'Natural' Label Halo Effect on Consumer Buying Behavior, Purchase Intention and Willingness to Pay for Skincare Products

Shreya Kapoor[1], Semila Fernandes[2]*, Suryansh Punia[2]

[1] Symbiosis Institute of Business Management, Electronics City, Hosur Road, Bengaluru, Karnataka, India
Symbiosis International (Deemed University), Pune, Maharashtra, India

[2] National Institute of Construction Management and Research, Pune, Maharashtra, India

*Corresponding author:
semila.fernandes@sibm.edu.in

Abstract

Healthy skin will never go out of style, and the advancements and improvements in the cosmetics industry guarantee to provide improved products with a healthy and personal touch. However, for consumers, it is difficult to assess the quality and effectiveness of a product. Extrinsic cues like the "Natural" or "Organic" labels are used to help the consumer distinguish between alternatives. This paper analyses how the organic label biases the consumers' buying behavior, perceived value, and finally, the consumer's purchase decision and the price he willingly pays for the product (willingness to pay). This phenomenon is known as the natural label halo effect. It further means to reveal the connections between the effect of the 'Natural' label on the factors affecting buying behavior and it's out-turn as emulated in the consumer's perceived value.

It intends to identify if those outcomes at last lead to positive buying decisions and greater willingness to pay. A quantitative study in an experimental online shopping scenario was conducted to understand the relations. Structural equation modeling (SEM) was done to test the hypothesized statements. The results show that the halo effect of the 'Natural' label positively influences the factors affecting consumer buying behavior and eventually improves the probability of the product being bought by the consumer and also the price the consumer is willing to pay for it through inferential beliefs on quality attributes and functional value evoked by the label. The study also reveals that natural skincare products are perceived to be more compliant with a consumer's beliefs/attitudes relating to environmental protection and animal protection, which positively influences the propensity of a consumer towards buying the product and paying a high price for it by increasing the perceived functional and hedonic values associated with the natural cosmetic product.

Keywords

Imprint

1. Introduction

India's skincare market was esteemed at around $1.6B in 2017 and is anticipated to develop at a growth rate of 9% to reach $2.7B by 2023 because of increasing interest in skincare products over all age groups, particularly the youth, and increasing mindfulness among customers about different healthy skin items.

E-commerce websites like Nykaa and Purplle are the primary factors affecting market growth because of the accessibility of wide scope. The online segment is a key source utilized by shoppers to get to products inaccessible in shopping centers and retail stores, especially in developing nations. This trend is expected to drive demand in the future. Skincare products are directly applied to the skin — so a wide enthusiasm for holistic well-being has set off the consumer interest in knowing the ingredients and the manufacturing process [1].

According to a global survey, 27% of respondents said that organic ingredients were the most important feature in cosmetic products, 17% said that environment-friendly/ethical was the most important. In comparison, 21% of the respondents said that ingredient formulation was the most important cosmetics feature. Purchasing ethical products is currently cooler than it has been at any point been previously, especially as environmental awareness is turning out to be standard in the millennial and Generation Z markets [2].

Social media is critical to the move in customer demand. Trends are shared all the more rapidly and emotive-

ly, with big names and influencers posting content, which urges everybody to become conscious consumers. It appears that as the world changes, another type of commercialization is developing, given standards of mindfulness and thinking about individuals and the planet. Customers want the products they buy to be effective and harmless for their bodies and good for the world [3].

2. Literature Review

2.1. Existing Research

Researches show that there has been confusion associated with the marketing campaigns for the consumers to enhance their belief in a product if either the imagery or the labels significantly play a role in the product's perception. The major factor used by the companies producing organic cosmetics is labeling involving keywords like 'natural,' 'organic,' 'pure,' and 'derived from nature. This marketing goes back to the 1970s in the US when the companies started using the word 'natural,' 'organic,' leading to a revolution in the natural cosmetics market. Such terms used by the marketing and advertising campaigns motivated the consumers to enhance their beauty using natural products to achieve a natural look. Existing research about natural/organic skincare products has concentrated on analyzing demographic factors responsible for customer purchase intention and how factors like age, gender, and health consciousness influence customers to purchase natural cosmetics. Research has also been done to understand what customers comprehend of green makeup or clean beauty and the labels which guarantee it. Also, a study revealed that the more aware the consumer is about the natural product, the more likely he is to repurchase it. Studies have likewise been directed to analyze the impact of ecological awareness, well-being connect-literacy, and interpersonal influence on shoppers' perspectives toward natural cosmetics [4]. However, there has not been any study analyzing how the 'Natural' label affects the factors affecting consumer buying behavior and establishing their connection with the perceived value of the product and answering the questions if the consumers do prefer natural/organic labeled products because of the halo effect surrounding the label.

2.2. The Halo Effect

Halo effect means when assessing one explicit nature of a product attribute unequivocally affects or

inclines the view of a similar item's different attributes. A study revealed that the natural label had a positive halo effect on the hedonic value of wine and the purchase intention, which the intensified sensory ratings can explain [5]. Another study's findings showed that the participants' hedonic sensory perception and intention of purchasing the product increased when they were pre-informed about the natural ingredients claim. Studies also affirm the halo effect of the 'Organic' label influencing the impression of fragrances.

2.3. Customer Perceived Value

Customer perception is the belief of the consumer that a product can meet their needs or expectations. This belief can affect the product demand and also the price, which a consumer pays for willingly [6]. Viewing the idea of consumer perceived value in the portrayed way brings up issues concerning the significant sorts of perceived values that have the right to be recognized in consideration of consumer behavior. Hence four categories of consumer perceived values have been distinguished, and a typology has been derived with the help of attributes like self-oriented, other-oriented, extrinsic, and intrinsic.

a) Functional Value

The term eludes to the actual utility/benefit a consumer gains by utilizing a particular product. The perceived economic/functional value can be reflected by how satisfied the consumer is with the product and if he feels that the product does what it claims [7].

b) Hedonic Value

The Hedonic value can be reflected by the pleasure a consumer gets by using the product or how confident he feels using the product; that means the hedonic value is related to the sensory delight or emotional experience related to a product.

c) Social Value

The social value can be reflected by if the consumer feels that using the product helps him build a positive social image or improves the way he is perceived. Its foundation lies in how the individual's reference group associates with the product [8].

d) Altruistic Value

The Altruistic value can be reflected by if the consumer feels he is contributing to society somehow or is doing the morally right thing. A person exhibits altruistic behavior when he buys a product for the sole cause of environmental protection, animal welfare,

etc., without thinking about his benefit. The value gained by such a purchase is known as altruistic value.

