

Submission date: 19 Jan 2022

Acceptance date: 23 May 2022

Publication date: 01 June 2022

## MUSLIM CONSUMERS' PERCEPTIONS ON COUNTERFEIT COSMETICS

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DOI: <https://doi.org/10.33102/mjssl.vol10no1.385>

### ABSTRACT

In conjunction with the rise of the Muslim population and beauty awareness, the halal cosmetic industry is expected to grow significantly. This growth serves as an opportunity for the cosmetic industry in Malaysia to bring out a lot of new cosmetic products into the industry. However, it can lead to strengthened market competition which then resulting in the emergence of counterfeit and unlicensed cosmetic and beauty products into the local market. Despite the growing potential of halal cosmetic industry, consumers are not being exposed sufficiently to the importance of *halalan tayyiban* in a cosmetic product. This study will analyze the influence of religiosity, brand consciousness and demographic background towards perception of Muslim consumers on counterfeit cosmetic products. Data for this study are extracted from existing literatures in the research area of Halal cosmetic industry in local and outside Malaysia. This study will give the opportunity for future researchers to expand the area of research of halal cosmetics and will be essential for future developments in the halal cosmetics industry itself.

**Keywords:** counterfeit cosmetics, perception, religiosity, brand consciousness, halal

## Introduction

Beauty products have long since been an integral part of a person's lifestyle. It is almost impossible to go on one's life without applying a cosmetic product upon himself or herself. In conjunction with the rise of the Muslim community and beauty awareness, the halal market in beauty products is expected to become an emerging issue due to the concern of the Muslims on the consumption of halal labeled beauty products. As of June 2020, Malaysia's population has reached over 32.37 million people and over 60% of that total population are Muslims. Although the mainstream of the cosmetic industry had always been conquered by non-Muslim, there are some Muslims that had taken the initiative to jump upon the opportunity on producing Shariah compliance beauty products. Hence, it was not a surprise to see the rise in the production of halal beauty products not only in Malaysia but also globally.

Although Muslims are aware on which products are permissible and prohibited in Islam, as consumers, however, they tend to overlook that part especially when buying cosmetic products. This is mainly because Muslims are exposed at an early age about the importance of consuming halal food but not in using halal beauty products. It is only recently that Muslim consumers started to pay more attention in buying and using beauty products that contain permissible and safe ingredients. Therefore, it is important for the consumers to be educated on the importance of buying and using halal beauty products and it is also important for the government or any relevant authority to enforce more strict regulations on the manufacturers and productions of counterfeit and unlicensed cosmetic products.

The cosmetic industry in Malaysia is currently experiencing rapid growth. Over time, cosmetics have become a popular need among women and men. This growth serves as an opportunity for the cosmetic industry in Malaysia to bring out a lot of new cosmetic products into the industry. However, it can lead to strengthen the market competition and resulting in the emergence of counterfeit and unlicensed cosmetic products into the local market. Lately, products counterfeiting especially in the cosmetic industry has become a serious issue not only in Malaysia, but also globally as counterfeiting activity can impose a threat to the global economy. According to Harun, et al., (2020) the Paris-based Business Alliance to Stop Counterfeit and Piracy (BASCAP) estimated that the counterfeit and piracy markets are growing at a 22 percent annually with no sign of it declining.

### *Definition of Counterfeit*

Counterfeiting is defined as the process of imitating the products of a brand and selling them in the market illegally (Koay, 2018). Counterfeit products or fake products can also be known as "knockoff". Counterfeiting can also be defined as an act of manufacturing a product by way of copying and imitating the physical appearance of an original product with the intention to mislead the consumers as if it is result of an original product. Any products that violate the trademarks, infringe the copyright, and packaging, label, and brand regulations are considered as counterfeiting. Counterfeiting can occur in various types of branded products in the market such as clothes, handbags, watches, accessories, cosmetics, pharmaceuticals, perfumes, as well as CDs, DVDs, computer software, and games. Luxury brands are proven to be easily counterfeited due to the easy marketing and low manufacturing costs (Harun, et al., 2020).

