

The Impact of Word of Mouth and Customer Satisfaction on Purchase Decisions: The Role of Maslahah as an Intervening Variable in the Cosmetic Products Industry in Indonesia

Amiruddin K¹, An Ras Try Astuti², Mujahidin³

Abstract

This study investigates how Word of Mouth (recommendations), Customer Satisfaction, and perceived Maslahah influence Purchase Decisions in the cosmetic product consumption context in Indonesia. Structural Equation Modeling with Partial Least Squares (SEM-PLS) was employed to analyze data from 450 respondents. Results indicate that Word of Mouth significantly influences Purchase Decisions ($\beta = 0.350$, $t\text{-stat} = 5.698$, $p < 0.000$), suggesting positive recommendations increase the likelihood of product purchase. However, Word of Mouth slightly diminishes the perception of product Maslahah ($\beta = -0.122$, $t\text{-stat} = 1.835$, $p = 0.067$), implying positive recommendations may marginally affect perceived maslahah. The indirect effect of Word of Mouth on Purchase Decisions through Maslahah was also marginal ($\beta = -0.044$, $t\text{-stat} = 1.829$, $p = 0.068$). Customer Satisfaction significantly enhances the perception of product Maslahah ($\beta = 0.720$, $t\text{-stat} = 11.309$, $p < 0.000$) and influences Purchase Decisions through Maslahah ($\beta = 0.263$, $t\text{-stat} = 7.194$, $p < 0.000$), yet direct impact on Purchase Decisions was insignificant ($\beta = -0.002$, $t\text{-stat} = 0.044$, $p = 0.965$). Moreover, perceived Maslahah significantly affects Purchase Decisions ($\beta = 0.366$, $t\text{-stat} = 7.586$, $p < 0.000$), highlighting its role in consumer decision-making. Overall, findings deepen understanding of how Word of Mouth, Customer Satisfaction, and perceived Maslahah shape consumer behavior in purchasing cosmetics. Marketers can utilize these insights to leverage recommendations, enhance satisfaction, and communicate product benefits effectively to influence consumer decisions, thereby enhancing market position and competitive advantage for cosmetic companies.

Keywords: *Word of Mouth, Customer Satisfaction, Maslahah, Purchase Decision, Cosmetic Product, Indonesia.*

Introduction

The cosmetic industry in Indonesia is rapidly expanding, driven by high demand across various market segments, including university students. Students, as a crucial consumer group, exhibit unique characteristics in their purchasing decisions regarding cosmetic products. They tend to be active users of social media and closely connected to their social environments, thereby amplifying the role of Word of Mouth (WOM) or recommendations from friends and family in their consumption decisions.

Muslim Indonesians, living in a multi-religious society, are notably conscious of halal products, making the halal cosmetic market significant for both producers and consumers. Existing literature predominantly focuses on halal food products, with limited studies addressing halal cosmetics (Briliana & Mursito, 2017). Word of Mouth (WOM) significantly influences students' perceptions of cosmetic products. Recommendations from friends or social media influencers provide more convincing and relevant information than direct manufacturer promotions. Thus, WOM serves as a primary factor influencing students' attitudes and interests in specific cosmetic products. Research (W. Li et al., 2024) explores how consumers perceive support from social media influencers and offers practical managerial guidelines to generate WOM on social media platforms. On the other hand, consumer satisfaction post-product usage also plays a crucial role in the purchasing decision-making process. Satisfaction can be influenced by how well cosmetic products meet students' expectations regarding quality, price, safety, and efficacy.

Presently, Indonesia not only acts as a significant consumer or primary market target but also emerges as a key player in the global cosmetic industry. Sandiaga Uno, Indonesia's Minister of Tourism and Creative

¹ Dean of Faculty of Islamic Economics and Business, UIN Alauddin Makassar, Indonesia, Email: amiruddin.kadir@uin-alauddin.ac.id, (Corresponding Author)

² Faculty of Islamic Economics and Business, IAIN Pare, Indonesia.

³ Faculty of Islamic Economics and Business, IAIN Palopo, Indonesia

Economy, highlights significant economic developments in Indonesia, with expanding business opportunities and job markets.



Source: Tirto.id, 2023

Graphs depict an upward trend in cosmetic sales in Indonesia annually. Sales reached USD 1.8 billion in 2022, rising to USD 2 billion in 2023. With this trend, it is unsurprising that Sandiaga Uno predicts Indonesia to be one of the world's top five cosmetic markets within the next 5 to 10 years. In the context of the concept of *masalah* (utility), it also serves as a potentially mediating variable between WOM, consumer satisfaction, and purchasing decisions among students. *Maslahah* reflects the perceived benefits or values students derive from using cosmetic products. Positive perceptions of *masalah* can reinforce the influence of WOM and enhance consumer satisfaction, thereby potentially increasing repeat purchases or product recommendations to others. Research (X. Li et al., 2023) suggests that businesses should consider changes in purchase intent and word-of-mouth from the customer perspective across various economies to fully benefit from resource reallocation and strategic moves. Furthermore, (Hameed et al., 2024) recommends that academic research incorporate social influence theory to shape word-of-mouth behavior in marketing activities, especially concerning products offered, thus enhancing users' intention and behavior in recommending services to others.

However, despite the importance of WOM, consumer satisfaction, and *masalah* in the purchasing decisions of cosmetic products among female university students in Indonesia, there remains a need for further research. In-depth studies could provide more comprehensive insights into the interactions among these variables and other factors influencing student consumption behavior. This is crucial to assist cosmetic companies in developing more effective and responsive marketing strategies tailored to the dynamic and diverse needs of female university students.

The cosmetic industry in Indonesia has experienced rapid growth in recent years, necessitating the adoption of innovative marketing strategies to remain competitive (Wilendra et al., 2024). Global consumer awareness of more sustainable products and government requirements for more sustainable industries have pushed small and medium-scale cosmetic industries to innovate strategies by integrating sustainability principles into their manufacturing processes (Amrina et al., 2021). Furthermore, research by (Amalia & Darmawan, 2023) offers valuable insights for various stakeholders to enhance awareness of cosmetic products in Indonesia.

According to a Populix survey, Indonesian consumer preferences for local cosmetic brands are quite significant. Out of 500 surveyed women, 54% expressed a tendency to prefer local cosmetic brands for daily use. On the other hand, 11% of respondents preferred international brands, while the remaining 35% did not have a strong preference for the origin of the cosmetic brands they used.