2.4. Extrinsic Cues

Various brands have launched their products online. So, to pick between given arrangements of options, consumers attempt to beat the current data asymmetry and vulnerability by utilizing quality cues that assist them with assessing and choosing between the options. According to Cox (1967, p. 625), consumers "prefer cues highest in information value, that is, cues that best lessen the amount of their uncertainty." [9]

A study (Vega-Zamora, M. et al., 2014) investigated the significance and understandings put on the expression "natural" and how they are coordinated as an approach to clarify consumption behavior. It was inferred that the label "natural" assumes a significant job as a heuristic cue to superiority, independent of the consumer's information about the genuine ingredients of natural food. However, no such study has been conducted regarding the natural skincare industry yet [10].

2.5. Perceived Quality

Perceived quality can be defined as "the consumer's impression of the quality of a product regarding its value proposition or predominance when compared with other products." Regarding organic products, studies suggest that perceived quality most significantly impacts consumers' green buying behavior. The perceived quality of a product can also be related to how safe the consumer thinks it is to use. Studies have shown that organic food has been linked to the lesser risk associated with it and build a higher quality perception. Consumer focuses on quality attributes that hold the customer loyalty and frequently purchase organic products. But not many of the studies have been fully implemented to learn about the consumer's desire to purchase. However, literature reports that perceived quality does not require familiarity with the product or previous experience. Yet, it can simply be shaped in light of an item's explicit traits conveyed by extrinsic cues. Therefore, the natural label has been considered as an extrinsic cue, and its impact on a customer's perceived quality of a product has been analyzed [11].

2.6. Influence of Reference Group

Friends and family (especially in the Indian context) can largely determine an individual's tastes, preferences, likes, and dislikes and affect his/her buying behavior and purchase decision. In a study, it was revealed that the fact that older consumers are more likely to buy organic/natural products is because of their safety or quality perceptions being the main motive behind their purchase decision. Older people represent an individual's culture and generally form a large part of the reference group. However, no study has been conducted to determine the halo effect of natural labels on one's reference group [12].

2.7. Personal beliefs/attitudes

Each individual has his own beliefs/attitudes regarding a product or product attributes. Such beliefs/attitudes form the brand image and also influence consumer buying behavior. Consumers have become more environmentally conscious, and their buying behavior has been positively linked to factors like environmental friendliness and animal welfare. Moreover, animal welfare has been considered an important factor contributing to consumer buying behavior. Studies have also shown that consumers have become more sensitive towards animal testing-related labels on products. As a consumer is incapable of properly analyzing these factors in a product, organic/natural products are generally assumed to be safe and environment friendly. However, no study has been conducted on the impact of these factors on the consumer buying behavior and purchase decision concerning skincare products [13].

2.8. Willingness to pay

International research has been carried out on how consumers look at the concept of organic/natural products, their beliefs and attitudes, and purchase intention. These studies reveal that product safety, quality, and environmental friendliness are the main motivation for consumers to buy organic products. Few customers had a strong positive attitude towards organic products and were willing to offer a high price. But all these studies have been carried out regarding organic food, and no such study concentrates on increased WTP (Willingness to Pay) for natural skincare products [14].

3. Objectives of the study

1. To determine how the natural label halo effect impacts consumer buying behavior, purchase decision, and willingness to pay?

2. To analyze and validate the relationships between factors affecting buying behavior and consumers' perceived values.

3. To analyze and validate the relationships between the consumers' perceived values and the consumer's purchase decision, he willingly pays for the product.

4. To analyze the effect of moderation on the most significant relationships obtained.

4. Methodology

4.1. Research Design

A quantitative research design was adopted to collect data efficiently and carry out proper statistical analysis. The participants were chosen based on purposive sampling from two MBA colleges. Two online surveys were rolled out. The participants were provided with an online shopping scenario in which a product combo was given. The participants had to rate how relatable or agreeable the survey statements were on a Likert scale. Both the surveys had the same questions, but the product combo was different. One form had the product combo with a description of what each product in the combo offers. In contrast, the other form had a product combo with a description of what each product in the combo offers with a 'natural ingredients' label [15].

Participants from different colleges were asked to respond to different forms. No participant was exposed to both forms or was given any knowledge about the other form's existence so that the responses collected would not be biased. One hundred forty responses were collected for the product combo with-

out the label, and 154 responses were collected for the product combo with the 'Natural ingredients' label.

4.2. Research Model

A research model was generated to understand the impact of the organic label's halo effect on factors affecting buying behavior. These factors affect the different perceived values: perceived functional, hedonic, social, and philanthropic values. These values further influence the consumer's purchase decision and the price he willingly pays for the product. Figure 1 shows Research Model, and Table 1 shows the Measured Items [16].

