# eHalalCosmetics4u: Combining Faith and Beauty in Crafting the Perfect Makeup for Muslim Women

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*Abstract*– This paper proposes a customer to customer or C2C service platform, named eHalalCosmetics4u. This trusted conceptual platform serves Muslims to sell and buy variety of quality and Halal cosmetic products at affordable price through online as well as through network of mosques. This platform has the ability to provide convenience, secured and friendly interfaces to advertise, sell and buy halal cosmetics products. Literature reviews, nine (9) blocks of Business Model Canvas (BMC) and Value Proposition Design Canvas (VPC) framework and interviews are used as methodology for this paper.

*Index Terms*– online Halal cosmetics, Network of Mosque, Business Model Canvas, Value Proposition Design Canvas.

## I.    INTRODUCTION

There are 62% of Muslim population lives in the Asia-Pacific region. As a Muslim, Halal is the most important thing in all aspect of life. However, Abdul Malik Mujahid (April 11, 2017) said that "Muslim consumers are often criticized for not doing enough to support Muslim businesses, whether it's paying the extra dollar (or two or three or four) to buy products, or to drive the extra mile (or two or three or four) to get to the store". So, we come up with eHalalCosmetics4u. It is a platform C2C for Muslims to sell and buy halal products. This Website has the ability to provide convenience and more users' friendly environment to sell and buy the halal products. The website let users to visit its content at any time they want either for the purpose of buying or not. Moreover, the system does require customers to sign up for login into website. Also for Muslims or any users who want to advertise, buy, or sell their products, so they are compulsory to sign up as well. Furthermore, this application does not only do advertising, buying and selling Halal cosmetics beside that do the process of transaction inside the system. Some advantages of the website are that customer can easily select and buy halal products in short amount of time because the cosmetics are already categorized on the website based on the types. In addition, Muslims or anyone is able to find and view ads easily. Besides that, customers can save time from browsing the unwanted information. Then, online halal cosmetics shop enables the customers to rate the products for sale and buy.

## II.    BACKGROUND

The fast growing of technology give a great chance to create a new application to solve problems facing by customers. One of the usages of this website is online purchasing and online advertising. People tend to buy halal cosmetics online with the trust in this system because JAKIM will verify the halal certification from seller before the product being sold. Based on the research and observation, Muslims face difficulties in searching and buying halal and Shariah compliant cosmetic products. Unfortunately, current online cosmetics systems such as LAZADA, Sephora do not indicating halal status. Hence, the main purpose of this platform is to help Muslim to buy and sell halal cosmetics products through online. At the same time, this platform will contribute part of its revenue to the poor and Masjid.

## III.    PROBLEM STATEMENT

It has been found that Muslims always face with hard time to look at the halal products. Also there is always a problem to find a purchase product which follow Syariah laws. Due to the existing system such as in LAZADA, or Sephora, Muslims are experiencing problems to find the desired halal cosmetics. Cosmetic is any product applied to the body, especially the face to improve its appearance namely, skin care cream, makeup, beauty aids and so on. Moreover, people cannot trust the halal logo that press on the product is the real one because there are many fake halal products that selling in existing system or via online. Shahidan Shafie stated that from the research he has done can be indicated that there are many issues and challenges on the halal subject namely the introduction of halal logo by individual firms and the lack of enforcement by the authorities with regards to the misuse of halal logos. Therefore, it can be clarified that there are doubts among people - whether the products are halal or not because of misuse of halal logos. Based on the survey conducted among 100 cosmetics users in IIUM, only 25 of cosmetics users trust halal cosmetics in existing systems, with 75% of being sure. While other cosmetics users believe on the existing halal cosmetics with being sure of 50% and 25% respectively. Hence, Muslims are faced hardship to buy and sell halal goods in a trusted platform which follow Syariah rules and they face was-waas and majority of Muslims have not trust on halal logo press on the products.