Source: Populix, 2022

The survey involved 500 female respondents, with the majority from the Jabodetabek area (42%). Additionally, there were respondents from Surabaya (9%), Bandung (9%), Medan (6%), Semarang (4%), other cities in Java (6%), and various cities in other regions of Indonesia (24%). Previous research has highlighted the importance of Word of Mouth (WOM) and consumer satisfaction in purchasing decisions across various industrial contexts. However, studies focusing on female university students as consumers of cosmetic products in Indonesia are still limited. Some studies have shown that WOM significantly influences consumer preferences and attitudes toward products, while consumer satisfaction plays a key role in maintaining loyalty and increasing customer retention. However, there is a gap in the literature on how the concept of *masalah*, or perceived benefits, can serve as a mediating variable that mediates the relationship between WOM, consumer satisfaction, and purchasing decisions, particularly in the context of cosmetic products among students. By expanding this research, it is hoped that existing knowledge gaps can be filled and provide valuable new insights for the cosmetic industry to develop more effective and targeted marketing strategies for female university students in Indonesia.

Theoretical Review

Word of Mouth

The Word of Mouth (WOM) marketing process is one of the primary ways through which consumers obtain information (Boccia & Tohidi, 2024). WOM refers to the process by which individuals share information about products, services, or brands verbally to others. This concept is crucial in marketing strategies because WOM is often considered more trustworthy than direct manufacturer promotions. Research (Troiville, 2024) hypothesizes that consumer attitudes toward retailers and individual and sequential word-of-mouth communications mediate the relationship between retail brand equity and consumer loyalty to retailers. Additionally, strategically harnessing these interactions can enhance electronic Word of Mouth (eWOM) (Nadroo et al., 2024). Moreover, recognition of the reinforcing cycle effect between eWOM provides unique opportunities for marketers to amplify and sustain online purchase momentum.

The moderating effect of consumer mindset on WOM formation weakens in the presence of other factors that increase trust in recommendations, such as endorsements from strong relationships (W. Li et al., 2024). Research findings (González-Viralta et al., 2023) demonstrate the positive impact of service satisfaction on WOM and willingness to pay more. It is important to note that WOM is not limited to oral communication but can also occur through digital platforms such as social media, online reviews, and discussion forums. Theoretical studies on WOM help understand how this process influences consumer attitudes, preferences, and behaviors, as well as its relevance in marketing strategies and brand management in the current digital

era. According to Ali hasan in (Yani, 2021), there are three indicators of word of mouth: 1) Talking about positive experience with the product's quality, 2) Recommending to friends and family, 3) Persuading friends and inviting family.

H1: There is an influence of Word of Mouth on Purchase Decision in the cosmetic product business in Indonesia.

H2: There is an influence of Word of Mouth on Masalahah in the cosmetic product business in Indonesia.

Customer Satisfaction

Customer satisfaction involves a deep understanding of its concepts, theories, and influences in consumer behavior and marketing studies. Customer satisfaction refers to the subjective evaluation by consumers of their experiences with using products or services, which can influence brand loyalty, customer retention, and overall brand image.

Research (González-Viralta et al., 2023) demonstrates the positive impact of satisfaction on loyalty, word-of-mouth, and willingness to pay more. These findings also provide empirical evidence of the green practice effect in the supermarket industry and its progress towards more sustainable management. A profound understanding of these theories helps marketers and brand managers to design more effective strategies in enhancing consumer satisfaction, identifying factors influencing satisfaction, and managing consumer expectations and perceptions effectively. These theoretical studies are also crucial in the context of modern marketing, which increasingly focuses on consumer experience and the need to maintain customer loyalty.

Research (Agag et al., 2024) found that customer responsiveness significantly enhances customer satisfaction in such conditions. Another study conducted by (Nilashi et al., 2023) linked three dimensions—information quality, system quality, and service quality—to customer satisfaction.

Regarding indicators of customer satisfaction (according to irawan, 2008 in (Ishak, 2009))

Feeling satisfied (in terms of satisfaction with products and services): This refers to the expression of satisfaction or dissatisfaction by customers when receiving good service and quality products from a company.

Repeat purchase: Customers will continue to use and buy a product if their expectations are met.

Willingness to recommend to others: Satisfied customers tend to share their positive experiences with others, thereby creating new customers for a company.

Meeting customer expectations after purchasing a product: This refers to whether the quality of a product or service meets the customer's expectations post-purchase.

H4: There is an influence of Customer Satisfaction on Purchase Decision in the cosmetic product business in Indonesia.

H5: There is an influence of Consumer Satisfaction on Masalahah in the cosmetic product business in Indonesia.

Purchase Decision and Maslahab

Purchase Decision involves exploring various theories, concepts, and models that explain the process by which consumers choose specific products or services. Consumer decisions are the outcomes of complex interactions between internal factors (such as values, preferences, and motivations) and external factors (such as market information, promotions, and social influences).

Research indicates that attitudes towards halal cosmetic products are a significant precursor to the intention to purchase these products and mediate the influence of knowledge, religiosity, and subjective norms. This study is expected to provide insights into strategies to encourage marketers to adopt halal cosmetic products in the future. Additionally, the research contributes by providing a comprehensive framework on the antecedents and consequences of attitudes towards halal cosmetic products on purchase intention (Briliana & Mursito, 2017)

The findings also indicate that the influence of word-of-mouth on purchase decisions declined after COVID-19, while the influence of social media advertising increased. Moreover, it was found that this influence is moderated by product type; for example, video ads, as part of social media advertising, have a stronger influence on search goods compared to experience goods (Byun et al., 2023).

Theoretical studies on consumer decision-making not only help understand individual decision-making processes but also provide insights into how marketers can design more effective strategies to influence consumer preferences and behaviors. A profound understanding of these theories is also crucial in responding to evolving market dynamics and enhancing customer satisfaction and loyalty towards specific brands or products.

Although sales promotions triggered by scarcity are widespread in direct trading, recent scientific investigations have begun to address impulse buying (Yi et al., 2023). Additionally, research identifies that information overload and trust in information sources moderate the relationship between network information dissemination and consumer purchasing decisions (Yang & Yu, 2024).