4.3. Measurement Items

Table 1: Measurement Items

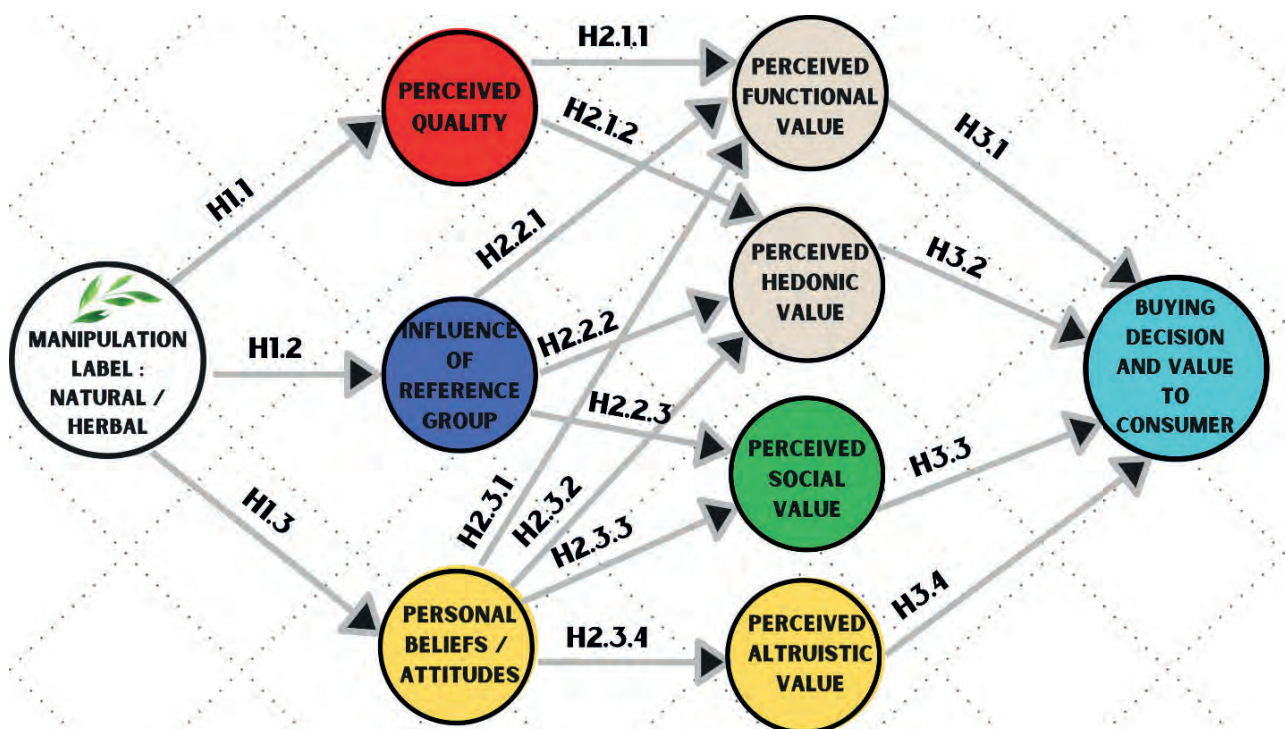| Constructs	Reflective Statements/Items
Perceived Quality	Product has no harmful chemicals
	Product is safe for sensitive skin.
Influence of Reference Group	Family would like to use this product
	Friends would like to use this product
Personal Belief/ Attitudes	Product is environment friendly
	Animal rights have been protected
Perceived Functional Value	Satisfied with the product
	Product does what it claims

Figure 1: Research Model

Constructs	Reflective Statements/Items
Perceived Hedonic Value	I feel pleasure by using this product
	I feel confident by using this product
Perceived Social Value	Using this product gives me a positive social image
	Using this product improves the way I am perceived
Perceived Altruistic Value	I contribute to environmental protection
	I contribute to the society
Consumer Decision and Value to Consumer	Would you purchase this product combo is priced reasonably according to you?
	How much would you be willing to pay for it?

4.4. Hypothesis

Taking cues from the literature review, the following hypothesis has been empirically tested for Objective 1:

H1.1: The presence of 'Natural' label significantly increases (does not increase) the product combo's perceived quality.

H1.2: The presence of 'Natural' label significantly increases (does not increase) the product's compliance to one's personal beliefs or attitudes.

H1.3: The presence of 'Natural' label significantly increases (does not increase) the probability of the product combo being associated with one's reference group.

Taking cues from the literature review, the following hypothesis have been empirically tested for Objective 2:

H2.1.1: Increment in perceived quality of the product combo increases (does not lead to increase) perceived functional value.

H2.1.2: Increment in perceived quality of the product combo increases (does not lead to increase) perceived hedonic value.

H2.2.1: Increase in influence of reference group increases (does not lead to increase) perceived functional value.

H2.2.2: Increase in influence of reference group increases (does not lead to increase) perceived hedonic value.

H2.2.3: Increase in influence of reference group increases (does not lead to increase) perceived social value.

H2.3.1: Increased compliance with personal attitudes/beliefs increases (does not increase) perceived functional value.

H2.3.2: Increased compliance with personal attitudes/beliefs increases (does not increase) perceived hedonic value.

H2.3.3: Increased compliance with personal attitudes/beliefs increases (does not increase) perceived social value.

H2.3.4: Increased compliance with personal attitudes/beliefs increases (does not increase) perceived altruistic value.

Taking cues from the literature review, the following hypothesis have been empirically tested for Objective 3:

H3.1: Increase in perceived functional value leads (does not lead) to increased consumer propensity towards buying the product and his willingness to pay a higher amount.

H3.2: Increase in perceived hedonic value leads (does not lead) to increased consumer propensity towards buying the product and his willingness to pay a higher amount.

H3.3: Increase in perceived social value leads (does not lead) to increased consumer propensity towards buying the product and his willingness to pay a higher amount.

H3.4: Increase in perceived altruistic value leads (does not lead) to increased consumer propensity towards buying the product and his willingness to pay a higher amount.

4.5. Method of Analysis

For objective 1, to analyze significant differences between 'Natural label' and the 'No label' group in terms of their perceived quality, influence of reference group, personal attitudes/beliefs, purchase decision, and willingness to pay, an independent samples t-test was used, which permitted to prove the hypothesized halo effect of the natural label on factors affecting buying behavior. Then, for objectives 2 and 3, partial least squares structural equation modeling (PLS-SEM) was used to analyze the links between the constructs/latent variables in the model. For this analysis, Smart PLS version 3.2.7 was used as statistical software [17].

5. Results

5.1. Result of Independent Samples T-Test to justify halo effect of Natural label

Table 2 shows the Statistics of items reflecting factors affecting buying behavior, purchase decision, and willingness to pay (WTP).

Table 2

Statistics of items reflecting factors affecting buying behavior, purchase decision, and willingness to pay (WTP).

Group Statistics					
	Manipulation Label	N	Mean	Std. Deviation	Std. Error Mean
Amount willing to pay	Natural Label	154	2.844	1.2214	.0984
	No label	140	1.557	.8755	.0740
Purchase Decision	Natural Label	154	2.584	.6125	.0494
	No label	140	2.229	.7619	.0644
This product has no harmful side effects	Natural Label	154	3.870	1.1359	.0915
	No label	140	2.771	1.1274	.0953
This product is safe to use on sensitive skin	Natural Label	154	3.649	1.1521	.0928
	No label	140	2.886	.9677	.0818
My family would like to use this product	Natural Label	154	3.545	1.2051	.0971
	No label	140	2.929	1.1914	.1007
My friends would like to use this product	Natural Label	154	3.636	1.0215	.0823
	No label	140	2.857	1.0358	.0875
This product is environmentally friendly	Natural Label	154	3.896	1.1500	.0927
	No label	140	2.629	1.2938	.1093
Animal rights have been protected	Natural Label	154	3.883	1.2522	.1009
	No label	140	2.557	1.3318	.1126

The means of all items is greater for 'Natural Label' group when compared to the 'No label' group.

