

**UNIVERSITI TEKNOLOGI MARA**

**FACTORS THAT DETERMINE THE PURCHASE  
INTENTION OF NON-MUSLIM CONSUMERS  
TOWARDS LOCAL HALAL SKINCARE PRODUCTS:  
A CASE STUDY OF LOVERA SKINCARE**

**AHMAD SYAZWAN BIN KAMARUZAMAN  
NURUL IMMA BINTI MOHD AZMIR  
NORAZMIATULLAILI BINTI OTHMAN**

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## **ABSTRACT**

The purpose of this research is to identify factors that determine purchase intention of non-Muslim consumers towards local halal skincare products. In this study, a local skincare company carrying Lovera brand is selected as subject matter to examine factors of purchase intention of non-Muslim consumers. This research examines the effects of attitudes on halal skincare product, product quality, product promotion, effects of social media and brand towards purchase intention of local halal skincare products. The objective of this study is also to provide some recommendations to the challenges facing the organization to be more competitive. A set of questionnaires was randomly distributed to non-Muslim consumers through hardcopies and online. Findings from the survey show that attitudes towards halal skincare products, quality, promotion and brand are significant factors contributing to intention of purchase of local halal skincare products. From the multiple regression analysis, it is found that attitude towards halal skincare product is the most significant factor company must focus on. Subsequently, TOWS Matrix approach was used to recommend Lovera in order to enhance their business capabilities. Among the recommended strategies are to create awareness and knowledge of halal products and to enhance development of new products for business diversification in order to gain more revenue and profit.

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# **CHAPTER ONE:**

## **INTRODUCTION**

### **1.1 Preamble**

This chapter explains the background of the study, the company background, problem statement of the research, research objectives and questions, limitations, and scope of this research.

### **1.2 Background of Study**

Malaysia has experienced significant growth for personal care and cosmetics products. This was demonstrated in 2015, when overall trade volume for cosmetic and personal care products was about USD 2.24 billion and almost half from the total expenditure was met by imported products. Japan, South Korea, China, Thailand, France, European Country and USA are the main exporters to Malaysia. With the total import valued of USD 292 million, skincare products grasp the major import market share (Yeoh, 2016). Production of local domestic of skincare products has been growing rapidly in the Malaysia market. Two main categories of domestic manufacturers which are multinational companies (MNCs) and local owned entities. Most of mass consumer markets are dominated by multinational companies and local manufacturers focus on private label manufacturing by producing and own their house brand(Yeoh, 2016)

Malaysia's population size in 2016 is 31.3 million and this number increasingly over the year. Almost 60% of the country population are Muslim. More than half of this demand was met by USD 1.13 billion in imports. Among the main exporters are Thailand, China, France, the United States, South Korea and Japan. With the total import valued of USD 292 million, skincare products command the biggest market share among other products personal and cosmetic products (Yeoh, 2016). Cosmetic and toiletries such as shaving cream, bath preparations, deodorants, are on second place with total values of USD 109 million(Yeoh, 2016).

Take the United States for example, for three years the average of U.S exports