## IV.     LITERATURE REVIEW

1.  Market leaders

1.1     Alibaba

Alibaba is China's largest online commerce company. It was found by Jack Ma in 1999. Alibaba provides e-commerce business, wholesales trade as well as other service such as electronic payment service, a shopping search engine and cloud computing. The mission of Alibaba Company is to facilitate everyone to buy or sell any product or anything online anywhere around the world. Alibaba Company launched Alibaba.com with English language for global market to connect Chinese manufactures with oversea invertors and launched Chinese commerce website called 1688.com for small business in China. With the growing of number of customers, Alibaba has become one of the most successful companies in Asia that has a huge customer base with operation 190 countries around the world.
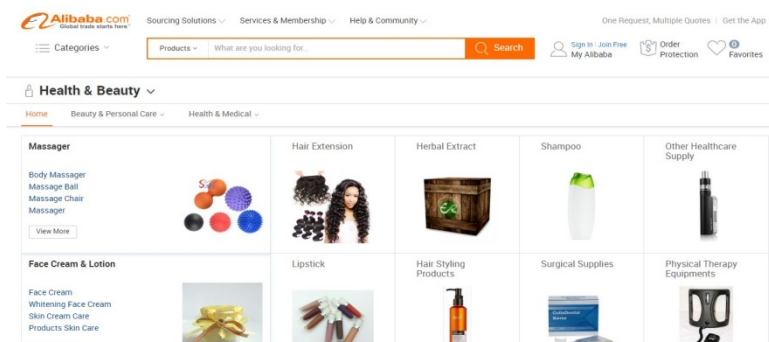


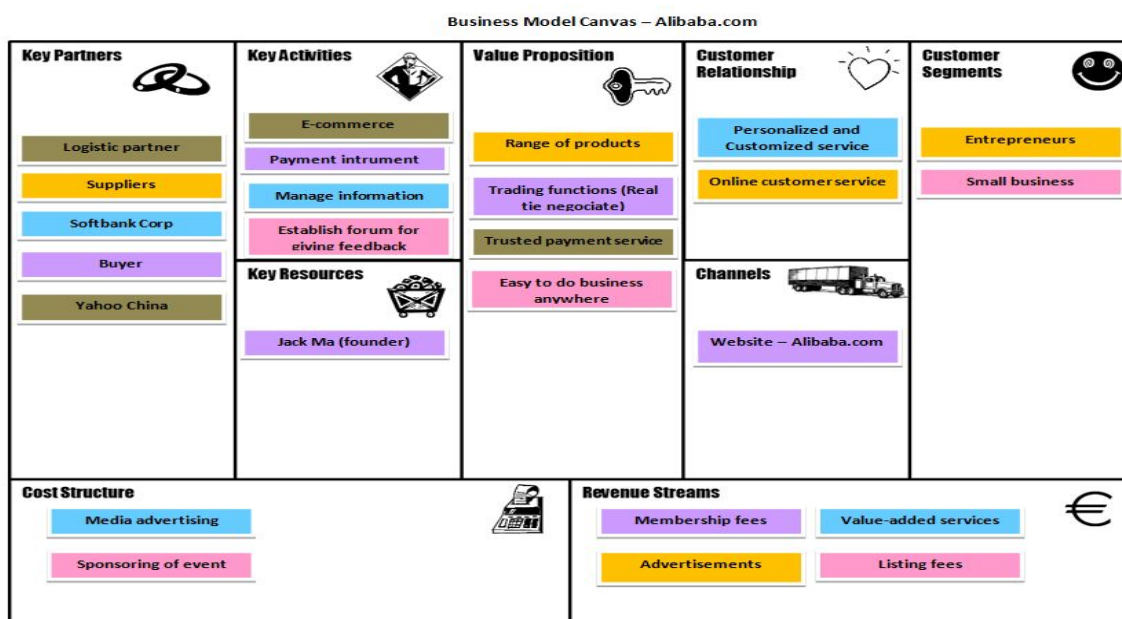*Figure 1: The Interface of Alibaba.com*



*Figure 2:  Business Model Canvas of Alibaba Company*

According to business model canvas of Alibaba Company (Figure 2), Softbank Corp is the biggest partner that hold one-third of Alibaba's share followed by Yahoo. For the customer segment, the two main target customers are global investors that focus on worldwide market and domestic marketplace which aim small and medium business in China. Alibaba generates revenue from two main resources that are advertisement and collecting fees from customer. Moreover, Alibaba emphasizes on easy doing business anywhere by connecting to the internet. This is the main purpose of Alibaba Company is to ease those small companies in China to sell and get more benefit and encourage people purchase their desire products thought online.