Table 3 shows the T Statistics of items reflecting factors affecting buying behavior, purchase decision, and willingness to pay

In SPSS, the Natural label group was considered group 1, and the No label group was considered group 2. Since the T- statistic for all the items listed in the table is positive, group 1 (Natural label) has a higher mean than group 2 (No label).

Further, as the $p < 0.05$ (confidence level) for all items listed in the table, hypothesis H1.1, H1.2, and H1.3 are accepted (Objective 1)

Before studying Objectives 2 and 3, an assessment of the research model is done to ensure that it is a good fit.

Table 3

T Statistics of items reflecting factors affecting buying behavior, purchase decision, and willingness to pay

		F	Sig.	t	df	Sig. (2-tailed)
Amount willing to pay	Equal variances assumed	22.540	.000	10.293	292	.000
	Equal variances not assumed			10.452	277.311	.000
Purchase Decision	Equal variances assumed	9.874	.002	4.431	292	.000
	Equal variances not assumed			4.386	266.688	.000
This product has no harmful side effects	Equal variances assumed	.274	.601	8.313	292	.000
	Equal variances not assumed			8.316	289.745	.000
This product is safe to use on sensitive skin	Equal variances assumed	3.656	.057	6.121	292	.000
	Equal variances not assumed			6.172	290.227	.000
My family would like to use this product	Equal variances assumed	.496	.482	4.408	292	.000
	Equal variances not assumed			4.410	289.942	.000
My friends would like to use this product	Equal variances assumed	.026	.872	6.489	292	.000
	Equal variances not assumed			6.485	288.532	.000
This product is environmentally friendly	Equal variances assumed	13.152	.000	8.893	292	.000
	Equal variances not assumed			8.843	279.417	.000
Animal rights have been protected	Equal variances assumed	2.432	.120	8.798	292	.000
	Equal variances not assumed			8.772	284.976	.000

5.2. Assessment of Measurement Model

In the model described above, all the constructs (latent variables) were measured reflectively. To carry out factor analysis for the model, composite reliability, convergent, and also discriminated validity was checked by applying a Consistent PLS algorithm to the model in Smart PLS.

Firstly, the reliability of measures was tested. No item had an outer loading of less than 0.5. Hence, all the items were considered to be reliable measures [18].

Table 4 shows the outer loadings between latent variables and their reflective items. Composite reliability was checked to examine the internal consistency of the model. All the CR values were above 0.7, which is the recommended threshold. Convergent validity was checked using AVE (Average Variance Extracted) and all the values were above the recommended threshold of 0.5 [19].

Table 5 shows the Assessing Measurement Model. Fornell-Larcker criterion was used to assess discriminate validity. There is no correlation between any two constructs higher than the square root of the respective AVE. Therefore, the model passes the test for discriminated validity.

Table 6 shows Fornell-Larcker Test.

Table 4
Outer loadings between latent variables and their reflective items

Outer Loadings(OL)	Perceived Altruistic Value	Perceived Functional Value	Perceived Hedonic Value	Perceived Quality	Perceived Social Value	Personal Beliefs/ Attitude	Purchase Decision and Value to customer	Reference Group
I contribute to environmental protection	0.955							
I contribute to the society	0.536							
I do the morally right thing	0.947							
Purchase							0.895	
Willing to pay							0.895	
animal rights						0.976		
confidence			0.845					
does what it claims		0.954						
environmentally friendly						0.975		
family								0.957
friends								0.958
harmful side effects				0.985				
improve the way I am perceived					0.911			
pleasure			0.929					
positive social image					0.925			
satisfaction		0.961						
sensitive skin				0.982				

Table 5
Assessing Measurement Model

Assessment of Measurement Model	Cronbach's Alpha_CA	rho_A	Composite Reliability_ CR	Average Variance Extracted_AVE
Altruistic value in use	0.823	0.916	0.868	0.699
Functional Value in use	0.909	0.914	0.956	0.916
Hedonic value in use	0.74	0.947	0.876	0.78
Perceived Quality	0.967	0.972	0.984	0.968
Personal Beliefs/Attitude	0.949	0.949	0.975	0.951
Purchase Decision and Value to customer	0.752	0.754	0.89	0.846
Reference Group	0.909	0.91	0.957	0.917
Social value in use	0.815	0.822	0.915	0.843

Table 6

Fornell-Larcker Test

Discriminant Validity – Fornell-Larcker	Perceived Altruistic Value	Perceived Functional Value	Perceived Hedonic Value	Perceived Quality	Personal Beliefs/ Attitude	Purchase Decision and Value to customer	Reference Group	Perceived Social Value
Altruistic Value	0.836							
Functional value in use	0.796	0.957						
Hedonic value in use	0.536	0.578	0.883					
Perceived Quality	0.815	0.909	0.328	0.984				
Personal Beliefs/Attitude	0.704	0.898	0.778	0.739	0.975			
Purchase Decision and Value to customer	0.742	0.889	0.767	0.757	0.895	0.92		
Reference Group	0.591	0.906	0.622	0.78	0.915	0.857	0.958	
Social Value in use	0.764	0.857	0.716	0.745	0.868	0.848	0.811	0.918

5.3. Assessment of Structural Model

R^2 values of endogenous variables were looked at to assess the model for its predictive power. Values above 0.2 are considered good for consumer research. The values suggest that the model is good.

Table 7 shows R Square Values for endogenous variables; all VIF values were below the threshold of 5. Collinearity was not indicated in the model.

Table 8 shows Collinearity Statistics.

5.4. Analysis of Model

Finally, to study objectives 2 and 3, the model's path coefficients were analyzed to assess the hypothesized links between the constructs (latent variables), and Consistent Bootstrapping was done to analyze their significance [20].

Figure 2 shows T-Statistics for path coefficients. The numbers between the arrows show the T-statistics for the path coefficients connecting the two constructs (latent variables). It indicates how much increase in a latent variable (effect) results from an increase in the latent variable connected to (cause).

