

## Strategies for Growing a Halal Cosmetics Business Based on Islamic Business Ethics

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### ABSTRACTS

This study aims to examine Wardah's strategy in advancing its halal cosmetics business based on Islamic business ethics, as well as its contribution to consumer loyalty and corporate competitiveness. The research employs a Systematic Literature Review (SLR) method, analyzing 30 publications from the 2021–2025 period. The findings indicate that Wardah's strategy is constructed through four dimensions: value-based Shariah marketing, halal–thoyyib product innovation, strengthening of halal brand identity, and the utilization of digital technology. The implementation of Islamic business ethics significantly contributes to intrinsic consumer loyalty through alignment of values, trust, and moral commitment, while also serving as a source of sustainable competitive advantage that is difficult to replicate. From the perspective of Maqasid al-Shariah, Wardah's strategy is aligned with the objectives of protecting religion, life, intellect, wealth, and lineage. This study concludes that the consistent application of Islamic business ethics constitutes a strategic foundation for enhancing consumer loyalty and competitiveness within the highly competitive halal cosmetics industry.

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## 1. INTRODUCTION

The halal cosmetics industry in Indonesia has experienced rapid growth in recent years, driven by the increasing awareness among Muslim consumers of the importance of using products that comply with Sharia principles. As the country with the largest Muslim population in the world, Indonesia possesses substantial market potential for the development of halal cosmetic products, both in terms of consumption and production. According to data from the Ministry of Home Affairs, by the end of 2023, approximately 244.41 million Indonesians identified as Muslim, representing 86.9% of the total population (Minarni et al., 2024). This condition positions Indonesia as a strategic market for halal cosmetic producers that not only offer beauty products but also ensure their halal status and safety for use.

The expansion of the halal cosmetics industry is further reinforced by government regulations, particularly Law Number 33 of 2014 concerning Halal Product Assurance (JPH) and the establishment of the Halal Product Assurance Organizing Agency (BPJPH). These regulations provide legal certainty regarding product halalness while simultaneously enhancing consumer trust (Zahira & Juliana, 2025). On a global scale, the trend in halal product consumption also demonstrates significant growth. According to the *State of the Global Islamic Economy Report*, the value of halal cosmetics consumption in Indonesia reached USD 4.19 billion in 2020, positioning the country as the second-largest consumer after India (Utari & Tsuruyah, 2024). This economic potential serves as a crucial foundation for the development of a highly competitive halal cosmetics industry at the international level.

The global growth of the halal industry is also supported by studies in the digital sector. Daulay notes that the halal industry, encompassing all activities from raw material acquisition to processing and production in accordance with Sharia principles, is projected to grow at a Compound Annual Growth Rate (CAGR) of 6.2% during the 2018–2024 period (Daulay et al., 2023). This growth trend underscores that the halal cosmetics industry, as part of the broader halal ecosystem, holds highly promising long-term prospects for businesses capable of authentically integrating Islamic values throughout their operations.

Within this context, Wardah has emerged as both a pioneer and market leader in Indonesia's halal cosmetics industry. Established by PT Paragon Technology and Innovation in 1995, Wardah has successfully positioned itself as a modern halal cosmetic brand that integrates product innovation, a strong halal image, and effective digital marketing strategies. Its #CantikDariHati campaign emphasizes that true beauty originates from good character and actions rather than mere physical appearance (Huwaida et al., 2025). Wardah's ability to maintain consumer loyalty is closely associated with the implementation of Islamic business ethics, which serves as a fundamental value underpinning all of the company's activities.

Previous studies indicate that Islamic business ethics contribute to consumer loyalty and corporate competitiveness within the halal industry, while government regulations strengthen the halal product ecosystem through Law Number 33 of 2014 and the role of BPJPH (Minarni et al., 2024; Zahira & Juliana, 2025). Research has also highlighted the economic potential of Indonesia's halal

cosmetics industry as the second-largest global consumer, as well as the importance of innovation and digital marketing in sustaining the market position of brands such as Wardah (Huwaida et al., 2025). However, studies examining the application of Islamic business ethics within halal cosmetics business strategies, particularly in brands such as Wardah, remain limited. Consequently, a research gap persists regarding how these principles specifically enhance consumer loyalty and competitiveness amid the challenges of piety commodification and intense market competition.