1.2     Sephora.com

Sephora is French's cosmetics stores found in 1969. Louis Vuitton Moet Hennessey (LVMH) owns it. Sephora offer cosmetics products include makeup, skincare, fragrance, nail color and hair care from various famous brands. Sephora first operated store in Paris in 1970 and continued to expand the store globally to other countries. Now, Sephora operates approximately 2,300 stores in 33 countries around the world. Furthermore, Sephora.com was launched in 1999 in U.S. and Canada in 2003. It becomes one of famous cosmetics website.
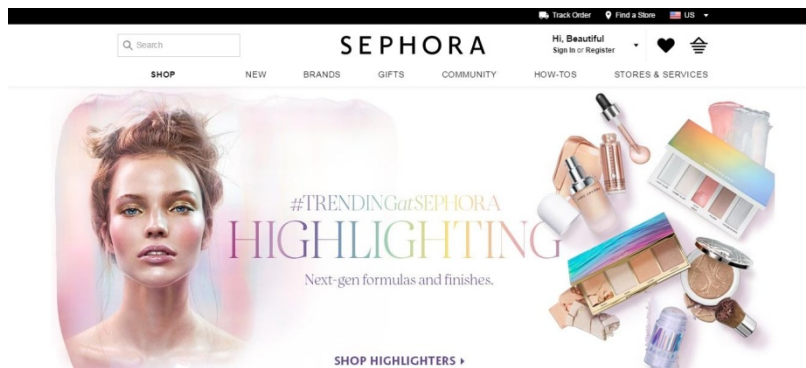


*Figure 3:  Interface of Sephora.com*

Woman ranges from their teens to thirties are the target customers of Sephora since woman are more interact and socialize. Yet, the man products also available and the number of products seem growing surprisingly. Furthermore, the strategy of Sephora is to sell multiple high-end cosmetics products under one roof. Customers can effortless get multiple cosmetic brands in one place. Some large store offers some of drug store brands as well in order to expand the target of customers.

1.3     Halal Shop

Halal Shop is the e-commerce website owned by Muslim and located in Singapore. Halal Shop website offers various halal cosmetic products such as makeup, skincare, hair care, fragrance and supplement. The company emphasize on trading halal products brands. Halal comprises various critical aspects of manufacturing include the source of raw materials, storage and packing of the products. There will be a team of respective Halal certification bodies to test on all the products that will be sold in their website to ensure those products meet Halal certification standard.
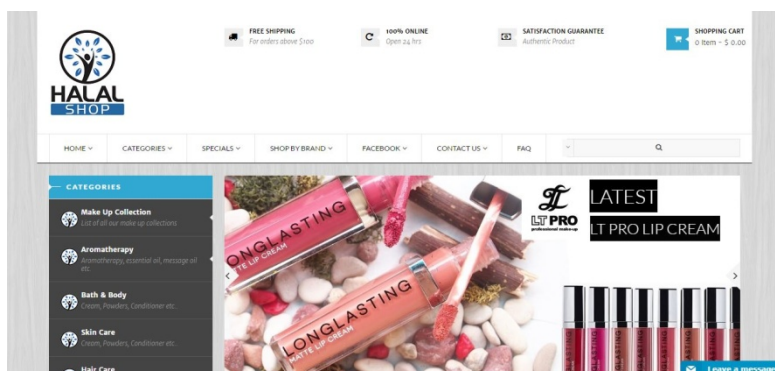


*Figure 4: Interface of HalalShop.com*

In sum up, Alibaba is one of the largest online commerce companies owned by Chinese people. There are many types of products that are been promoted include apparel, electrical equipment, sports as well as beauty and personal care. On the other hand, Sephora and Halal Shop are the commerce websites that focuses on beauty contents. Sephora is known as one of biggest company that retail cosmetics through both physical stores and website. The example of halal cosmetics products selling via online is Halal Shop. This company provides platform for selling and buying halal products online. Therefore, those three companies have their own strength market and planning to run their business to be successful.