Table 9 shows the significance of these path coefficients.

The two p values marked in red are the relationships, which are not significant. ($p>0.05$) Therefore, Perceived Social Value and Perceived Altruistic value do not have any significant effect on Purchase decisions and value to the customer, i.e., H3.3 and H3.4 are rejected [21].

On the other hand, all other relationships between latent variables are significant. ($p<0.05$)

It can be concluded that:

Table 7

R square values for endogenous variables.

Assessment of Predictive Power of model(R square)	R2	(Adjusted)R2
Perceived Altruistic Value	0.495	0.495
Perceived Functional Value	0.944	0.944
Perceived Hedonic Value	0.749	0.749
Purchase Decision and Value to customer	0.887	0.886
Perceived Social Value	0.755	0.755

Table 8

Collinearity Statistics

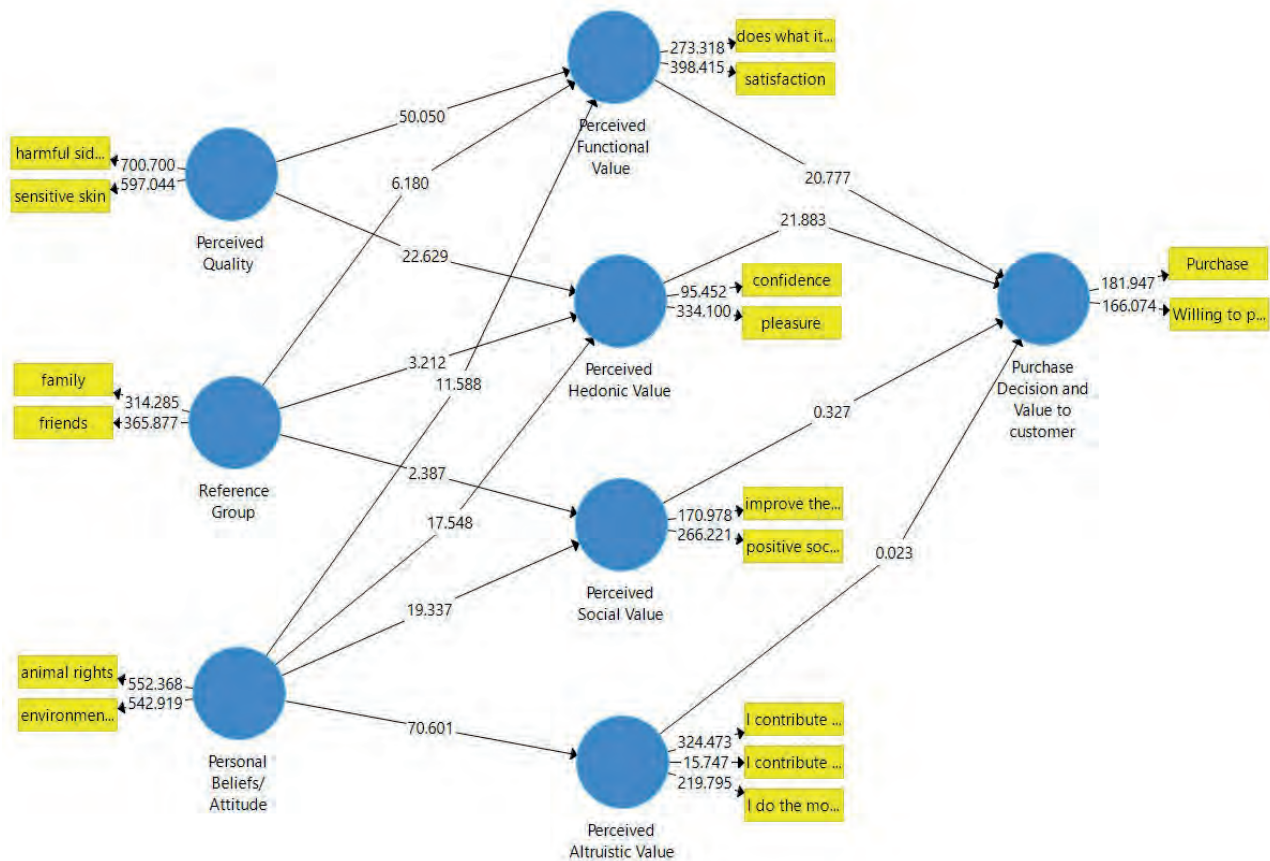| Collinearity – VIF	VIF
I contribute to environmental protection	2.929
I contribute to the society	1.565
I do the morally right thing	3.716
Purchase	1.57
Willing to pay	1.57
animal rights	4.404
Confidence	1.527
does what it claims	3.264
environmentally friendly	4.404
Family	3.279
Friends	3.279
harmful side effects	4.063
improve the way I am perceived	1.895
Pleasure	1.527
positive social image	1.895
Satisfaction	3.264
sensitive skin	4.063

Figure 2: T-Statistics for path coefficients.

Table 9
Analysis of path coefficients

Analysis of Path Coefficients	Original Sample(O)	Mean of sample (M)	Standard Deviation(STDEV)	T Statistics	P Values	Related Hypothesis	Null Hypothesis Accepted/ Rejected
Perceived Altruistic Value -> Purchase Decision and Value to customer	0	0.001	0.02	0.023	0.982	H3.4	Rejected
Perceived Functional Value -> Purchase Decision and Value to customer	0.665	0.664	0.032	20.777	0	H3.1	Accepted
Perceived Hedonic Value -> Purchase Decision and Value to customer	0.382	0.381	0.017	21.883	0	H3.2	Accepted
Perceived Quality -> Perceived Functional Value	0.493	0.493	0.01	50.05	0	H2.1.1	Accepted
Perceived quality -> Perceived Hedonic Value	-0.498	-0.498	0.022	22.629	0	H2.1.2	Accepted
Perceived Social Value -> Purchase Decision and Value to customer	0.01	0.011	0.03	0.327	0.744	H3.3	Rejected
Personal Beliefs/Attitude -> Perceived Altruistic Value	0.705	0.705	0.01	70.601	0	H2.3.4	Accepted
Personal Beliefs/Attitude -> Perceived Functional Value	0.347	0.348	0.03	11.588	0	H2.3.1	Accepted
Personal Beliefs/Attitude -> Perceived Hedonic Value	1.379	1.385	0.079	17.548	0	H2.3.2	Accepted
Personal Beliefs/Attitude -> Perceived Social Value	0.776	0.775	0.04	19.337	0	H2.3.3	Accepted
Reference Group -> Perceived Functional Value	0.204	0.203	0.033	6.18	0	H2.2.1	Accepted
Reference Group -> Perceived Hedonic Value	-0.274	-0.28	0.085	3.212	0.001	H2.2.2	Accepted
Reference Group -> Perceived Social Value	0.1	0.102	0.042	2.387	0.017	H2.2.3	Accepted