This study aims to analyze Wardah's strategy in advancing its halal cosmetics business based on the principles of Islamic business ethics and to explain the contribution of its implementation to consumer loyalty and corporate competitiveness. To conceptualize this strategy, the study employs the Systematic Literature Review (SLR) method, as the concept of halal cosmetics business strategy grounded in Islamic business ethics is complex and multidimensional, thereby requiring a systematic and comprehensive examination. SLR enables researchers to identify, select, and synthesize findings from previous studies in a structured manner to obtain an in-depth understanding of the integration of Islamic ethical values such as honesty (*shiddiq*), justice (*'adl*), and public interest (*maslahah*) within contemporary business strategy practices (Adlin Masood et al., 2023). Accordingly, SLR provides a robust conceptual and empirical foundation for objectively and systematically analyzing Wardah's strategy based on a valid and credible synthesis of the literature. This study makes a significant contribution to enriching the literature on Islamic business

ethics, *maqasid al-shariah*, and halal industry strategies through a systematic synthesis of prior research findings. The results of this study may serve as a strategic reference for Wardah and other halal cosmetics industry players in developing business models grounded in Islamic values, while also offering insights for policymakers in strengthening the national halal industry ecosystem.

## 2. LITERATURE REVIEW

### 2.1 Islamic Business Ethics Theory

Islamic business ethics constitutes a value system that governs economic behavior based on Sharia principles, emphasizing honesty (*sidq*), justice (*'adl*), responsibility (*amanah*), and public welfare (*maslahah*). According to Rangkuti, Islamic business ethics functions not only as a moral guideline for individuals but also as a strategic framework within modern organizational management (Rangkuti, 2023). In the digital era, the implementation of Islamic business ethics encompasses integrity in leadership, transparency in halal practices, and social responsibility toward society. The application of these values is capable of fostering consumer trust and strengthening brand reputation within the halal industry.

Conceptually, Islamic business ethics is constructed upon four fundamental value pillars derived from the Qur'an and Hadith. Syahfitri explains that Islamic business ethics includes the principles of honesty (*sidq*), trustworthiness (*amanah*), transparency (*tabligh*), and wisdom (*fathanah*), all of which are rooted in the teachings of the Qur'an and Hadith (Syahfitri et al., 2025). Furthermore, strong business ethics cultivates a work culture characterized by honesty and

accountability, thereby enhancing productivity and organizational reputation. These four principles are not merely abstract moral norms but serve as concrete operational guidelines reflected in every business decision of Wardah, ranging from raw material selection to marketing communication strategies.

## 2.2 Value-Based Halal Business Strategy

The Value-Based Halal Business Strategy Theory emphasizes that strategic formulation in the halal industry is not solely oriented toward economic performance and competitive advantage, but also toward the internalization of Islamic business ethical values as the foundation for strategic decision-making. Values such as honesty (*ṣiddiq*), justice (*'adl*), trustworthiness (*amanah*), and public welfare (*maṣlahah*) are regarded as intangible strategic resources that play a crucial role in building corporate trust and legitimacy among Muslim consumers. Masood argues that within the halal cosmetics industry, value-based Islamic strategies are capable of creating sustainable differentiation, as consumers evaluate not only the functional aspects of products but also the moral integrity and ethical conduct of producers throughout the entire business process (Adlin Masood et al., 2023).

This strategy positions Islamic business ethics as an integral component of strategic planning, product innovation, halal supply chain management, and marketing practices. Sapsuha asserts that the consistent implementation of Islamic business ethics in the development of the halal cosmetics industry contributes to increased consumer trust and business sustainability, as it aligns with the spiritual and moral needs of Muslim consumers (Sapsuha et al., 2025).

The Sharia principles underlying halal business strategies also encompass a comprehensive moral dimension. Rahma identifies four primary moral principles that should serve as the foundation for the development of Sharia-based businesses: the principle of honesty (*sidq*) as a key driver of organizational growth; the principle of leadership (*khilafah*) to achieve unity and justice; the principle of justice, which emphasizes non-discrimination; and the principle of *tauhid* as a fundamental concept directing all business activities as an expression of gratitude to Allah SWT. These four principles are relevant as an operational foundation for sustainable halal business strategies, including within the halal cosmetics industry as exemplified by Wardah (Rahma et al., 2025).