The results of the study (Hanaysha, 2022) also confirm that brand trust mediates the relationship between two social media marketing features (interactivity and informativeness) and consumer purchasing decisions. Findings suggest that the relationship between Consumer Style Inventory (CSI) and purchase intention affects the customer's response to emotional advertising and attitudes resulting from it by using emotions in advertising. In addition, the effect of response to emotional advertising is equally effective in utilitarian and hedonic products, implying that if a customer responds positively to emotional advertising, they will have a positive attitude towards the brand and will show purchase intentions (Garg et al., 2023)

According to Kotler and Armstrong (Kotler P, 2005) indicators of purchase decisions include: a) Deciding to buy after knowing product information. b) Deciding to buy because it is the most preferred brand. c) Buying because it meets desires and needs. d) Buying because of recommendations from others. The concept of *maslahah* or utility in the context of consumer behavior and economics considers how individuals evaluate the benefits or value of using specific products or services. The concept of *maslahah* is the foundation in the economic theory of consumer behavior, explaining that consumers tend to choose products or services that provide maximum benefit or utility to them, considering the limitations of their resources.

A deep theoretical understanding of *maslahah* is crucial in designing effective marketing strategies, as it helps marketers understand consumer preferences, optimal pricing, and the added value that their products or services can offer. By effectively utilizing the concept of *maslahah*, companies can better anticipate and meet consumer needs, thereby enhancing customer loyalty and overall business success.

Maslahah (public benefit or interest) and *mafsadah* (harm). Islamic jurists have defined the concept of *maslahah* as a method of permissibility based on serving the public interest of the Muslim community, whether it is beneficial or harmful (al-Ghazali 1992, Ibn Abd al-Salam 2000). *Maslahah* is also defined as an attribute of actions that realize the benefits and legal needs of Shariah to maintain faith/religion, life/soul, mind/reason, family/descendants, and property/wealth (Izhar Ariff Mohd Kashim et al., 2023). *Mafsadah* (harm or damage) is contrary to *maslahah* and is defined as something that causes adverse effects or harm to society in terms of faith/religion, life/soul, mind/reason, family/descendants, and property/wealth (Izhar Ariff Mohd Kashim et al., 2023). When looking at the perspective of *maslahah* in terms of life/soul, the increase in the world's population and wealth will increase the demand for health business products including cosmetics. According to KH Abdul Ghofur in (Indrawati, 2014)), all indicators

of leadership effectiveness achievement will not bring happiness and success if the goal of business establishment, namely *maslahah* (goodness), is not achieved (Avdukic & Asutay, 2024)

Islam as the teaching of *Rahmatan lil alamin* provides guidance to the lives of people, creating balance in the universe. Therefore, the Creator, through Prophet Muhammad (peace be upon him), provides guidance to the path of truth for every human (Try Astuti & Ruqiah, 2020). Islam is a religion that emphasizes practical and noble moral values, because it is the main purpose of the Prophet Muhammad (SAW) as the Messenger of Allah to mankind. Muslims are expected to practice noble moral values. The practice of these noble values is considered as noble behavior. However, not all Muslims are able to apply it in their daily lives. Some are morally misguided from Islamic guidelines or known as disobedience. This morally misguided behavior can be categorized into five main categories: religion, life, mind, descendants, and wealth. This categorization is based on the five *dharuriyat* as discussed by Al-Syatibi in his debate on the goals of Islam's proselytism to mankind (Khodijah Ishak, 2014).

In explaining the objectives of Sharia law, Al-Syatibi in (Toriquddin, 2014) states that creating *maslahah* (public interest) and avoiding *mafsadah* (harm) that befalls humans are the two main goals of Sharia. He categorizes *maslahah* into three categories: *maslahah dharuriyat*, *hajiyat*, and *tahsiniyat*. Among these categories, *maslahah dharuriyat* is the highest. The needs for *dharuriyat* are the five categories mentioned above. These five *dharuriyat* must be protected to ensure their existence in humans throughout their worldly life. Research (Astuti, 2024) Finding meaning that when Islamic work ethics are emphasized within an organization, it can shape a positive organizational culture.

To ensure the continuity of these five factors, Islam has provided two important guidelines: taking actions that will develop them and staying away from actions that can destroy them. Factors that develop religion include believing in the Pillars of Faith and implementing the Pillars of Islam. Factors that develop life include nutritious foods beneficial for the body. Factors that develop the mind include seeking beneficial knowledge. Factors that develop descendants include marriage. Factors that develop wealth include fulfilling living needs such as food, shelter, clothing, medical care, and education. All of these must be done, and neglecting them will damage the five *dharuriyat*. It will

Indicators of *maslahah* are as follows:

Sharia compliance (Halal), goods and services consumed are not forbidden items.

Beneficial, in meeting needs.

Bringing blessings in all aspects overall without causing harm. In the content of *maslahah*, it consists of benefits and blessings. *Maslahah* that consumers will obtain when purchasing goods can take one of the following forms:

Material benefits, in the form of additional wealth for consumers due to the purchase of goods/services.

Physical and psychological benefits in meeting human physical/psychological needs such as hunger, thirst, cold, etc.

Intellectual benefits, for example: demand for newspapers, stationery, temperature measuring instruments, scales, and so on.

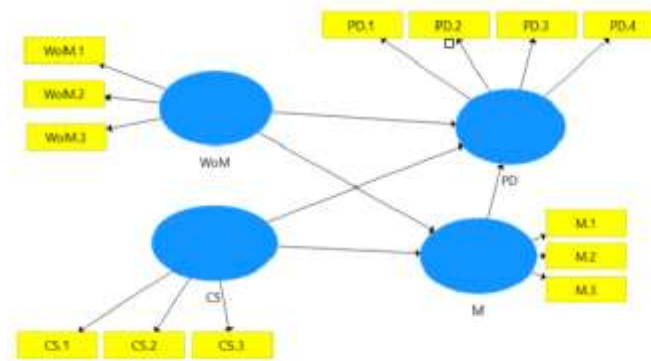
Environmental *Maslahah* in the form of positive externalities from purchasing goods/services/*maslahah* that can be felt by others in the same generation.

Long-term benefits: meeting long-term worldly needs or safeguarding future generations from loss due to not purchasing goods/services.

H3: There is an influence of Word Of Mouth on Purchase Decision through Maslahah as an intervening variable in the cosmetic product business in Indonesia.

H6: There is an influence of Customer Satisfaction on Purchase Decision through Maslahah as an intervening variable in the cosmetic product business in Indonesia.

H7: There is an influence of Maslahah on Purchase Decision in the cosmetic product business in Indonesia.



Figur 1. Conceptual Framework

Methodology

Area of Study

The study area focuses on female students of State Islamic Higher Education Institutions in Indonesia. Female students from these institutions stand out as a significant study subject due to their large numbers in a country with a majority Muslim population. This research is important as it allows for a deeper understanding of how Islamic values and principles can influence the attitudes, behaviors, and decisions of female students in the context of higher education. Additionally, this study is relevant for identifying factors that influence satisfaction, motivation, and academic achievement among female students in an educational environment oriented towards religious values. Thus, this research can provide valuable insights for the development of policies and better educational practices in State Islamic Higher Education Institutions in Indonesia.