- Increment in perceived quality of the product combo increases perceived functional value and perceived hedonic value.
- An increase in influence of reference group increases perceived functional, hedonic, and social values.
- An increase in perceived functional and hedonic values leads to increased consumer propensity towards product purchase and the price he willingly pays for it.
- Increase in compliance with personal beliefs/attitudes increases perceived functional, hedonic, social values and altruistic values
- Perceived Social and Altruistic values do not significantly impact the propensity of consumer towards product purchase and the price he willingly pays for it.

For further analysis, latent variables' specific indirect effects on one another were also considered, i.e., the effect on one latent variable by another latent variable transmitted through a third latent variable.

Specific indirect effects with p<0.05 shows that the specific indirect effect is not significant, and no relationship can be established. Such indirect effects have been marked in red in Table 10.

To study Figure 3, Moderation Interaction Analysis was done.

Moderation interaction is when a latent variable positively affects another endogenous latent variable.

Still, that positive effect is strengthened in the presence of a latent variable, known as the moderator variable.

Since only Perceived Functional and Perceived Hedonic values positively affect Purchase Decisions and Value to customers, moderation interaction analysis was carried out only for these two latent variables. (Dependent variables) [22].

When calculating moderating effects, a variable with the highest T statistic compared to other cause variables is chosen as the independent variable, and the other is the moderator variable.

Table 11 shows the variables for calculating Moderate Effects.

As the p<0.05 for all moderating effects, all the moderating effects are significant.

Table 12 shows the T-Statistics of Moderating Effects Path Coefficients.

It can be concluded that:
- Perceived quality positively affects Perceived functional value, but its effect is strengthened by compliance with personal beliefs/attitudes.
- Perceived quality positively affects Perceived functional value, but the influence of the reference group strengthens its effect.
- Compliance with personal attitudes/beliefs positively affects Perceived hedonic value, but Increment strengthens its effect on perceived quality.

Table 10

Specific Indirect Effects

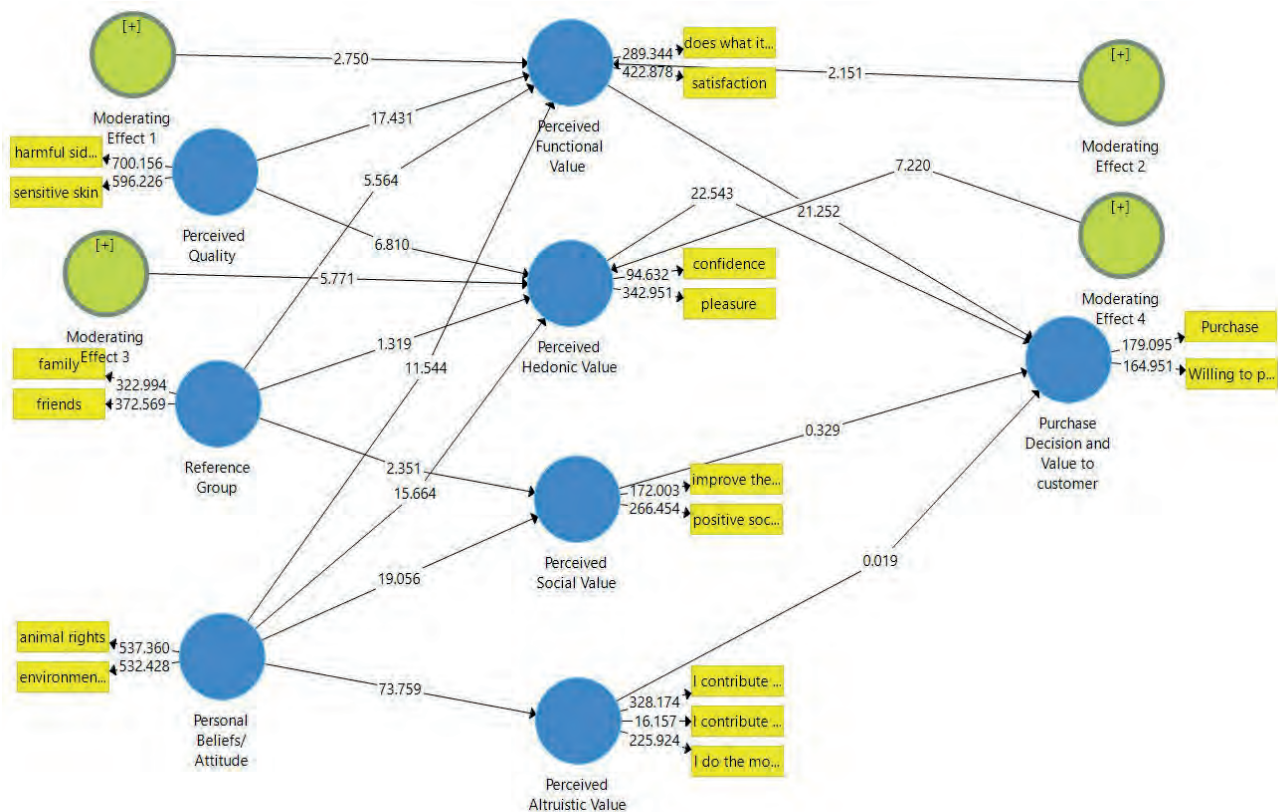| Specific Indirect Effects	Original Sample_O	Mean of sample_M	Standard Deviation_ STDEV	T Statistics	P-Values
Personal Beliefs/Attitude -> Perceived Altruistic Value -> Purchase Decision and Value to customer	0	0.001	0.014	0.023	0.982
Perceived Quality -> Perceived Functional Value -> Purchase Decision and Value to customer	0.328	0.328	0.018	18.437	0
Personal Beliefs/Attitude -> Perceived Functional Value -> Purchase Decision and Value to customer	0.231	0.231	0.024	9.765	0
Reference Group -> Perceived Functional Value -> Purchase Decision and Value to customer	0.136	0.135	0.023	6.044	0
Perceived quality -> Perceived Hedonic Value -> Purchase Decision and Value to customer	-0.19	-0.19	0.01	19.465	0
Personal Beliefs/Attitude -> Perceived Hedonic Value -> Purchase Decision and Value to customer	0.526	0.527	0.041	12.822	0
Reference Group -> Perceived Hedonic Value -> Purchase Decision and Value to customer	-0.104	-0.107	0.034	3.08	0.002
Personal Beliefs/Attitude -> Perceived Social Value -> Purchase Decision and Value to customer	0.008	0.009	0.024	0.326	0.744
Reference Group -> Perceived Social Value -> Purchase Decision and Value to customer	0.001	0.001	0.003	0.295	0.768