### *Counterfeiting in Cosmetic Products*

While counterfeiting is an extensive issue that affects various industries and sectors, counterfeit cosmetics occupy a uniquely dangerous segment of the overall counterfeit market (Sachs, 2019). Although counterfeit handbags, watches, sneakers, or electronic devices may support dangerous black markets activity and global crime internationally, consumers do not often fall ill or suffer any injuries from the consumption of these counterfeit products. Cosmetics and pharmaceuticals products, on the other hand, can cause a great deal of harm and damage to the consumers. Just like counterfeit medications that may contain even a little active ingredients or dangerous contaminants could result to

serious harm, counterfeit cosmetics also carry a serious health and safety risk to the consumers when not manufactured properly (Morse & Repsha, 2020).

## Methodology

Qualitative approach is chosen for this study by adapting the method of literature review using the content analysis approach (Snyder, 2019). Data for this study were extracted from extensive literature review from previous studies which include thesis, journal articles, research papers and online articles by looking at contents in relation to these keywords, i.e., counterfeit products, perception, demographic background, religiosity, brand consciousness, and halal. These data were then analyzed comparatively and descriptively, and the result is presented in this paper.

## Literature Review

### *Halal Cosmetics*

Muslim are obligated to only consume *halalan* and *tayyiban* products in their daily life. This Shariah obligation is derived from Quran and Sunnah of Prophet Muhammad ﷺ (Peace be Upon Him). The meanings of halal such as “pure” or “wholesome” are traditionally refers to the meat products particularly in Islamic practice, for example the ritual of animal slaughtering and prohibition of consuming pork products. However, in modern and globalized industries, halal is not only about food. Halal also encompasses other non-food products such as cosmetics and care products, biotechnology, tourism, pharmaceuticals and many others (Bergeaud-Blackler, et al., 2016).

Halal cosmetics are gaining more popularity amongst Malaysian Muslim consumers. The term ‘Halal cosmetics’ covers all aspects of production of cosmetic products that include raw material ingredients, manufacturing process, storing, packaging, and delivering that conform to Shariah requirements (Tengku Abdullah, 2012). Halal cosmetic products must not contain ingredients derived from pig, blood, human body parts, and among others that are prohibited by the Shariah. Cosmetic derived from animals that are permissible in Islam must be slaughtered according to the Islamic law to be considered as halal. In the preparation, processing, manufacturing, storing, and transportation of halal cosmetic products, hygiene and purity must be always ensured (Kenji, et al., 2019).

### *Risk of Counterfeit Cosmetic Products*

The Ministry of Health Malaysia (MKN) defines counterfeit or fake cosmetics as products which contain illegal, poisonous, or dangerous substances that could risk body and health. Uncontrolled usage of counterfeit cosmetic products can pose a serious risk to the consumers’ health. In recent seizures of counterfeit cosmetic products, National Pharmaceutical Regulatory Agency (NPRA) manage to seize about 15 counterfeit cosmetic products in the local market, all of which contained illegal and harmful substances such as hydroquinone, mercury and tretinoin (BH Online, 2020). Hydroquinone, mercury and tretinoin are classified as drugs that requires registration with the Drug Control Authority and can only be used under the advice of healthcare professionals.

Hydroquinone is a skin-bleaching agent that is often used to lighten darkened areas such as freckles, melasma, age spots, and acne scars (Ngan, 2005). Usage of hydroquinone in a cosmetic product for the purpose of lightening the skin and reducing pigmentation problem without proper supervision from a healthcare professional can cause thinning of skin structure, redness and itching on the skin. Uncontrolled usage of hydroquinone also could lead to an even serious problem such as inflammatory reaction, chronic rash and have a high possibility of developing skin cancer (Cherney & Wilson, 2020; Cunha, n.d.). Unsupervised usage of tretinoin can cause redness to the skin, discomfort, stinging, peeling and sensitivity to sunlight. Meanwhile, mercury is a prohibited substance in cosmetic products due to its hazardous effects on human health. Slight exposure to mercury can cause skin rashes, memory loss and muscle weakness, while high exposure of mercury may result in damage to the brain, kidney and nerves (Jay, 2019).