## 2.3 Maqasid al-Shariah Theory in Halal Business

The theory of *maqasid al-shariah* serves as a conceptual foundation for the development of sustainable halal businesses. According to Hilme, *maqasid al-shariah* directs economic activities toward achieving the five primary objectives of Sharia: the protection of religion (*din*), life (*nafs*), intellect (*'aql*), lineage (*nasl*), and wealth (*mal*) (Hilme & Raffi, 2024). Within the context of the halal industry, this theory functions as a normative guideline to ensure that business activities are not solely profit-oriented but also aimed at attaining blessings and social welfare.

## 2.4 Islamic Marketing Theory

Islamic marketing theory emphasizes marketing strategies grounded in Islamic values such as honesty, justice, and social responsibility. According to Mulyandi, Islamic marketing is not merely intended to satisfy consumer needs but also to create spiritual and moral value in every

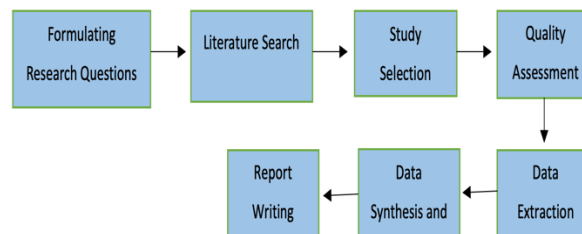
business interaction (Mulyandi et al., 2025). This approach highlights the importance of building long-term relationships based on trust and integrity between companies and consumers.

From an Islamic perspective, marketing is not simply a commercial instrument to maximize profit. Aulia asserts that effective marketing in Islam carries a transcendental dimension, where its ultimate objective is to attain the pleasure of Allah SWT rather than merely financial gain (Aulia et al., 2023). Furthermore, Sharia marketing is understood to comprise three main paradigms: *Sharia Marketing Strategy*, which aims to capture mind share through segmentation, targeting, and positioning; *Sharia Marketing Tactic*, which seeks to gain market share through differentiation in content, context, and infrastructure; and *Sharia Marketing Value*, which focuses on achieving heart share, emphasizing that no strategy succeeds without delivering real value through the products or services offered. This understanding underpins Wardah's marketing communication strategy, which avoids exaggerated claims and the exploitation of sensuality.

### 3. METHODS

This study adopts a qualitative approach using the Systematic Literature Review (SLR) method on 30 publications from the 2020–2025 period, supported by the use of the Elicit program as a tool to automate the processes of literature search, screening, and data extraction efficiently. This approach accelerates the identification of relevant sources while reducing subjective bias in the analysis. The SLR method is selected due to its capacity to provide a systematic, transparent, and replicable scientific synthesis, particularly in the study of halal

business, Islamic business ethics, and *maqasid al-shariah*, which are inherently multidimensional and normative empirical in nature.



**Figure 1. Stages of the Systematic Literature Review (SLR)**

The initial stage involves identifying the research problem, namely the contribution of Islamic business ethics to enhancing competitiveness and consumer loyalty in the halal cosmetics industry, based on the research gap concerning the strategic integration of Islamic ethical values. The literature search strategy is conducted systematically across credible databases such as Scopus, Google Scholar, and accredited national journals, using keywords including *Islamic business ethics*, *halal cosmetic industry*, *value-based halal strategy*, *maqasid al-shariah*, and *Wardah cosmetic*, limited to publications from 2020 to 2025. The selection and quality evaluation of the literature are based on journal reputation, methodological rigor, and theoretical and empirical relevance. This is followed by data analysis and synthesis to integrate findings into a conceptual framework that explains the relationship between Islamic business ethics, consumer loyalty, and the competitiveness of halal cosmetic brands such as Wardah.

**Table 1. Research Questions**

Code	Research Question (RQ)
RQ1	How does Wardah implement strategies to enhance its halal cosmetics business based on the principles of Islamic business ethics?

RQ2 What is the contribution of the implementation of Islamic business ethics in Wardah’s strategy to increasing consumer loyalty?