Data Collecting

This research was conducted in 2023, carried out from May to December 2023. The analytical tool used was SEM-PLS, analyzing 450 responses from female students of State Islamic Higher Education Institutions scattered across Indonesia. The questionnaire was distributed using Google Forms. Quantitative data collection utilized an online survey to facilitate the sampling process. Before data collection commenced, the researchers conducted a pilot test of the questionnaire with experts to validate the instrument. Subsequently, the researchers assessed the instrument's validity by administering the questionnaire to ten respondents who were active female students of State Islamic Higher Education Institutions (STAIN), State Islamic Institutes (IAIN) and State Islamic Universities (UIN). The questionnaire results indicated that the instrument was suitable for further distribution to the research sample.

Moreover, the online survey was conducted using Google Forms, distributed via widely used instant messaging applications in Indonesia, namely WhatsApp and Telegram, to reach diverse and willing participants. Over a span of four months (May to August 2023), a total of 475 questionnaires were collected, which then underwent standard quality checks by the authors. After removing incomplete or unusable surveys, 450 valid responses were retained for analysis. (See Table 1 for demographic information).

Table 1. Responden Profile

Measure	Item	n		%
Gender	Male	450		100
Age	18-20 years	184		41
	21-23 years	238		53
	>23 years	115		26
Origin of public Islamic religious university	STAIN	74		16
	IAIN	258		57
	UIN	118		26
Experience using cosmetics	< 2 years	13		3
	> 2 years	437		97

Measurement

After consulting with experts in the fields of instrument development and Islamic marketing, this study employed three variables with 14 indicators, which were initially considered from a pool of 20 options and subsequently narrowed down to 13 indicators through successive elimination stages. The measurement of this study encompassed 4 variables totaling 13 indicators. The variable Word of Mouth evaluates 3 indicators, including discussing positive experiences and product quality, recommending to friends and family, and persuading others to use the product. The variable Customer Satisfaction assesses 4 indicators related to satisfaction with product quality and service, intention to repurchase, and willingness to recommend to others. The Purchase Decision variable comprises 4 indicators: decisiveness after product information, brand preference, alignment with desires and needs, and influence of recommendations. The Maslahah variable consists of 3 indicators: adherence to Sharia principles, benefits, and bringing blessings. The survey employed a Likert scale ranging from "strongly disagree" to "strongly agree," representing varying levels of agreement. This research adopted the Partial Least Squares (PLS) method, implemented using SmartPLS 3 software, to calculate and evaluate primary reliability, validity indices, as well as direct and indirect effects.

Results

Demographic Profile

Table 1 provides a descriptive overview of the collected data, indicating that females comprised 100% of the study sample. Approximately 41% of respondents fell into the 18-20 age group, while 53% were aged 21-23, which represented the highest distribution group. Respondents aged above 23 accounted for 26%. All participants were UIN students. Regarding experience using cosmetics, 3% had less than 2 years of experience, while 97% had more than 2 years of experience.

Validity and Reliability

Tables 3 and 4 present the assessment of internal consistency for the research instruments using PLS-SEM. The criteria for Alpha (α) coefficients, Composite Reliability (CR), and Average Variance Extracted (AVE) were set with AVE values needing to be at least 0.5. This threshold indicates adequate convergent validity, meaning that each latent variable can explain more than half of the variance of its indicators on average, as established in prior research (Cheung et al., 2023). All CR and AVE estimates surpassed the predefined thresholds, demonstrating satisfactory reliability of the scales. Convergent validity was ensured by confirming that all factor loadings of individual scale items on their respective constructs exceeded the minimum required value of 0.7 (Arasinah, 2021). Additionally, discriminant validity was assessed using the Fornell and Larcker criteria (Oliver et al., 2010). The square roots of the AVE values were greater than the correlations between constructs, thereby confirming both convergent and discriminant validity.

Table 2. The Inner Model Quality

Instrument	Loadings	R	α	AVE
Word of Mouth				
I feel that this cosmetic product has good quality, so I share my positive experience with others.	0,820			
I often recommend this cosmetic product to friends and family.	0,774	0,657	0,816	0,597
I frequently persuade friends and family to use this cosmetic product after experiencing its benefits.	0,721			
Customer satisfaction				
I am satisfied with the quality of this cosmetic product.	0,898			
I will always buy this cosmetic product in the future.	0,946	0,957	0,951	0,867
I will recommend this cosmetic product to others.	0,948			
Maslahah				
I use cosmetic products that comply with Sharia principles (Halal).	0,942			
I choose to use cosmetic products that are beneficial.	0,944	0,896	0,935	0,829
I use cosmetic products that bring blessings in all aspects without causing harm.	0,841			
Purchase decision				
I decide to purchase the product after knowing detailed information about it.	0,832			
I buy it because it's a well-known brand.	0,891			
I buy it because it meets my desires and needs.	0,886	0,892	0,920	0,741
I buy it because of recommendations from others.		0,833		

Table 3. Fornell-Larcker Criterion Result

Construct	Customer Satisfaction	Maslahah	Purchase Decision	Word of Mouth
Customer Satisfaction	0,931			
Maslahah	0,622	0,910		
Purchase Decision	0,502	0,521	0,861	
Word of Mouth	0,795	0,448	0,510	0,773