2.    Summary of market leader
    2.1      Business Model Canvas framework

Table.1: Comparison of 9 blocks between Alibaba, Sephora, and Halal Shop.

| 9 blocks | Alibaba.com (Cosmetics Sector) | Sephora | Halal Shop |
|---|---|---|---|
| 1. Key Partners | - Logistic partner<br>- Suppliers<br>- Softbank Corp<br>- Buyer<br>- Yahoo China<br>- Payment processors | - Cosmetic and supply companies<br>- Payment processors<br>- Buyer | - Buyer<br>- Cosmetic and supply companies<br>- Brand owner |
| 2. Key Activities | - E-commerce<br>- Payment instruction<br>- Manage information<br>- Establish forum for giving feedback | - Promoting products<br>- Customer support<br>- Capturing customer preferences<br>- Personalized service<br>- Delivery products<br>- Updating information | - Selling halal cosmetic products<br>- Payment<br>- Delivery products |
| 3. Key Resources | - Jack Ma (founder)<br>- Technical employees<br>- Marketing | - Industry experts<br>- Dermatologist | - HalalShop.Sg<br>- IT people |
| 4. Value Propositions | - Various types of products<br>- Trading function<br>- Safe payment service | - Many high-end cosmetic brands<br>- Authentic products | - Various halal products available<br>- Get halal products |
| 5. Customer Relationship | - Personalized and customized service<br>- Online customer service | - Interactive service<br>- Social media | - Interactive service<br>- Customer support |
| 6. Channels | - Website (Alibaba.con) | - Physical store<br>- Website (Sephora.com | -Website (Halal Shop) |
| 7. Customer Segments | - Those who prefer to buy equipment online | - Those who want to buy makeup and skincare | Buyer:<br>-Those who want cosmetic products<br>-Those who want to purchase online.<br><br> Seller:<br>-Those who want to sell their products through community platform |
| 8. Cost Structure | - Media advertising<br>- Sponsoring | - Advertising<br>- Salaries to employees<br>- Technological infrastructure | - Employees' Salaries |
| 9. Revenue Stream | - Membership fees<br>- Advertisements<br>- Value-added service<br>- Listing advertising fees | - Selling products<br>- Membership fees | - Percent from products sold |

2.2     Key features

2.2.1    Alibaba.com
- Convenience checkout process
- Ease of shopping
- Various types of products including cosmetic and personal care products
- Self service
- Customer support
- Secure payment
- Huge market

2.2.2    Sephora
- Ease of shopping
- Convenience checkout process
- Good quality of products
- Multiple high-end cosmetic brands available
- Customer support
- Secure payment

2.2.3    HalalShop
- Several Halal products cosmetic brands
- Convenience checkout process
- Good quality of products
- Ease of shopping
- Reasonable price

# 3    Environment Map

## 3.1  Key trend

This era, Internet is widely use and everything including marketing, selling, buying also via online. To support, "The Internet economy (iGDP) market is expected to contribute 16% (US$90 billion) to the GDP by 2025, up from 4.3% in 2010 as the importance of Internet and digitally-connected solutions grows in the economy" (Frost and Sullivan, 2015). In addition, the trend of using mobile application also increased time to time. According to Frost and Sullivan (2015) showed the trend that "In Malaysia, mobile app downloads are set to cross 660 million by 2025, five times". Thus, it will give sellers opportunities and give them the chance to reach new customers and extra income. As the internet can be access on the Smartphone or any tablets, so the use of those gadgets is also increasing.

## 3.2  Market forces

Currently, online shopping is more preferable due to various choices in purchase products. In the study of Frost and Sullivan (2015) showed that " Sales from online retail (eTail) to grow seven-fold to US$6.1 billion in 2020, riding on the high smartphone and Internet penetration, along with rising disposable incomes in Malaysia." So, people use to go online shop more than physical store. It is because online shop is more convenient, save time, save petro expense and easy. For the seller perspective, Online Halal Cosmetic can act as side income or permanent income by posting their product with easy and friendly technology.

## 3.3  Macro-economic forces

Actually online shopping has been globally used for a long time, as Alibaba.com and Sephora.com have become worldwide-preferred online shopping website. Many people believe that entrepreneurship is one of the alternatives to increase people life.

## 3.4  Industry forces

Nowadays, online shopping has become popular as people prefer to buy things including cosmetic via online. Other than that, pressure from existing system Alibaba.com and Sephora.com make researchers come out with Online Halal Cosmetic website that focus more on Halal products and to sell and buy variety of quality products at affordable price.

4    Four lenses of innovation

4.1      Challenging Orthodoxies: Challenge your beliefs and underscores the "why why why" on challenging the status quo.
- Can I have more customers?
- How to become top website?
- How to make people trust on my product?

4.2      Harnessing Discontinuities: Understand the present heading in Trends in patterns of change.
- Big data analysis.