RQ3 How does Islamic business ethics influence Wardah’s competitiveness in the halal cosmetics market?

4. RESULTS AND DISCUSSION

4.1 Result

This Systematic Literature Review analyzes 30 studies published between 2020 and 2025 concerning Wardah’s halal cosmetics marketing strategies using an Islamic business ethics approach, as well as their impact on consumer loyalty and corporate competitiveness. Prior to conducting an in-depth analysis of the main findings, it is essential to examine the methodological quality of the included literature to ensure that the resulting generalizations are supported by robust evidence. This evaluation is carried out through a rigorous Quality Assessment (QA) procedure, encompassing aspects of relevance (QA1), methodological rigor (QA2), and the contribution of findings to the research objectives (QA3).

Table 2. Quality Assessment

Code	Author(s) & Year	Article Title	QA 1	QA 2	QA 3	Language	Access Type
P01	Arsanti & Mahmud (2023)	Penentu Niat Beli Produk Kosmetik Halal Wardah pada Konsumen Generasi Z Strategi Promosi Halal dan Dampaknya terhadap Permintaan Produk Skincare Halal: Studi Literatur dan Analisis Empiris Perspektif Ekonomi Mikro Islam	P	P	P	Indonesian	Open Access, Full Paper
P02	Aziza et al. (2025)	Produk Skincare Halal: Studi Literatur dan Analisis Empiris Perspektif Ekonomi Mikro Islam	P	P	P	Indonesian	Open Access, Full Paper

Code	Author(s) & Year	Article Title	QA 1	QA 2	QA 3	Language	Access Type
P03	Nurisman (2023)	Pengaruh Etika Bisnis Islam, Kualitas Produk, dan Harga Produk Terhadap Loyalitas Konsumen Produk Kosmetik Wardah (Studi Kasus: Konsumen Wanita Produk Wardah Kota Bandung)	P	P	P	Indonesian	Open Access, Full Paper
...	...	...	...	...	...	...	...
P30	Rangkuti (2023)	Toward a Holistic Framework of Islamic Business Ethics: Insights from Leadership, Halal Practices, and Finance in a Digital Age	P	P	O	English	Open Access, Full Paper

Source: Processed by the Author (2026)

Based on the results of the Quality Assessment as presented in the table, the articles that met the inclusion criteria were subsequently analyzed in depth to identify patterns of findings, as well as similarities and differences across the studies. This analysis focuses on synthesizing the substantive insights of previous research to obtain a comprehensive understanding of Wardah’s strategy in enhancing its halal cosmetics business based on the principles of Islamic business ethics, along with its implementation in fostering consumer loyalty and strengthening corporate competitiveness.

## 4.2 Discussion

### 4.2.1. Wardah's Strategy in Enhancing the Halal Cosmetics Business Based on Islamic Business Ethics Principles

The synthesis of prior studies indicates that Wardah's strategy in advancing its halal cosmetics business is constructed through the integration of Islamic business ethical values into the planning, development, and implementation of its overall business strategy. This strategy is neither symbolic nor superficial; rather, it is operational and sustainable, enabling the creation of long-term competitive advantage. Its implementation encompasses four interrelated dimensions: value-based Sharia marketing strategies, sustainable product innovation grounded in halal and *thoyyib* principles, strengthening halal brand identity through clear positioning, and the utilization of digital technology as a medium for communicating values.

Rahmwati explains that Wardah implements a systematic marketing strategy through the use of social media, collaboration with celebrity endorsers, SWOT analysis (strengths, weaknesses, opportunities, and threats), and the marketing mix consisting of product, price, place, and promotion aligned with Sharia principles (Lathifah et al., 2024). This demonstrates that the marketing strategy is not solely oriented toward short-term sales growth but also ensures that marketing messages remain consistent with the values of honesty, transparency, and fairness, which are fundamental to Islamic business ethics. In terms of marketing communication, Wardah consistently employs narratives that avoid excessive sensuality and unverifiable claims. Marketing practices that are not aligned with the principle of honesty in Islam, such as overclaiming product benefits, may negatively affect consumer trust. Rezky explains that promotional strategies consistent with Sharia principles particularly those that avoid misleading

information are effective in strengthening emotional bonds and customer loyalty (Aziza et al., 2025). Overclaim occurs when firms exaggerate product quality, safety, or effectiveness without sufficient and accountable empirical evidence. This is consistent with the findings of Alviansha, who states that "*overclaim exerts a significant negative effect on customer trust*," indicating that higher levels of exaggerated claims lead to lower levels of consumer trust in the product (Alviansha et al., 2025).

