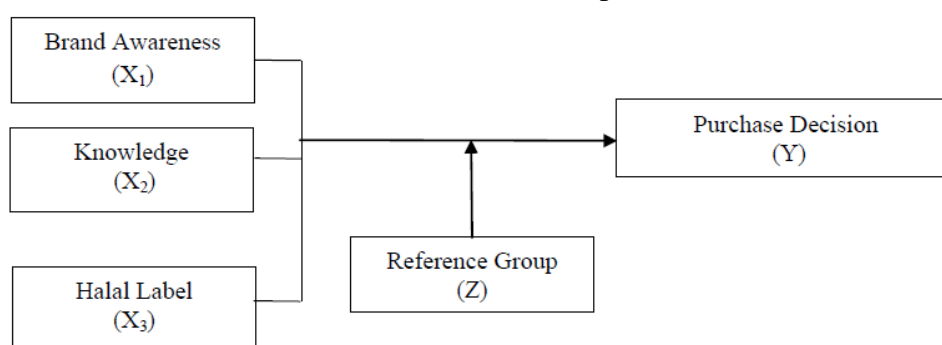


Figure 1. Conceptual Framework

### Hypothesis

Based on the background research and the relationship between variables, then the research hypothesis :

1. Brand awareness has positive and significant effect on purchase decision of cosmetics Emina on Generation Y and Generation Z in the City of Medan.
2. Knowledge has positive and significant effect on purchase decision of cosmetics Emina on Generation Y and Generation Z in the City of Medan.
3. The Halal Label has positive and significant effect on purchase decision of cosmetics Emina on Generation Y and Generation Z in the City of Medan.
4. Reference group significant moderate awareness of brand on purchase decision of cosmetic products Emina on Generation Y and Generation Z in the City of Medan.
5. Reference group significant moderate pengetahuan terhadap purchase decision of cosmetic products Emina on

Generation Y and Generation Z in the City of Medan.

6. Reference group significantly moderate the halal label on the purchase decision of cosmetic products Emina on Generation Y and Generation Z in the City of Medan.

### MATERIAL AND METHODS

The research used in this research is associative research. According to Echdar (2017), associative research is research that aims to determine the relationship between two or more variables. Independent variables (exogenous) in this research are brand Awareness (X1), Product Knowledge (X2) and Halal Label (X3). The dependent variable (endogenous) in this study is the purchase decision (Y). Moderator variable in the research is the Reference Group (Z).

The population is the whole or totality of objects that is restricted by certain criteria (Sugiyono, 2016: 61). Population in this research is the target population all

women who buy Cosmetics Emina from Generation Y and Generation Z in the City Medanyang unknown number. As for the sampling technique the sample size in the study of multivariate preferably using the Method of Hair that is by doubling a minimum of 10 of the total free variables and bound (Sinulingga, 2017). In this research there are 5 research variables, and the authors selected 20 times of doubling, so that the obtained number of respondents taken as many as 100 people the sample of the study.

The type of data based on the properties used in this research is Quantitative Data, ie data in the form of numbers or that can be calculated. The quantitative Data used in this study is the questionnaire results from the respondents. Qualitative Data, i.e. data that can not be calculated in the form of sentences, words, images. The qualitative Data in this research is the result of the interview to respondents

The source of the Data, the Data obtained from berbaragai source consists of Primary Data, Data obtained directly by the researcher through the object. In this research is the results of the questionnaire and direct interview with respondents. The Secondary Data, the Data obtained in the form of a specialized publication by the other party. Secondary Data was obtained through literature study, internet, and literature.

Data collection techniques in research using several methods, among others: Library Research (Library Research), data Collection through the reading materials include literature, books, magazines and various other reading material that are relevant and related with the research title which has some of the same variables with this research. Interview (interview), Asking questions directly to respondents in the form of information which is closely related to problems in the research. Researchers asked directly what cosmetics to use women from Generation Y (ages 25 to 39 years old) and Generation Z (ages 10 to 24 years) in the city of Medan.

The questionnaire (Questionnaire), the Spread of a list of questions the Respondents chose one of the answers that have been provided in the list of questions.