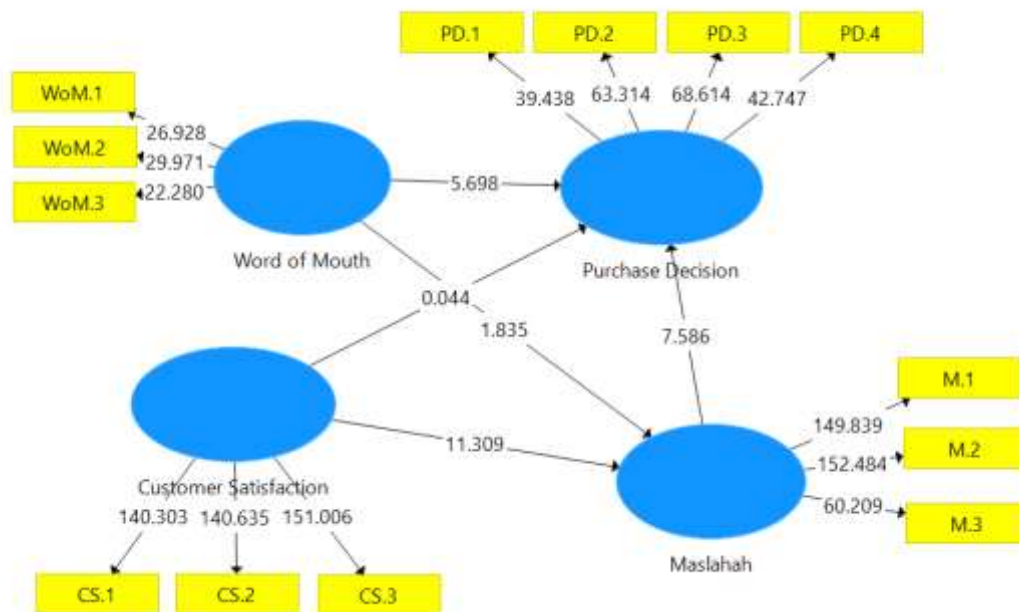
The results of bootstrapping data indicate a positive influence of all three variables in the resampling study (450 samples) (see Tables 2, 3, 4, and Figure 1). Word of Mouth was found to have a positive relationship with Purchase Decision (H1: $\beta = 0.350$, t-stat = 5.698, $p < 0.000$). Word of Mouth had a negative effect on Benefit (H2: $\beta = -0.122$, t-stat = 1.835, $p = 0.067$), and its influence on Purchase Decision through Benefit was marginal (H3: $\beta = -0.044$, t-stat = 1.829, $p = 0.068$). Customer Satisfaction's impact on Purchase Decision was insignificant (H4: $\beta = -0.002$, t-stat = 0.044, $p = 0.965$), but its effect on Benefit was substantial (H5: $\beta = 0.720$, t-stat = 11.309, $p < 0.000$). Customer Satisfaction's influence on Purchase Decision through Benefit was also significant (H6: $\beta = 0.263$, t-stat = 7.194, $p < 0.000$), as was Benefit's direct impact on Purchase Decision (H7: $\beta = 0.366$, t-stat = 7.586, $p < 0.000$). Therefore, hypotheses H1, H5, H6, and H7 were accepted (each with $p < 0.05$). Meanwhile, hypotheses H2, H3, and H4 were rejected (each with $P > 0.05$).

Table 2. Path Coefficient Result

Instrument	β	Standard Deviation	T Statistics	P Values
Customer Satisfaction -> Maslahah	0,720	0,064	11,309	0,000
Customer Satisfaction -> Purchase Decision	-0,002	0,055	0,044	0,965
Maslahah -> Purchase Decision	0,366	0,048	7,586	0,000
Word of Mouth -> Maslahah	-0,122	0,069	1,835	0,067
Word of Mouth -> Purchase Decision	0,350	0,061	5,698	0,000

Table 3. Indirect Effects

Instrument	β	Standard Deviation	T Statistics	P Values
Customer Satisfaction -> Maslahah -> Purchase Decision	0,263	0,037	7,194	0,000
Word of Mouth -> Maslahah -> Purchase Decision	-0,044	0,025	1,829	0,068



Figur 2. Bootstrapping

Discussion

The findings from the study, based on 450 samples (see Tables 2, 3, 4, and Figure 1), reveal several significant relationships among the variables investigated. Firstly, Word of Mouth (H1) was found to significantly influence Purchase Decision ($\beta = 0.350$, $t\text{-stat} = 5.698$, $p < 0.000$), indicating that positive word of mouth recommendations have a notable impact on consumer purchasing behavior. Secondly, Word of Mouth (H2) exhibited a negative effect on Benefit ($\beta = -0.122$, $t\text{-stat} = 1.835$, $p = 0.067$), although this relationship was marginally insignificant at the conventional significance level ($p > 0.05$). Thirdly, the indirect influence of Word of Mouth on Purchase Decision through Benefit (H3) was found to be negligible ($\beta = -0.044$, $t\text{-stat} = 1.829$, $p = 0.068$), suggesting that the positive effect of word of mouth on purchase decisions does not significantly rely on perceived benefits. Fourthly, Customer Satisfaction (H4) showed no significant impact on Purchase Decision ($\beta = -0.002$, $t\text{-stat} = 0.044$, $p = 0.965$), indicating that satisfaction alone does not drive consumers' actual purchasing decisions. Fifthly, Customer Satisfaction (H5) strongly affected Benefit ($\beta = 0.720$, $t\text{-stat} = 11.309$, $p < 0.000$), highlighting that satisfied customers perceive significant benefits from the products or services they use. Sixthly, Customer Satisfaction's indirect influence on Purchase Decision through Benefit (H6) was also significant ($\beta = 0.263$, $t\text{-stat} = 7.194$, $p < 0.000$), indicating that satisfaction indirectly influences purchase decisions by enhancing perceived benefits. Lastly, Benefit itself had a direct positive impact on Purchase Decision (H7) ($\beta = 0.366$, $t\text{-stat} = 7.586$, $p < 0.000$), demonstrating that perceived benefits directly contribute to consumers' decisions to make a purchase.

In conclusion, hypotheses H1, H5, H6, and H7 were supported by the data, indicating that positive word of mouth, customer satisfaction, and perceived benefits significantly influence purchase decisions. On the other hand, hypotheses H2, H3, and H4 were not supported by the findings, suggesting that the negative impact of word of mouth on benefits, as well as the direct influence of customer satisfaction on purchase decisions, were not statistically significant in this study. These results provide valuable insights into consumer behavior and decision-making processes within the context of the studied variables.

Comparison of findings from two datasets highlights the crucial roles of product quality perception and recommendation activities in influencing purchase decisions within the context of Word of Mouth (WOM). The first dataset emphasizes that high loadings on indicators such as "I feel that this cosmetic product has

good quality, so I share my positive experience with others" (0.820) underscore the importance of consumer perceptions of product quality in reinforcing positive WOM. Additionally, high loadings on indicators like "I often recommend this cosmetic product to friends and family" (0.774) and "I frequently persuade friends and family to use this cosmetic product after experiencing its benefits" (0.721) demonstrate that recommending products plays a significant role in influencing WOM and purchase decisions.

On the other hand, other research findings on WOM (Boccia & Tohidi, 2024; Nadroo et al., 2024; Troiville, 2024) highlight WOM as a primary method through which consumers acquire information about products, services, or brands verbally. These studies also reveal that WOM interactions can mediate relationships between retail brand equity and consumer loyalty, as well as potentially enhance electronic Word of Mouth (eWOM) in digital marketing contexts. However, the moderating effect of consumer mindset on WOM formation may weaken in the presence of other factors influencing trust, such as recommendations from strong relationships (W. Li et al., 2024). Findings from (González-Viralta et al., 2023) further indicate that satisfaction with services contributes to positive WOM and willingness to pay more.