In the selection of brand ambassadors, Wardah applies criteria that emphasize the alignment between the endorser's personal values and Islamic principles. In its pricing strategy, Wardah adopts a fairness-oriented approach that balances consumer affordability with business sustainability.

Wardah's success in maintaining its competitiveness is significantly influenced by its continuous product innovation, which not only emphasizes aesthetic aspects but also incorporates product safety, halal production processes, and environmental sustainability (Lathifah et al., 2024). This reflects a fundamental strategy in strengthening the halal cosmetics industry through the implementation of a comprehensive halal value chain. Such a strategy goes beyond conventional marketing approaches by positioning spiritual integrity and environmental ethics as the company's primary unique selling proposition. By integrating the principle of *thayyib* which emphasizes quality and safety into every stage of the innovation cycle, Wardah has successfully minimized consumer uncertainty while establishing strong entry barriers for competitors. From the perspective of Islamic business ethics, the synergy between sharia compliance and modern innovation has become a major driving force in expanding market share and reinforcing consumer loyalty,

particularly among increasingly selective consumers who pay close attention to the moral dimensions of products.

The existence of halal labeling does not merely function as an indicator that products comply with halal standards in terms of raw materials, production processes, and distribution, but also serves as a guarantee of product quality and safety for consumers. In this context, halal labels play an important role in strengthening consumer trust and reducing doubts regarding the ingredients contained in cosmetic products. Research conducted by Edji revealed that “halal labeling has a positive and significant effect on purchasing decisions,” indicating that the presence of halal labels significantly influences consumer purchasing decisions (Edji et al., 2025). These findings demonstrate that Wardah’s implementation of halal labeling is not solely normative in nature, but also represents an effective business strategy for enhancing consumer trust, increasing customer loyalty, and sustainably expanding the halal cosmetics market in accordance with the principles of Islamic business ethics.

Through a SWOT analysis, Anggraini identified that Wardah’s primary strengths lie in its strong and distinctive halal brand image, consistent product quality, and effective marketing strategies (Nur et al., 2024). The company’s major opportunities emerge from the growing demand for halal products and the rapid development of digital platforms. Wardah’s positioning as a world-class halal cosmetics brand has not been built merely through rhetorical claims, but through consistency between brand promises and brand delivery that are verified by credible third-party halal certifications. In addition, research by Arsanti and Mahmud confirmed that Wardah’s halal brand image is a key factor

influencing consumers’ purchase intentions, particularly among Generation Z consumers (Arsanti & Mahmud, 2023).

The utilization of digital technology has become a strategic component in communicating the values of Islamic business ethics. Social media platforms are not merely used as tools for sales transactions, but also as a medium for building long-term relationships through educational and inspirational content. Nurfatikasari found that sharia-based marketing through online channels exerts a stronger influence on customer loyalty, indicating that the communication of Islamic values through digital media is effective in strengthening emotional attachment and consumer trust (Nurfatikasari & Susilo, 2024). This effectiveness arises because digital media enables interactive two-way communication, facilitates viral and shareable content that organically reinforces brand messages, and supports precise personalization and targeting. Within the context of digital marketing, sharia-compliant content marketing strategies must avoid misleading information. This is supported by findings showing that marketing practices are considered consistent with sharia principles when they “provide clear and truthful product information and avoid exaggerated or misleading claims” (Ujung et al., 2025). Therefore, transparency serves as a fundamental element in building and maintaining consumer trust.

The adoption of digital technology has also become an essential strategy in the development of the halal cosmetics industry. Content marketing is utilized to attract and engage consumers through social media platforms. This aligns with the concept that content marketing represents a marketing strategy designed to attract

and engage target audiences (Pasaribu et al., 2023). However, from the perspective of Islamic business ethics, such content must remain grounded in the principles of honesty, transparency, and responsibility.