## **RESULTS AND DISCUSSION**

### **Discussion of the Influence of Brand Awareness on Purchase Decisions**

The results of this study show the Influence of brand awareness on Purchase Decisions. Based on the test results of the Path Analysis conducted by the researchers, the Value of the path coefficient of brand awareness on purchase decision is positive, namely  $0,065 > 0$  (column sample original). the value of the P-Values  $0,411 > \alpha (0.05)$ , the Value of t-statistics  $0.823 < 1,96$  (rule of thumb), brand Awareness and no significant positive effect on purchase decision of cosmetics Emina on Generation Y and Generation Z in the City of Medan. If brand awareness is enhanced, then the purchase decision will increase but not significant effect.

This is in line with the results of research conducted by Julian and Andjarwati (2018). Product Emina is not a big brand in Indonesia. Cosmetic products Emina still need time to be able to well known by consumers. In order to increase the desire of generation Y and Z to buy a cosmetic product Emina.

According to research conducted by Suraiya Ishak, Ahmad Rafli Che Omar, Kartini Khalid, Intan Safiena Ab. Ghafar, Mohammad Yusof Hussain in the year 2019 with the title, "Cosmetics purchase behavior of educated millennial Muslim females", states that purchase decisions of cosmetics in muslim women the millennial generation is influenced by brand awareness. The brand they choose is a brand that is already familiar with their daily life. These studies show that the purchasing behavior of cosmetics millennial Muslims influenced by the proactive behavior of the muslim woman to perform a search for information about the materials, instructions, halal, country of origin, a guarantee of health security and benefit cosmetic products.

Consumers young women and educated also admire the goods branded cosmetics and show a willingness to accept higher prices.

The results of this study are also in line with research conducted by Nazatul Shima Abdul Rani, K. Sarojani Devi Krishnan in the year 2018 with the title, "Factors that influence the Malay students in purchasing skincare products in Malaysia". Brand awareness is a factor supporting that the impact is positive on purchase decision of cosmetics. But the influence of the brand awareness is not significant in enhancing the purchase decision of cosmetics. Brand awareness is only an additional supporting factor in the criteria of purchases made by students in the purchase of cosmetics. Students are more interested with the results of the reviews from sources that they believe and compare with the suitability of the price and quality of cosmetics purchased.

Different with expert opinion, Hasan (2014: 24) If a brand can seize the attention fixed in the minds of consumers, then the brand will be difficult to be replaced by other brands. So consumers will remember a brand that has been known to although often provided by the service provider with a different brand with the brand before. If a brand has in the minds of consumers is difficult to be replaced with another brand, in fact many bring up the loyalty of the pseudo or the purchase of a brand fixed by the consumer.

In accordance with the target target market Emina which is the consumers coming from Generation Y and Generation Z. The generation of such a lot of obtain information through the internet before making a purchase. Emina can strengthen the brand through strengthening of the promotion and information through social media and other.

### **Discussion of the Influence of Knowledge on Purchase Decision**

The results of this study show the Influence of knowledge on Purchase Decisions. Based on the test results of the

Path Analysis conducted by the researchers, the Value of the path coefficient of  $0.145 > 0$ , P-Values  $0,212 > \alpha (0.05)$ , t-statistics  $1.249 < 1,96$  (rule of thumb), means of knowledge and no significant positive effect on purchase decision of cosmetics Emina on Generation Y and Generation Z in the City of Medan. If knowledge is increased, then the purchase decision will increase but not significant effect.

This is in accordance with research conducted by Vita Briliana, Nurwanti Mursito in 2017 with the title, "Exploring antecedents and consequences of Indonesian Muslim youths' attitude towards halal cosmetic products: A case study in Jakarta", the Influence of the attitude of muslim consumers towards cosmetic products halal is important information that raises the intention to buy the product halal cosmetics and attitude to be a variable that strengthen the knowledge, religiosity and subjective norm towards buying interest cosmetic. In this study, knowledge affect the decision of purchase of cosmetics by young muslims in Jakarta, but is accompanied by the influence of the religious attitudes of the importance of halal cosmetics are used.