4.3      Leveraging Competencies &Strategic Assets: Leverage Resources in every which way possible, including Open Innovation.
- Using Bootstrap strategies

4.4      Understanding Unarticulated Needs: Understanding Needs of true customer and know customer perspective needs.
- Feedback
- Observation
- Survey

## V.      CONCEPTUAL SOLUTION

1.    Initial Business Model

The Business Model Canvas (BMC) was initially proposed by Alexander Osterwalder (2010). It is a strategic management and lean startup template for developing new business models. It is a visual chart with elements describing a product's value proposition, key partner, key activities, key resources, customer relationship, customer segment, cost structure, and revenue streams. According to Figure 5, it shows the BMC of Online Halal Cosmetic business.
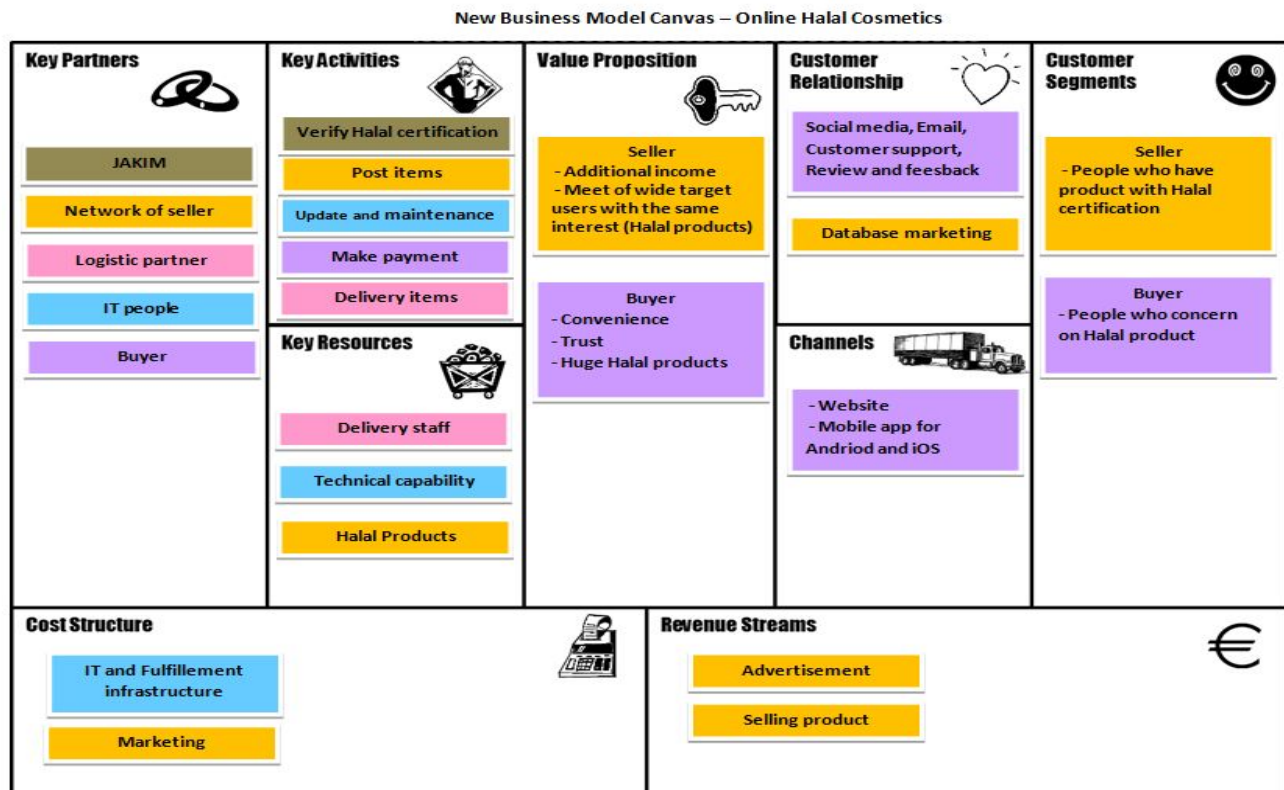


*Figure 5: Business Model Canvas for eHalalCosmetics4u platform*

## VI.    VALIDATION OF INITIAL BUSINESS MODEL - BMC AND VPC

1.    Validation of the Initial Business Model

Sets of questionnaires survey were distributed among communities of International Islamic University Malaysia (IIUM). The researchers have chosen this population because of their roles, values and contribution required for this study. The researchers used Google form survey methodology and the scope of this survey is the researchers want to evaluate the percentage of cosmetics users and do they know about existence of halal cosmetics. Moreover, the researchers research for if users are interested halal cosmetics so they considered those students that use cosmetics in their daily lives and 100 of respondents participated in this survey.