#### **4.2.2. Contribution of the Implementation of Islamic Business Ethics to Wardah Consumer Loyalty**

Previous studies consistently demonstrate that the implementation of Islamic business ethics significantly contributes to the development and strengthening of Wardah consumers' loyalty. Consumer loyalty is not merely reflected in repeated purchasing behavior, but also in deep psychological and emotional attachment to the brand, which is built upon the alignment between consumers' personal values and the values upheld by the company. The resulting loyalty tends to be genuine and intrinsic in nature rather than artificial loyalty driven solely by situational factors such as convenience or price promotions. Within the context of Muslim consumers, subjective norms derived from religious teachings play a significant role in shaping behavioral intentions. When consumers perceive the use of halal products as a religious obligation, and Wardah is viewed as a brand that genuinely upholds halal values and Islamic ethical principles, loyalty toward Wardah becomes a manifestation of religious adherence. From the perspective of commitment-trust theory, Islamic business ethics function as a fundamental basis for building consumer trust. Honesty in marketing communication, transparency in product information, and consistency between brand promises and actual delivery create credibility, which serves as the foundation of consumer trust.

These findings are consistent with studies conducted by Aditya and Syahfitri, which revealed that the implementation of Islamic business ethics, particularly honesty and social responsibility,

significantly enhances customer loyalty and strengthens corporate image (Aditya, 2025; Syahfitri et al., 2025). The synergy between ethical practices and commitment to sharia values not only reinforces business reputation but also creates broader opportunities for access to sharia-based financing. These findings confirm that Wardah consumer loyalty is not merely transactional, but is rooted in a profound value-based connection between Muslim consumers and a brand that genuinely embodies Islamic principles. The intensity of the influence of Islamic business ethics on consumer loyalty may vary depending on consumers' level of religiosity, which functions as a moderating variable. Consumers with higher levels of religiosity tend to possess greater awareness and sensitivity toward halal dimensions and Islamic ethical values, causing the implementation of Islamic business ethics by Wardah to exert a stronger influence on loyalty formation. This finding is in line with research by Achmad and Fikriyah, who stated that higher levels of halal knowledge among consumers significantly influence purchase intention toward a product (Achmad & Fikriyah, 2021). In contrast, consumers with moderate levels of religiosity may adopt a more pragmatic approach, where loyalty decisions are influenced by a combination of Islamic values and other factors such as product performance, price competitiveness, and brand image.

#### **4.2.3. The Role of Islamic Business Ethics in Strengthening Wardah's Competitiveness**

From the perspective of strategic competitiveness, the implementation of Islamic business ethics has proven to be a source of sustainable and defensible competitive advantage for Wardah in facing intense competition within the

cosmetics industry. Competitiveness built upon the foundation of Islamic business ethics possesses characteristics that differ from advantages derived merely from tangible resources or operational efficiencies that are relatively easy to imitate. Competitive advantage originating from Islamic business ethics is deeply embedded within organizational culture, corporate value systems, and stakeholder relationships, making it difficult for competitors to replicate in the short term. The implementation of Islamic business ethics, particularly in the aspects of honesty and social responsibility, contributes significantly to enhancing customer loyalty and strengthening the company's positive image. These principles function not only as moral guidelines but also as strategic instruments that encourage business expansion through increased market trust (Aprillia et al., 2023).

Sapsuha explained that the implementation of Islamic business ethics in the halal cosmetics industry not only ensures compliance with halal standards and consumer safety, but also significantly contributes to strengthening market trust and brand reputation (Sapsuha et al., 2025). Trust and reputation established through Islamic business ethics practices hold substantial strategic value because they function as intangible assets that create entry barriers for potential competitors and switching barriers for existing customers.

This perspective is reinforced by findings from Syahfitri, who conceptualized business ethics as a form of social capital that strengthens reputation and trust, while value-based Islamic practices function as instruments that drive business capacity expansion (Syahfitri et al., 2025). Both aspects complement one another in creating sustainable business growth, as reflected in increasing customer numbers, the ability to meet larger-scale demand,

improved operational efficiency, and enhanced business facilities. In the context of Wardah, this is manifested through consistent product line expansion, increasing market share, and consumer loyalty built upon long-term trust.