On the opinion of other researchers, Indarto Candra Yoesmanam year 2015, with the title, the Influence of Product Knowledge And the Perception of Product Quality Towards Purchase Decisions On Organic Cosmetics, the Influence of the most didominanasi by knowledge products through the internet. Consumers are looking for as much information about the organic cosmetics first on the internet before making a purchase of cosmetics. This shows that the buyer is cosmetic really study the product before buying the product, where getting to know the ins and outs and benefits of cosmetic products Emina then proved the higher, vice versa if their knowledge is negative, then customers tend to not buy cosmetic products Enima.



### **Discussion of the Influence Halal Label on Purchase Decisions**

The results of this study show the Influence halal label on Purchase Decisions. Based on the test results of the Path Analysis conducted by the researchers, the Value of path coefficient  $-0.037 > 0$  (column sample original). P-Values  $0,586 > \alpha (0.05)$ , the Value of t-statistics  $0.545 < 1,96$  (rule of thumb), meaning that the halal label and no significant negative effect on purchase decision of cosmetics Emina on Generation Y and Generation Z in the City of Medan. If the halal label is enhanced, then the purchase decision will decrease and no significant effect.

Different with the research done by Fauziah, Ismail Fahmi Arrauf Nst, Fahrizal in the year 2018 with the title, the Influence Halal Label On the Purchase Decision of Cosmetic Products (Case Study: Students FEBI IAIN Langsa). The results showed a strong influence of variable halal label against the decision of the students to buy cosmetic products including halal cosmetics on the students FEBI IAIN Langsa. This study was conducted in the city of Langsa in Aceh Province, where the majority of the respondents are muslims, so the respondents naturally feel comfortable in using products that are labeled halal. On the contrary in the this research was conducted in the City of Medan with the respondents of generation Y and generation Z so that the halal label is not considered important before making a purchase and do not consider halal labelling affects purchase decision of cosmetic products Emina. The Label of halal is still limited to food products that are consumed like food, beverages.

### **The Discussion of the Moderation of the Reference Group on the Influence of Brand Awareness on Purchase Decisions**

The results of this study indicate moderation of the reference group on the Influence of brand awareness on Purchase Decisions. Based on the test results of the Path Analysis conducted by the researchers, the Value of the path coefficient  $-0,222 < 0$

(column sample original), P-Values of  $0.04 < \alpha (0.05)$ , t-statistics  $3.462 > 1,96$  (rule of thumb), meaning that the reference group moderate the influence of brand awareness are negative and significant on purchase decisions of cosmetics Emina on Generation Y and Generation Z in the City of Medan. If the moderation of the reference group on the Influence of brand awareness is enhanced, then the purchase decision will menurundan significant effect.

It was not in accordance with the research conducted by Aakanksha Singhal Garima Malik in the year 2018 with the title, The attitude and purchasing of female consumers towards green marketing related to the cosmetic industry. In this study, shows there is a relationship between the difference in age, education, and consumer groups of women with the attitude of women consumers towards the purchase of cosmetic products are environmentally friendly. Consumer group which is the reference group for female consumers in the form of environment like a group of school friends, office mates become a reference in buying eco-friendly cosmetics. Supported with is the cosmetics brand is already well known among the consumer environment is such a woman.

According to research conducted by Riski Yuliana Pramudi year 2015 with the title the Influence of the Consumerist lifestyle And Reference Group On Purchase Decision of Local Cosmetic obtained that the decision of the purchase of local cosmetic on a woman's career is heavily influenced by reference groups such as colleagues. Colleagues mutually recommend cosmetic what is suitable for himself to others in his group.

### **The Discussion of the Moderation of the Reference Group on the Influence of Knowledge on Purchase Decision**

The results of this study indicate moderation of the reference group on the Influence of knowledge on Purchase Decisions. Based on the test results of the Path Analysis conducted by the researchers,

the value of the path coefficient  $-0.159 > 0$  (column sample original). P-Values of  $0.001 < \alpha (0.05)$ , the Value of t-statistics 2056 is  $> 1,96$  (rule of thumb, meaning that the reference group moderate the influence of knowledge is negative and significant on purchase decisions of cosmetics Emina on Generation Y and Generation Z in the City of Medan. If the moderation of the reference group on the Influence of pengetahuan ditingkatkan, then the purchase decision will decrease and have a significant effect.