2.    Analysis and discussion

From Figure 6, it shown that 69% said yes that online halal cosmetics shop encourages Muslims to be aware of existence of halal cosmetics and encourages them to start a halal business to improve Islamic knowledge. And 30% of respondents feel that maybe online halal cosmetics shop encourages Muslims to be aware of existence of halal cosmetics and encourages them to start a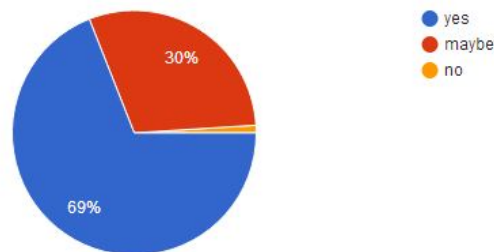 halal business to improve Islamic knowledge. While, only 1% of the respondents think that online halal cosmetics shop encourages Muslims to be aware of existence of halal cosmetics and encourages them to start a halal business to improve Islamic knowledge.



*Figure 6:* online halal cosmetics shop aware Muslims to start a halal business to improve Islamic knowledge

Majority of respondents said yes that online halal cosmetics will acknowledge them about halal cosmetics and it is as a Muslims served committee with 81 the percent. On the other hand, 19% of respondents feel that online halal cosmetics will not acknowledge Muslims about halal cosmetics and it does not serve Muslims as shown in Figure 7.
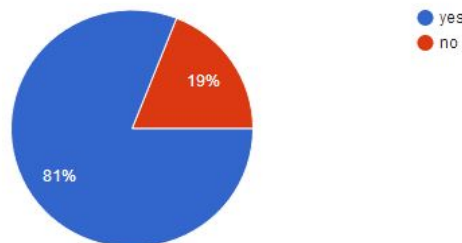


*Figure 7:* online halal cosmetics play role of a committee to serve Muslims

From figure 8, 56% of cosmetic users never use halal cosmetics due to they are not aware of existence of halal cosmetics and there are some respondents that sometimes use halal cosmetics with the percentage of 37. While, there are few users that always use halal cosmetics with 7%.
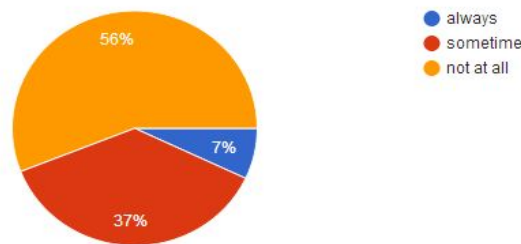
*Figure 8:  percentage of users who always use* halal cosmetics