Research conducted by Zahira and Juliana produced an interesting finding that consumer religiosity is not always the primary determinant in purchasing decisions for halal cosmetic products (Zahira & Juliana, 2025). Instead, factors such as production transparency, corporate business ethics, product innovation, and compatibility with modern lifestyles play a more dominant role. Consequently, Islamic business ethics function as an umbrella value proposition capable of accommodating diverse consumer motivations, ranging from religious compliance to ethical consumerism and quality awareness.

Wardah's competitiveness does not merely originate from halal status claims, but rather from its genuine commitment to Islamic business ethics manifested through concrete actions and verifiable outcomes. Transparency regarding raw material sources, production processes, testing procedures, and certification functions as a credibility signal that strengthens consumer trust and increases willingness to pay premium prices. In line with the perspective proposed by Syaputra and colleagues, integrating halal product aspects with comprehensive information transparency can transform into a catalyst for building long-term customer loyalty (Andrian Syaputra et al., 2024). Strategically, the synergy between sharia compliance and information transparency not only represents a form of moral responsibility but also evolves into a sustainable competitive advantage.

Innovation that remains responsive to evolving consumer needs while

consistently adhering to *halal-thayyib* principles demonstrates that *halal* is not a barrier to innovation, but rather a framework that directs innovation toward outcomes beneficial to consumer welfare and societal well-being. This advantage possesses an inimitable character that is difficult for non-*halal* competitors to replicate because it is rooted in strong spiritual values and ethical integrity.

The implementation of Islamic business ethics creates a multidimensional and distinctive value proposition that differentiates Wardah from its competitors while establishing a foundation for long-term competitiveness. This value proposition includes functional value in the form of product quality and safety assurance, emotional value through peace of mind and religious compliance, social value through conformity with social norms and group identity, epistemic value through novelty and curiosity satisfaction related to *halal* lifestyles, and conditional value that responds to specific contexts. Therefore, the implementation of Islamic business ethics should not be viewed merely as an administrative complement, but rather as a crucial strategy for strengthening market positioning and ensuring business resilience amid increasingly competitive conditions within the cosmetics industry.

## 5. CONCLUSION

The findings of this study conclude that Wardah's strategy in strengthening the *halal* cosmetics business is not solely oriented toward economic performance but is fundamentally built on the comprehensive integration of Islamic business ethics into its business strategy, as reflected in value-based Sharia marketing, continuous *halal* and *thayyib* product innovation, consistent reinforcement of *halal* brand identity, and the utilization of digital technology to communicate ethical and religious values

to consumers. These strategies contribute to the formation of sustainable consumer loyalty through value congruence, trust, and moral commitment between consumers and the company. In addition, the implementation of Islamic business ethics functions as a sustainable source of competitive advantage because it is deeply embedded in organizational culture, brand identity, and stakeholder relationships, making it difficult for competitors to imitate. From the perspective of Maqasid al-Shariah, Wardah's strategy is aligned with the objectives of protecting religion, life, intellect, wealth, and lineage, indicating that Islamic business ethics should be understood not only as a moral framework but also as an adaptive and strategic foundation for sustainability in the *halal* cosmetics industry.

From a managerial perspective, *halal* cosmetics companies are required to integrate Islamic business ethics across the entire value chain, including product development, *halal* supply chain management, marketing communication, and digital governance, with particular emphasis on controlling product claims, ensuring transparency of *halal* certification, and maintaining consistent ethical messaging to strengthen consumer trust. At the policy level, there is a need to reinforce regulatory frameworks related to *halal* certification governance, ethical marketing supervision, and standardization of transparency practices within the *halal* industry to ensure accountability and compliance with Islamic ethical principles.

This study has several limitations due to its reliance on a Systematic Literature Review approach, which is based on secondary data only, focuses on a single case (Wardah), and is limited to literature published between 2020 and 2025, thereby restricting the generalizability of the findings. Future research is encouraged to adopt empirical approaches such as

Structural Equation Modeling (SEM), case studies, or mixed-method designs to examine causal relationships between Islamic business ethics, trust, and consumer loyalty. Comparative studies across multiple halal cosmetics brands are also recommended, along with the inclusion of variables such as religiosity, digital trust, and halal literacy as potential mediating or moderating factors.

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