Figure 3: Moderating Effects

Table 11: Variables for calculating Moderating Effects

Moderating Effect	Moderator Variable	Independent Variable	Dependent Variable
1	Personal Beliefs/ Attitudes	Perceived Quality	Perceived Functional Value
2	Reference Group	Perceived Quality	Perceived Functional Value
3	Perceived Quality	Personal Beliefs/ Attitudes	Perceived Hedonic Value
4	Reference group	Personal Beliefs/ Attitudes	Perceived Hedonic Value

Table 12

T - Statistics of Moderating Effects Path Coefficients

Moderating Effects Path Coefficients	Original Sample_O	Mean of sample_M	Standard Deviation_ STDEV	T Statistics	P Values
Moderating Effect 1 -> Perceived Functional Value	0.153	0.15	0.055	2.75	0.006
Moderating Effect 2 -> Perceived Functional Value	-0.105	-0.103	0.049	2.151	0.032
Moderating Effect 3 -> Perceived Hedonic Value	-0.828	-0.844	0.144	5.771	0
Moderating Effect 4 -> Perceived Hedonic Value	0.879	0.893	0.122	7.22	0

- Compliance with personal attitudes/beliefs positively affects Perceived hedonic value, but the reference group's influence strengthens its effect.

At last, the Importance - Performance map was created for the model. It helps understand which constructs are performing the best is the most important for judging which construction should be concentrated on or improved. Figure 4 shows the Importance Performance Map [23].

Here, un standardized total effects have been taken into account for each exogenous variable. The Y-axis shows the X-axis, and Performance show importance. It can be concluded that:

- Perceived Functional Value and Personal Beliefs/Attitudes affect Purchase Decision and Value to customer.
- An increase of 1 unit in Perceived Functional Value results in approximately 0.5 unit of Purchase Decision and Value to customer.
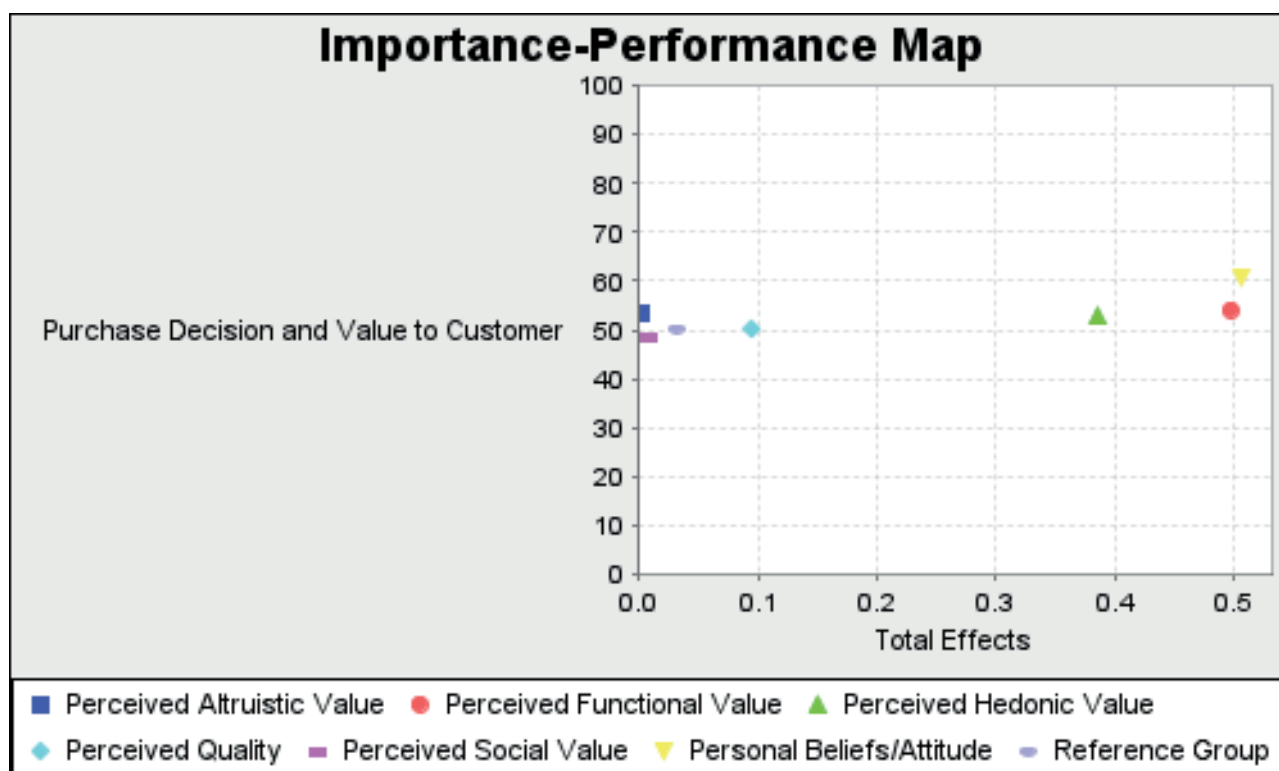
Figure 4: Importance Performance Map

- An increase of 1 unit in compliance with Personal Beliefs/Attitudes results in approximately 0.5 unit increase in Purchase Decision and Value to customer.