"The Impact of Word of Mouth and Customer Satisfaction on Purchase Decisions: The Role of Maslahah as an Intervening Variable in the Cosmetic Products Industry in Indonesia," more useful and relevant, it's important to compare and contrast your findings with existing literature that examines similar variables. Previous research has shown that word of mouth (WOM) significantly impacts purchase decisions. Studies like Cheung et al. (2008) and Godes and Mayzlin (2004) emphasize that WOM, particularly in online settings, influences consumer behavior due to the trust and credibility associated with peer recommendations. Similarly, customer satisfaction has been widely studied as a key determinant of purchase intention, with researchers such as Oliver (1999) and Anderson and Sullivan (1993) showing that satisfied customers are more likely to make repeat purchases and recommend products. However, many of these studies have overlooked the role of Maslahah (public good and ethical benefit) as an intervening variable. Your study fills this gap by introducing Maslahah as a unique factor that influences how customer satisfaction translates into purchase decisions, particularly within the Indonesian context, where Islamic values play a significant role in consumer behavior. Studies like Mokhlis (2009) have shown that Islamic values influence consumer choices, but few have explored Maslahah specifically as a mediator in the purchase decision process, particularly in the cosmetics sector. Additionally, while much research on the cosmetics industry focuses on brand image and product quality, your study uniquely shifts the focus to ethical and cultural dimensions, such as halal certification and social benefit, which resonate more strongly with Muslim consumers in Indonesia. The cultural context in Indonesia, where both modern and Islamic values influence consumption, further distinguishes your research from previous studies, offering fresh insights into how ethical consumption and Maslahah impact buying behavior in a predominantly Muslim country. By integrating Maslahah into the model, your study not only advances understanding in the cosmetics sector but also provides practical recommendations for marketers to align their products with Islamic values to enhance customer trust and loyalty. This contribution makes your study both theoretically significant and practically relevant in the fields of consumer behavior, Islamic business ethics, and marketing.

There are similarities in studies investigating the relationship between customer satisfaction and various factors. The first study indicates that customer satisfaction is directly related to perceived product quality, intention to repurchase, and tendency to recommend the product to others, while earlier research oleh (González-Viralta et al., 2023) confirmed the positive impact of satisfaction on customer loyalty, word-of-mouth, and willingness to pay more. Additionally, another study like that conducted by oleh (Agag et al., 2024) found that customer responsiveness also significantly contributes to customer satisfaction, whereas penelitian (Nilashi et al., 2023) linked information quality, systems, and services with customer satisfaction. A deep understanding of these findings provides insights for marketers and brand managers to develop comprehensive strategies to enhance customer satisfaction, build loyalty, and meet consumer expectations and perceptions in the context of marketing increasingly focused on consumer experience and sustainability.

The high loadings on indicators such as "I am satisfied with the quality of this cosmetic product" (0.898), "I will always buy this cosmetic product in the future" (0.946), and "I will recommend this cosmetic product to others" (0.948) indicate that consumer satisfaction is directly related to perceptions of product quality,

intention to repurchase, and tendency to recommend the product to others. The study by Studi (González-Viralta et al., 2023) provides empirical evidence that consumer satisfaction has a positive impact on customer loyalty, word-of-mouth recommendations, and willingness to pay more. This underscores the importance of maintaining high levels of consumer satisfaction in the cosmetics industry, alongside increasing practices in green and sustainable initiatives across various industrial sectors, including supermarkets.

Thus, the conclusions from this study support that understanding and enhancing consumer satisfaction regarding product quality can yield significant benefits in terms of customer loyalty, positive word-of-mouth, and sustainability in business practices.

In the context of selecting cosmetics adhering to Sharia principles (Halal), findings regarding "high loadings on indicators 'I use cosmetic products that comply with Sharia principles (Halal)' (0.942) and 'I choose to use cosmetic products that are beneficial' (0.944)" show that these factors play a crucial role in consumers' purchasing decisions. Although the loading for the indicator "I use cosmetic products that bring blessings in all aspects without causing harm" (0.841) is not as high, this variable still contributes to the concept of *maslahah* in influencing purchase decisions. *Maslahah*, which emphasizes general benefits or public interest in Sharia law, highlights the importance of preserving faith, life, intellect, family, and wealth. In the context of increasing worldly needs, especially in health-related businesses like cosmetics, there is a demand for products that meet Sharia standards and provide clear benefits, seen as practical implementations of moral values in accordance with the principles of goodness in Islam dikatakan (Izhar Ariff Mohd Kashim et al., 2023)

Findings regarding "high loadings on indicators 'I decide to purchase the product after knowing detailed information about it' (0.832), 'I buy it because it meets my desires and needs' (0.886), and 'I buy it because of recommendations from others' (0.833)" indicate that detailed information, alignment with desires and needs, and recommendations from others play key roles in cosmetic purchasing decisions. The concept of *maslahah*, which emphasizes general benefits or public interest in Sharia law, can be mediated through knowledge, religiosity, and subjective norms in influencing intentions to purchase halal cosmetic products (Briliana & Mursito, 2017). This study provides insights into marketing strategies that can drive the adoption of halal cosmetic products in the future, emphasizing the importance of adapting marketing strategies to changing market dynamics and consumer responses.

The relatively high diagonal values (AVE) for each construct indicate adequate convergent validity, meaning they can explain a significant portion of the variation in the indicators. Low correlations between constructs (especially between *Maslahah*, Customer Satisfaction, and Purchase Decision) demonstrate good discriminant validity, validating the discriminant validity of the measurement instrument used.

Therefore, the results of this study indicate that perceptions of product quality, customer satisfaction, *maslahah* values, and other factors significantly influence consumer behavior and purchasing decisions in the studied cosmetics context.

Based on the data analysis conducted, here are several recommended solutions for cosmetic companies:

Improving Product Quality by focusing on and ensuring that cosmetic products meet or exceed consumer expectations. High perceived quality can enhance positive word-of-mouth and directly increase customer satisfaction.

Enhancing Customer Interaction and Recommendations by developing strategies to encourage more active interaction among consumers in recommending products to friends and family. This can be achieved through loyalty programs, rewards for referrals, or campaigns promoting positive consumer experiences.