It is different with the study by Riski Yuliana Pramudi year 2015 with the title the Influence of the Consumerist lifestyle And Reference Group On Purchase Decision of Local Cosmetic obtained that the decision of the purchase of local cosmetic on a woman's career is heavily influenced by reference groups such as colleagues. Product knowledge obtained from the reference group in the form of working environment and from other sources such as the internet. The more information obtained, the knowledge of the product by the consumer is increased then it will increase purchase decisions of cosmetics.

### **The Discussion of the Moderation of the Reference Group on the Influence Halal Label on Purchase Decisions**

The results of this study indicate moderation of the reference group on the Influence halal label on Purchase Decisions. Based on the test results of the Path Analysis conducted by researchers at the value of the path coefficient  $-0.014 > 0$  (column sample original). P-Values  $0,836 > \alpha (0.05)$ ,  $0,287 < 1,96$  (rule of thumb) means that the reference group moderate the influence halal label is negative and not significant to the purchase decision of cosmetics Emina on Generation Y and Generation Z in the City of Medan. If the moderation of the reference group on the Influence of label halalditingkatkan, then the purchase decision will decrease and the effect is not significant.

Halal for generation Y and Z in the City of Medan is still not become a liability in determining the valuation of the product before you buy cosmetics. This is in accordance with research conducted by Henry Aspan Iskandar Muda Sipayung in 2017, with the title, The Effect of the Halal Label, Halal Awareness, Product Price, and Brand Image to the Purchasing Decision on Cosmetic Products (a Case Study on Consumers of Sari Ayu Martha Tilaar in Binjai City). There is the influence halal label, the realization of halal, the price of the product and image of the trademark with the product purchase decision kosmetik Namun Price variable to be the variable most influence on the purchase decision of cosmetic products Sariayu Martha Tilaar in Binjai.

Consumers who are from Generation Y and Generation Z much of the information from the group of reference such as school friends, work colleagues, family who are aware the importance of halal before buying cosmetics. But in the City of Medan, halal still as a additional symbol and guarantee that the cosmetics are free of ingredients that are prohibited and dangerous. Not as a mandatory requirement to be considered before buying a cosmetic Emina. With different consumers coming from generation X, which has much of the information from the reference group surrounding, the importance of the halal products are consumed including cosmetics. Halal Label reinforced the information from the reference group will affect a purchase decision that will be done

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **CONCLUSIONS**

Based on the results of the research can be summed up as follows:

1. Brand awareness and no significant positive effect on purchase decision of cosmetics Emina on Generation Y and Generation Z in the City of Medan.
2. Knowledge and no significant positive effect on purchase decision of cosmetics

- Emina on Generation Y and Generation Z in the City of Medan.
3. Halal Label and no significant negative effect on purchase decision of cosmetics Emina on Generation Y and Generation Z in the City of Medan.
  4. The Reference group effect and a significant negative moderate brand awareness on purchase decision of cosmetic products Emina on Generation Y and Generation Z in the City of Medan.
  5. The Reference group effect is negative and significant significant moderate knowledge on purchase decision of cosmetic products Emina on Generation Y and Generation Z in the City of Medan.
  6. Reference group and no significant negative effect moderate the halal label on the purchase decision of cosmetic products Emina on Generation Y and Generation Z in the City of Medan.

## RECOMMENDATIONS

The advice of researchers from the research that has been done is as follows:

1. For the management of the company  
The results of this study can be useful for companies where if you want to increase purchase decisions of cosmetics Emina by consumers generation Y and Z then focus to build knowledge and enhance brand awareness, in particular through the internet as generation Y and generation Z have a lot more variety of information via the internet. For long-term educational halalbahwa products Enima produced on the location of production and with the machines, materials and production methods that have got the label Halalkepada consumer remain to be done, although in this study showed a relationship yangnegatif and not significant . So in the long term can provide positive impacts such as increasing brand awareness of the consumer that Emina is the cosmetics that pass test of halal products.

2. The next researcher who will conduct research with the purpose of the same study is suggested to develop a research model such as adding the independent variable other is not researched in this study, for example life-style, viral marketing, and others. The next researcher can also add a moderating variable or intervening in the research model in order to create research-better research again in the next research.

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