5. Discussion and Implications

Organic/Natural beauty products, also referred to as 'Clean Beauty' have been trending globally, for the last 4-5 years, especially in Gen Z women. New trends like 'No-makeup' makeup looks, nude colors, pastel colors, and foundations for all skin colors hint towards the consumer of cosmetic products becoming more and more acceptable to natural beauty and shunning the idea of heavy makeup to look beautiful. People have been showing tremendous interest in brands like Mama earth, Soul flower, Forest Essentials, etc., because of their natural/organic claim [24].

Literature has revealed that when consumers are given knowledge about the natural/organic composition of perfumes, they give them a higher rating compared to when they are not aware of the ingredients. The results of this study are inclined with the statement above. It has been determined that even though the product and description are the same for both the combos, people are generally more positive towards the one which has the natural label in terms of quality perception, association with the reference group, and

environmental friendliness. Perceived Quality attributes like safe for sensitive skin and no harmful ingredients play a significant role in determining a customer's purchase decision and willingness to pay a higher amount. Other studies have also been conducted to support these findings. Consumers are worried about the ingredient safety and the toxicological profile of the commodity. Consumers are driven towards buying natural or green cosmetics due to the increased awareness about oleo chemicals and their impact on the skin ("Green Cosmetics: The Push for Sustainable Beauty | Acme-Hardesty," 2020) organic cosmetics are symbolized by terms, such as sourced and produced using natural ingredients. Thus, the companies need to understand customer's knowledge about the ingredients and that the environment should play a vital role while designing promotional statements positions the product as safe and effective in the consumer's minds. Literature suggests that people are generally not well aware of what a label signifies, rather perceive products and draw their inferences because of cognitive associations with the label. These inferences are drawn due to extrinsic cues, which help them reduce the information asymmetry, especially in the credibility of quality, environment friendliness, etc., which an average consumer cannot validate. It can also be seen that the label has a halo effect on the construct 'influence of refer-

ence group,' i.e., a consumer will presume that because the product is natural/chemical-free, his family and friends would have liked to use the product. However, on further analysis, it was concluded that although the reference group's influence is positively linked with the perceived social value, social value does not significantly impact a consumer's purchase decision and the price he willingly pays for the product [25], which is an advantage for new brands to launch natural skincare products as consumers will be equally acceptable to new brands as to old ones. The above findings can facilitate the formulation of marketing strategies and communication strategies. Marketers and advertisers should target customers with testimonials and reviews from consumers for a product line since the quality attributes and functional value drive them. The marketers should focus on devising strategies that will give a holistic perspective to the customers related to the ingredients to help them make the right choice.

It was also observed that the natural label's halo effect also impacts personal beliefs/attitudes revolving around animal protection and environmental friendliness. The importance-performance map suggests that it is one of the most influential factors concerning a consumer's purchase decision and the price he willingly pays for the product. But it is also seen that perceived altruistic value, which is most significantly related to personal beliefs/attitudes, does not impact the consumer's purchase decision and the price he willingly pays for the product. This study's findings are supported by a study that suggests that Indian people will buy organic products out of concern for the environment. Still, the emphasis on a personal benefit is much more. That further suggests that personal beliefs/attitudes impact the consumer's purchase decision and the price he willingly pays for the product by increasing the perceived functional and hedonic values [26].

These findings can be used by brands to understand consumer psychology and, therefore, position their products so that the personal attitudes and beliefs impact their perceived hedonic and functional value about a product.

Finally, this study mainly points out that the natural label halo effect impacts a consumer's quality perception, increasing perceived functional value and then his purchase decision and willingness to pay, which is the most significant path of the whole study. It suggests that brands should try to promote their product's natural ingredients by making the customer aware of the benefits of those natural ingredients on the packaging itself and even in the product description on e-commerce websites [27].

6. Conclusion

This paper aimed to analyze the adequacy of the natural label as a cue to comprehend if it causes a halo effect on factors affecting consumer buying behavior, which then goes on to affect the perceived value and finally if it affects the consumer's purchase decision and the price he willingly pays for the product.

Particularly, it tested the natural label halo effect in an online shopping scenario. For that, a quantitative study was conducted with two groups, one being treated with the label. The halo effect was confirmed utilizing a two-tailed t-test. It revealed that 'Natural Label' group evaluated the product combo significantly higher in terms of perceived quality, compliance with their personal beliefs and attitudes, and probability of being by friends and family. As both the groups had been exposed to the same stimuli apart from the 'natural ingredients' label, the differences can be credited to the label. Hence, it may be reasoned that the label acts as a cue that positively biases consumers' evaluations of credence attributes. To examine the hypothesized relationships among factors affecting buying behavior, perceived values, consumer's purchase decision, and the price that he willingly pays for the product, structural equation modeling (SEM) was used. The results of the SEM revealed that the factors affecting buying behavior were significantly related to the perceived value dimensions. Functional and hedonic value perceptions were both driven by perceived quality, influence of reference group as well as personal beliefs and attitudes. The latter construct further contributed significantly to perceived altruistic and social value. While altruistic and social value did not impact consumers' purchase decisions and the price that he willingly pays for the product, functional and hedonic values were highly significant. Taken together, it can be concluded that natural label does act as a cue and cause a halo effect on factors affecting consumer buying behavior, which then affects the perceived functional and hedonic values. Finally, this positively impacts consumer buying decisions and increases his willingness to pay.

7. Limitations and Future Scope of Study

Firstly, the participants were selected using purposive sampling, philanthropic, but the answers cannot

be generalized for the entire population. The title of the questionnaire – 'Online shopping scenario – Skincare Products' might have captured the interest of a particular group of respondents, thereby biasing the results.

Moreover, there might be a difference in the way people perceive natural skincare products while shopping online on e-commerce websites. While shopping in retail stores, malls, or brand outlets, factors like ambiance, sensory perceptions like smell and feel, product demos, etc., might also come into play.

Analyzing whether it is the natural label, which biases a consumer's perceptions, or if the packaging hinting of natural ingredients can make consumers regard the product as natural and be considered for future research? To further assess if natural skincare products are better, a long-term study can be carried out using natural skincare products and another group using normal skincare products; and the results can then be analyzed. In this study, a generic brand has been considered for evaluation. However, with non-conforming standards reporting, trust plays a major role in analyzing the halo effect. Future research can be done, taking the trust factor into consideration regarding different skincare brands.

Acknowledgment

Conflict of Interest

There is no conflict of interest among the authors

Funding

Ethical approval

Not applicable

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