Deepening Understanding of Maslahah by clearly communicating to consumers the company's commitment to *maslahah* principles, such as halal and beneficial products. Better understanding of these values can increase consumer trust and preference for the company's products.

Increasing Product Knowledge and Detailed Information by ensuring consumers have adequate access to detailed product information, whether through product labels, company websites, or educational marketing campaigns. This can enhance consumer trust and positively influence purchasing decisions.

Enhancing Competitive Advantage Based on Recommendations by leveraging data on the positive impact of word-of-mouth and consumer recommendations to identify and capitalize on the company's competitive advantages. This may include product development based on customer feedback or enhancing customer service focused on satisfaction and loyalty.

Reevaluating Strategies based on findings that customer satisfaction significantly influences benefits and purchasing decisions. Companies need to continually evaluate and improve their marketing and sales strategies to strengthen customer relationships and maximize market potential.

Conclusion

The study reveals that word of mouth (WOM) and customer satisfaction significantly influence purchase decisions in Indonesia's cosmetic industry, with Maslahah (the concept of greater good in Islamic ethics) acting as a key mediating factor. WOM shapes consumer behavior by leveraging personal experiences and recommendations, highlighting the importance of fostering positive consumer advocacy. Customer satisfaction directly impacts repurchase intent and is closely tied to WOM, as satisfied customers are more likely to share their positive experiences. Maslahah, serving as an intervening variable, emphasizes the role of ethical and moral considerations in consumer decision-making, suggesting that consumers evaluate products not only for quality but also based on their alignment with societal and ethical values. This finding is particularly relevant in the context of Indonesia, where Islamic values influence consumer behavior. Brands that integrate ethical practices and align with Maslahah principles can enhance customer loyalty, strengthen trust, and ultimately drive purchase decisions. Companies should focus on delivering high-quality products, fostering positive WOM, and ensuring their offerings contribute to social well-being, particularly within an ethical framework that resonates with the values of Indonesian consumers.

Acknowledgment

We would like to sincerely thank all individuals and organizations who have contributed to completing this research. We also appreciate the participants who willingly dedicated their time and shared insights during the data collection process. Lastly, we acknowledge the reviewers whose feedback and constructive suggestions have significantly strengthened the quality of this work.

Further Research

Based on the findings of the current study, further research can delve deeper into several key areas to enhance our understanding of consumer behavior and decision-making in the cosmetics industry. Firstly, exploring the nuanced effects of Word of Mouth (WOM) on various aspects beyond purchase decisions could provide valuable insights. Investigating how WOM influences brand perception, brand loyalty, and consumer advocacy could uncover the broader social and psychological impacts of positive recommendations within consumer networks. Additionally, conducting comparative studies between conventional cosmetics and those adhering to Halal principles could shed light on consumer preferences and perceptions regarding product quality, safety, and ethical considerations. Such research could offer strategic guidance to companies aiming to cater effectively to diverse consumer segments and leverage ethical positioning in competitive markets.

Moreover, further investigation into the concept of Maslahah within the cosmetics context presents a promising avenue. Understanding how adherence to Sharia principles influences consumer trust, product preferences, and brand loyalty could inform marketing strategies aimed at Muslim consumers globally. Exploring the intersection of Maslahah with consumer satisfaction and purchase decisions could elucidate the holistic benefits sought by consumers beyond mere product efficacy. Additionally, longitudinal studies tracking changes in consumer perceptions and behaviors over time could provide valuable insights into

evolving market trends and preferences. By addressing these research gaps, future studies can contribute to the development of more targeted and effective marketing strategies in the cosmetics industry, enhancing both consumer satisfaction and brand performance.