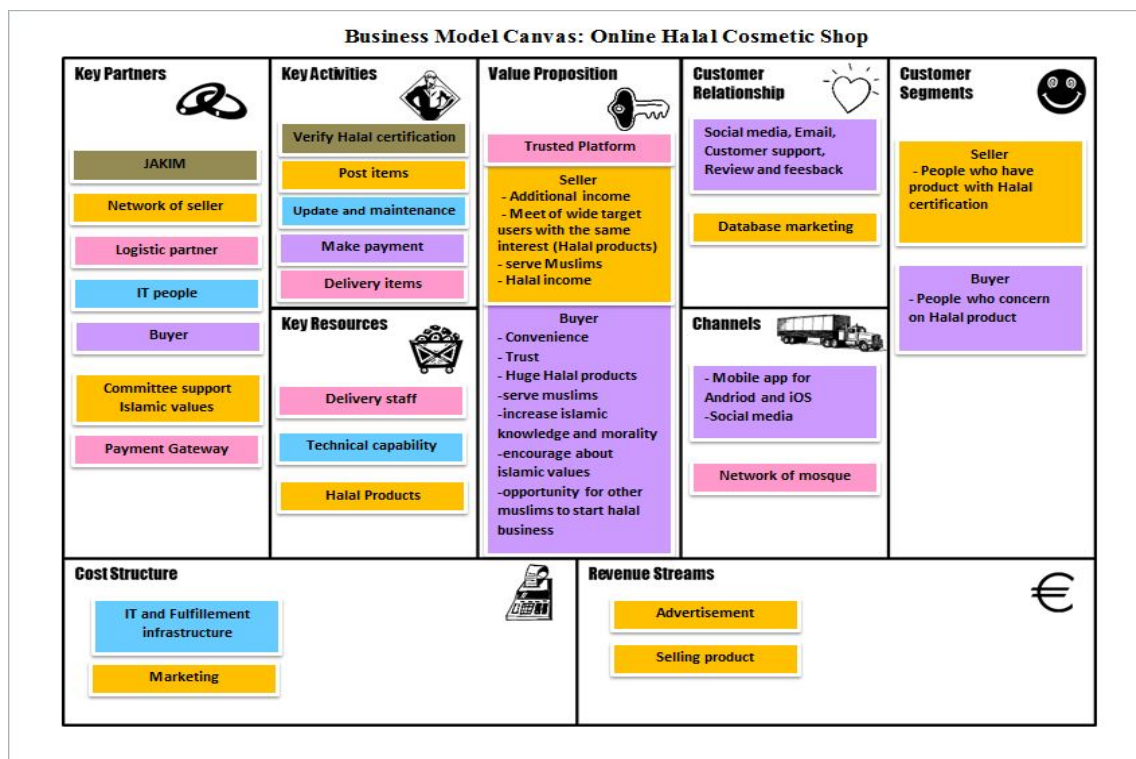## VII.    ENHANCEMENT OF BUSINESS MODEL

1.   Business Model Canvas (BMC)



*Figure 9: Enhancement of Business Model Canvas: eHalalCosmetics4u*

### A.   Customer Segment

As in Figure 5, Customer segments of eHalalCosmetics4u platform expect Muslim buyers and sellers as their users who have   the same interest which are Halal products.

### B.   Value proposition

To help Muslim sellers earn additional income by offering platform for advertising, and getting wide Muslim customers as a center of Halal products. Furthermore, it easy for seller to promote their products by one clicks and also categorizes the product according to product type. In addition, it enables customers and buyers to rate and comments the product as well as buyers can view advertisement easily. Moreover, it is trusted website and mobile application.

### C.   Channels

Company channel is eHalalCosmetics4u.com website, mobile application that users can download free. Moreover, this platform also uses the concept of Network of Mosque (Dahlan et. al, 2016; Burhan et. al, 2013) which allows all people to visit this website without specific genders or ages. Thus, these company channels use to communicate with customers segments to deliver value proposition.

### D. Customer relationship

Customer relationship block explains the type of relationships between company and customer segments by giving free registration for customer segments followed by the terms and condition stated. Next, customers are able to follow up new products or promotions via online Halal cosmetics website, Facebook page, and others social media.

### E. Key resources

Key resources are the most important assets required to make a business model work. In this company, the key resources are eHalal Cosmetics4u platform, Internet connection, developers, delivers, and IT people.

### F. Key activities

Key activities are the most important actions a company must take to operate successfully. For Online Halal Cosmetic, the key activities include develop platform, verify Halal product, practice C2C business model, the website updated frequently and partner development management.

### G. Key partners

Key partners describe the network of supplies and partners that make the business model work. In this case, the Online Halal Cosmetic partner include JAKIM, sellers, buyers, logistics, IT people, payment gateway and Network of Mosque

### H. Cost structure

Cost Structure defines all the costs and expenses that company will incur while operating *business model* because to create the good services and to make a business model work successfully. For Online Halal Cosmetic, the cost of creating and delivering the value proposition, creating revenue streams and focus on long-term customer relationships.

### I. Revenue streams

This Online Halal Cosmetic will get revenue from advertisement, percent of selling product, and extra services. Next, revenue streams is the cash that company generate from each customers segments through advertisement fees.

2. Value Proposition Design Canvas (VPC)

The value proposition is one of the strategic management and execution tools to understand the customers' needs and design the products and service according to customers' satisfaction. There are two values proposition canvases, which are for buyer and seller. These two customer segments have different need of using the application. Therefore, values proposition canvas can help the researcher figure out what are the customers' need and meet their satisfaction.