*Demographic Background and It's Influence Towards Consumers' Perceptions*

The study of human population is called Demographic. Demographic includes individual's personal information such as age, race, gender, family size, ethnicity, education level, income level and location (Akram, et al., 2016). Consumers with heterogenous demographic backgrounds, such as age, gender, education, level of income, marital status, and occupation can influence the perception of consumers with varying degrees of difference (Mohammed Ibrahim & Hassan, 2018). Consumers' perceptions are created by interpreting information by consumers themselves to create meaningful picture of a product or service. Consumers can have their own biases, expectations and difference in perspectives while interpreting the stimulus. The variety of promotions, feedbacks, individual exposure to different mediums help in shaping their perception towards any brands, products, services and even experiences. This perception once built will remain for a considerable amount of time and will determine the response of consumers with stimulus or promotion of products or services (Singh & Rana, 2018).

Existing studies on factors influencing consumers' perceptions and their tendencies to purchase counterfeit products are diverse. In a study conducted on predicting the intention of consumers to purchase counterfeit products by S. Patiro & Sihombing, (2014) shows that demographic such as gender, age, race, education level and monthly income play a significant role towards the purchase intention among consumers to buy counterfeit products. In another study by Kumar et al., (2015) which studies the relationship between demographic variables such as age, education, income and occupation with consumer perception towards counterfeit fashion products. This study shows that income and occupation of the respondents have significant relationship with the perception of consumers towards counterfeit products whereas age and education play no significant role in determining perception of consumers towards counterfeit products.

Besides, research conducted by Harun et al. (2020) which studies the understanding experienced consumers towards repeat purchase of counterfeit products among Malaysian consumers. The study highlighted several socio-demographic variables composition of age, gender, level of income, education level and marital status. However, the findings of the research showed that only gender is found to significantly influence consumers' intention to repeat the purchase of counterfeit products. Whereas, age, level of income, education level and marital status play no significant role in influencing consumers' intention to repeat the purchase of counterfeit products.

Therefore, it has been shown in above reviews that demographic background may influence the perception of Muslim consumers towards counterfeit cosmetics. For example, age, plays important roles in shaping consumers perception. Consumers who are young are thought to have lower level of perception due to their lack of experience, understanding and awareness in comparison to older consumers who have more experience and are more knowledgeable. Another variable of demographic background that is said to influence consumers' perceptions towards counterfeit cosmetics is level of income. Consumers who have higher levels of income are shown to have higher level of perception on counterfeit products as opposed to consumers who have lower levels of income.

*Religiosity and It's Influence Towards Consumers' Perception*

Religion is a system of beliefs and practices by which groups of people interpret and respond to what they feel is supernatural and sacred. Religion constitutes a fundamental element of a society in most cultures and is inevitably linked to many aspects of life and behavior. Religion often affects a person's goals and decisions, motivations, and satisfaction. It has been argued that religion plays an important role in determining how someone lives and experiences life and that it is a key force in individual behavior. Values based on religious orientation are not only a powerful force in influencing and forming one's attitudes and behavior, but also serves as critical guiding principles in one's daily life (Mokhlis & Spartks, 2007).

According to a study by Quoquab et al. (2017), which studies the factors affecting consumers' intention to purchase counterfeit product, it was found that religiosity directly and indirectly affects customers purchase intention towards counterfeit products. Both religion and the degree of an

individual's religious fervor have a positive impact on their personal ethics. Meanwhile, unethical behavior is negatively related to severity for penalties, such as the ones in the afterlife. Therefore, fear of God's punishment in life and the hereafter causes religious people to maintain morality and virtue. In another study conducted on the impact of religiosity on purchase intentions towards counterfeit products by Yaakop et al. (2021), shows that religiosity positively affected the attitude of consumers in developing their purchase intentions towards buying counterfeit products.