References

- Al-Ghazali, M.M., 1992. *al-Mustashfa fi Ilmi al-Usul. al-Qaherah: Dar al-Haramayn.*
- Ali Hasan, S. E. (2010). *Marketing dari mulut ke mulut.* Media Pressindo.
- Agag, G., Shehawy, Y. M., Almoraiash, A., Eid, R., Chaib Lababdi, H., Gherissi Labben, T., & Abdo, S. S. (2024). Understanding the relationship between marketing analytics, customer agility, and customer satisfaction: A longitudinal perspective. *Journal of Retailing and Consumer Services*, 77(December 2023), 103663. <https://doi.org/10.1016/j.jretconser.2023.103663>
- Amalia, F. R., & Darmawan, A. (2023). Exploring consumer purchase intention towards cruelty-free personal care products in Indonesia. *Cleaner and Responsible Consumption*, 11(July), 100136. <https://doi.org/10.1016/j.clrc.2023.100136>
- Amrina, U., Hidayatno, A., & Zagloel, T. Y. M. (2021). A model-based strategy for developing sustainable cosmetics small and medium industries with system dynamics. *Journal of Open Innovation: Technology, Market, and Complexity*, 7(4), 225. <https://doi.org/10.3390/joitmc7040225>
- Arasinah. (2021). The SmartPLS Analyzes Approach in Validity and Reliability of Graduate Marketability Instrument. *Turkish Journal of Computer and Mathematics Education (TURCOMAT)*, 12(3), 829–841. <https://doi.org/10.17762/turcomat.v12i3.791>
- Astuti, A. R. T. (2024). ISLAMIC WORK ETHICS , EMPLOYEE RESPONSE , AND JOB SATISFACTION : AN EXPLORATION OF INDONESIAN. 11(1), 59–72. <https://doi.org/10.24252/minds.v11i1.46069>
- Avdukic, A., & Asutay, M. (2024). Testing the Development Impact of Islamic Banking: Islamic Moral Economy Approach to Development. *Economic Systems*, May, 101229. <https://doi.org/10.1016/j.ecosys.2024.101229>
- Boccia, F., & Tohidi, A. (2024). Analysis of green word-of-mouth advertising behavior of organic food consumers. *Appetite*, 198(November 2023), 107324. <https://doi.org/10.1016/j.appet.2024.107324>
- Briliana, V., & Mursito, N. (2017). Exploring antecedents and consequences of Indonesian Muslim youths' attitude towards halal cosmetic products: A case study in Jakarta. *Asia Pacific Management Review*, 22(4), 176–184. <https://doi.org/10.1016/j.apmr.2017.07.012>
- Byun, K. J., Park, J., Yoo, S., & Cho, M. (2023). Has the COVID-19 pandemic changed the influence of word-of-mouth on purchasing decisions? *Journal of Retailing and Consumer Services*, 74(November 2022), 103411. <https://doi.org/10.1016/j.jretconser.2023.103411>
- Cheung, G. W., Cooper-Thomas, H. D., Lau, R. S., & Wang, L. C. (2023). Reporting reliability, convergent and discriminant validity with structural equation modeling: A review and best-practice recommendations. In *Asia Pacific Journal of Management* (Issue 0123456789). Springer US. <https://doi.org/10.1007/s10490-023-09871-y>
- Garg, P., Raj, R., Kumar, V., Singh, S., Pahuja, S., & Sehrawat, N. (2023). Elucidating the role of consumer decision making style on consumers' purchase intention: The mediating role of emotional advertising using PLS-SEM. *Journal of Economy and Technology*, 1(October 2023), 108–118. <https://doi.org/10.1016/j.ject.2023.10.001>
- González-Viralta, D., Veas-González, I., Egaña-Bruna, F., Vidal-Silva, C., Delgado-Bello, C., & Pezoa-Fuentes, C. (2023). Positive effects of green practices on the consumers' satisfaction, loyalty, word-of-mouth, and willingness to pay. *Heliyon*, 9(10), e20353. <https://doi.org/10.1016/j.heliyon.2023.e20353>
- Hanaysha, J. R. (2022). Impact of social media marketing features on consumer's purchase decision in the fast-food industry: Brand trust as a mediator. *International Journal of Information Management Data Insights*, 2(2), 100102. <https://doi.org/10.1016/j.ijime.2022.100102>
- Indrawati, N. K. (2014). Management by Inspiration: Implementation of Transformational Leadership on Business at Pondok Pesantren*) Sunan Drajat. *Procedia - Social and Behavioral Sciences*, 115(Icies 2013), 79–90. <https://doi.org/10.1016/j.sbspro.2014.02.417>
- Ishak, A. (2009). Pentingnya Kepuasan Konsumen dan Implementasi Strategi Pemasarannya. *Jurnal Siasat Bisnis*, ed(khus1), 1–11. <https://doi.org/10.20885/jsb.ed.khus1.art1>
- Izhar Ariff Mohd Kashim, M., Abdul Haris, A. A., Abd. Mutalib, S., Anuar, N., & Shahimi, S. (2023). Scientific and Islamic perspectives in relation to the Halal status of cultured meat. *Saudi Journal of Biological Sciences*, 30(1), 103501. <https://doi.org/10.1016/j.sjbs.2022.103501>
- Khodijah Ishak. (2014). Pemikiran Al-Syatibi Tentang Masalah Mursalah Dan Implementasinya Dalam Pengembangan Ekonomi Syariah. *IQTISHADUNA: Jurnal Ilmiah Ekonomi Kita - December*, 3(2), 820–834. <https://ejournal.stiesyariahbangkalis.ac.id/index.php/iqtishaduna/issue/view/6>
- Kotler P. (2005). *Guida Della Facolta ' Di Economia Anno Accademico 2005 / 06 Programmi D ' Esame.*
- Li, W., Zhao, F., Lee, J. M., Park, J., Septianto, F., & Seo, Y. (2024). How micro- (vs. mega-) influencers generate word of mouth in the digital economy age: The moderating role of mindset. *Journal of Business Research*, 171(November 2023), 114387. <https://doi.org/10.1016/j.jbusres.2023.114387>
- Li, X., Tse, Y. K., Zhang, M., & Phi, H. D. (2023). Impact of relocation strategy on brand trustworthiness and word-of-mouth: Experimental vignette research on the US fashion industry. *International Journal of Production Economics*, 257(October 2022), 108775. <https://doi.org/10.1016/j.ijpe.2023.108775>
- Nadroo, Z. M., Lim, W. M., & Naqshbandi, M. A. (2024). Domino effect of parasocial interaction: Of vicarious expression, electronic word-of-mouth, and bandwagon effect in online shopping. *Journal of Retailing and Consumer Services*, 78(January), 103746. <https://doi.org/10.1016/j.jretconser.2024.103746>

- Nilashi, M., Abumalloh, R. A., Ahmadi, H., Samad, S., Alrizq, M., Abosaq, H., & Alghamdi, A. (2023). The nexus between quality of customer relationship management systems and customers' satisfaction: Evidence from online customers' reviews. *Heliyon*, 9(11), e21828. <https://doi.org/10.1016/j.heliyon.2023.e21828>
- Oliver, G., Liehr-gobbers, K., & Krafft, M. (2010). Handbook of Partial Least Squares. *Handbook of Partial Least Squares*, 691–692. <https://doi.org/10.1007/978-3-540-32827-8>
- Toriquddin, M. (2014). Teori Maqâshid Syar'Ah Perspektif Al-Syatibi. *De Jure: Jurnal Hukum Dan Syar'iah*, 6(1). <https://doi.org/10.18860/j-fsh.v6i1.3190>
- Troiville, J. (2024). Connecting the dots between brand equity and brand loyalty for retailers: The mediating roles of brand attitudes and word-of-mouth communication. *Journal of Business Research*, 177(March), 114650. <https://doi.org/10.1016/j.jbusres.2024.114650>
- Try Astuti, A. R., & Ruqiah. (2020). Bisnis Halal Dalam Perspektif Etika Islam: Kajian Teoritis. *AL MA'ARIEF : Jurnal Pendidikan Sosial Dan Budaya*, 1(2), 142–156. <https://doi.org/10.35905/almaarief.v1i2.1139>
- Wilendra, W., Nadlifatin, R., & Kusumawulan, C. K. (2024). ChatGPT: The AI Game-Changing Revolution in Marketing Strategy for the Indonesian Cosmetic Industry. *Procedia Computer Science*, 234(2023), 1012–1019. <https://doi.org/10.1016/j.procs.2024.03.091>
- Yang, X., & Yu, Z. (2024). Interplay of network information dissemination in the era of big data on environmental sustainable development and agricultural consumers' purchase decisions. *Journal of King Saud University - Science*, 36(4), 103117. <https://doi.org/10.1016/j.jksus.2024.103117>
- Yani, F. (2021). Pengaruh Penggunaan Media Sosial, Word of Mouth Marketing Dan Trust Terhadap Keputusan Pembelian Pada Distro Mutimuv Store Samarinda. *Jurnal Administrasi Bisnis Fisipol Unmul*, 9(2), 161. <https://doi.org/10.54144/jadbis.v9i2.5528>
- Yi, Q., Khan, J., Su, Y., Tong, J., & Zhao, S. (2023). Impulse buying tendency in live-stream commerce: The role of viewing frequency and anticipated emotions influencing scarcity-induced purchase decision. *Journal of Retailing and Consumer Services*, 75(July). <https://doi.org/10.1016/j.jretconser.2023.103534>.