However, in a research done by Jashim et al. (2020) on the influence of religiosity and attitude toward intention to purchase counterfeit products, it was found that there is an insignificant relationship between consumers' religiosity and intention to purchase counterfeit products. In another study by Riquelme et al. (2012), it was found that consumers did not perceive that the purchase of counterfeit products as morally wrong. The study also contended that even in religious environment people do not perceive their purchase of counterfeit products as unethical behaviors.

From the various discussions above, it is to be understood that religiosity of consumers segments effect differently in relation to the perception and purchase intention of consumers towards counterfeit products. The influence of religiosity towards the perception of counterfeit cosmetics may depends on an individual Muslim consumers' levels of faith. Their knowledge in which ingredients and materials are prohibited and restricted and which ingredients are allowed to be used in a cosmetic product according to the Shariah law will also influence consumers perception on counterfeit cosmetics.

#### *Brand Consciousness and It's Influence Towards Consumers Perception*

Brand consciousness refers to psychological orientation of brand-name products in the consumers' prepurchase process. Consumers who are brand conscious prefers to indulge in the purchase of a specific line of products from the brands that are incredibly famous and have distinguished name and fame in the market. Previous studies have suggested that brand consciousness may have a negative influence on the purchase intention of counterfeit products. Consumers who are brand conscious are more likely to buy and use branded products to project their ideal self-image and associate themselves with a higher level of social class in a society. In particular, brand names play an important role in affecting consumers' choices for certain products. Not only do they affect the decision of an individual consumer when choosing what products are best for them but more importantly, brand names also clearly show membership and shared beliefs of the group (Chiu & Leng, 2016; Jiang & Shan, 2016; Bhatia, 2018). Therefore, it is expected that consumers who have high beliefs in brand names are least likely to indulge in counterfeit products.

In a study on consumer's intention to purchase counterfeit sporting goods by Chiu & Leng (2016), it was found that consumers who are brand conscious are less likely to purchase counterfeit sporting goods. This proves that brand consciousness influences purchase intention of consumers of counterfeit goods. In another study by Tseng et al., (2020) also found that brand consciousness has a negative influence on consumers' attitudes towards the purchase of counterfeit products. Brands are essential in the purchase of a product, as it is a symbol of quality and elicits trust from consumers which also proves that consumers who are brand conscious are less likely to purchase counterfeit products. However, in a study by Bhatia (2018) it was found that sometimes, even brand conscious consumers cannot afford original branded products and will eventually have a desire to purchase counterfeit products.

It has been realized from above reviews that consumers who are brand conscious have higher perception on counterfeit cosmetic products and are least likely to indulge in the purchase of counterfeit cosmetic products. However, there are some consumers who have high perception on counterfeit cosmetic but still prefer counterfeit cosmetic products and are willing to buy and use them instead of the original cosmetic products since they cannot afford high-end cosmetic products but still wanted to fit in the society.

## Conclusion

Cosmetic products have become an integral parts of an individual's daily life and routines especially among Muslim consumers. The increasing demand of halal cosmetic products from Muslim consumers have influence the rise in the production of halal cosmetic products. Despite the rise, the awareness of Muslim consumers on the importance of *halalan tayyiban* in cosmetic products are still relatively low. There are still consumers who fall for the trap of counterfeit cosmetics and suffer the consequences. Therefore, examining the influencing factors of Muslim consumers perception towards counterfeit cosmetics are very essential. Demographic background such as age, gender and level of income are shown to be able to influence the perception of Muslim consumers on counterfeit cosmetics. As well as religiosity, the fear of punishments imbued in an individual Muslim, the needs to do good deeds, to obey Almighty, can influence Muslim consumers perceptions on counterfeit cosmetics. Brand consciousness also can influence perception when the desire to show off the products that they used will influence their perception and decision. Hence, government agencies have to be more vigilant on eradicating counterfeit cosmetic products sold in the market without any licensed and approval. Government bodies also should help spreading the awareness on the importance of *halalan tayyiban* in cosmetic products. Awareness can be taught at school for students to learn from the early ages. Awareness on counterfeit cosmetic products can also be spread on the television, through various outlets and columns. Future studies may enhance and improve the study on halal cosmetic with more detail discussion.

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