The VPC that is shown in Figure 10 is for seller. eHalalCosmetics4u system can help seller to sell their products in the platform of halal cosmetic in order to get more benefits. Moreover, the seller can increase their customer base worldwide because eHalalCosmetics4u system provide a medium for those sellers to promote and sell their halal cosmetic products.
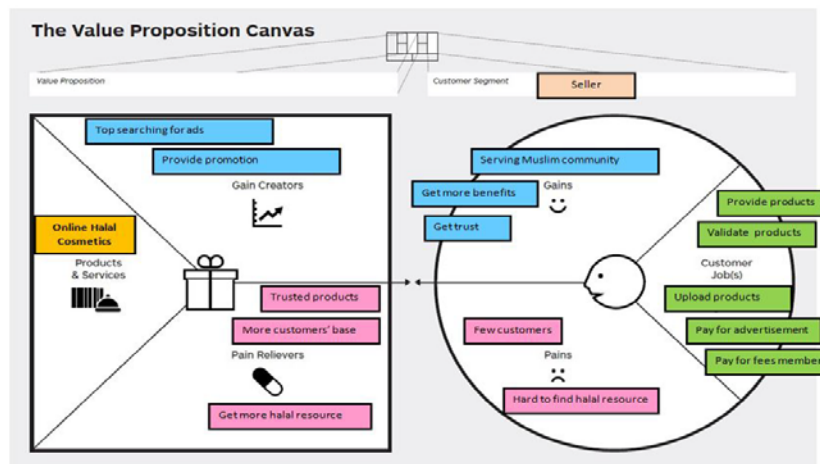


*Figure 10: Value Proposition Design Canvas for Seller*

Besides, many customers have difficulties to find trusted halal products due to many occurrences of fake halal products. eHalal Cosmetics4u application can help customers to ensure that they will get halal products that certified by JAKIM organization as shown in Figure 11. Other gain of buyer is easy payment and fast delivery. This platform will provide them not only easy payment but also secure and confidential payment. Hence, customers can purchase trusted halal cosmetic products with secure payment and short time delivery.
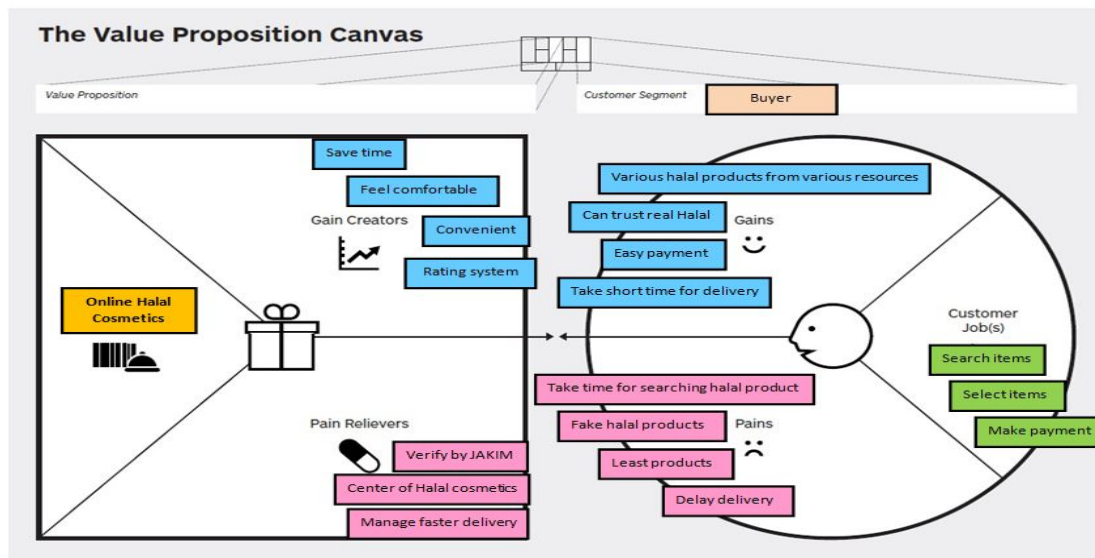


*Figure 11: Value Proposition Design Canvas for Buyer*

3.  Environment Map

Business models are designed and operated in a specific environment. For developing a good understanding of this environment results in better, more future-proof and likely more successful business models. While working with the Business Model Canvas, it is useful to elaborate more on the environment of your business. This Canvas helps you visualize the environment for your business. For Figure 12, it shows the mapping the four main forces which are key trend, industry forces, macroeconomic forces, and market forces.
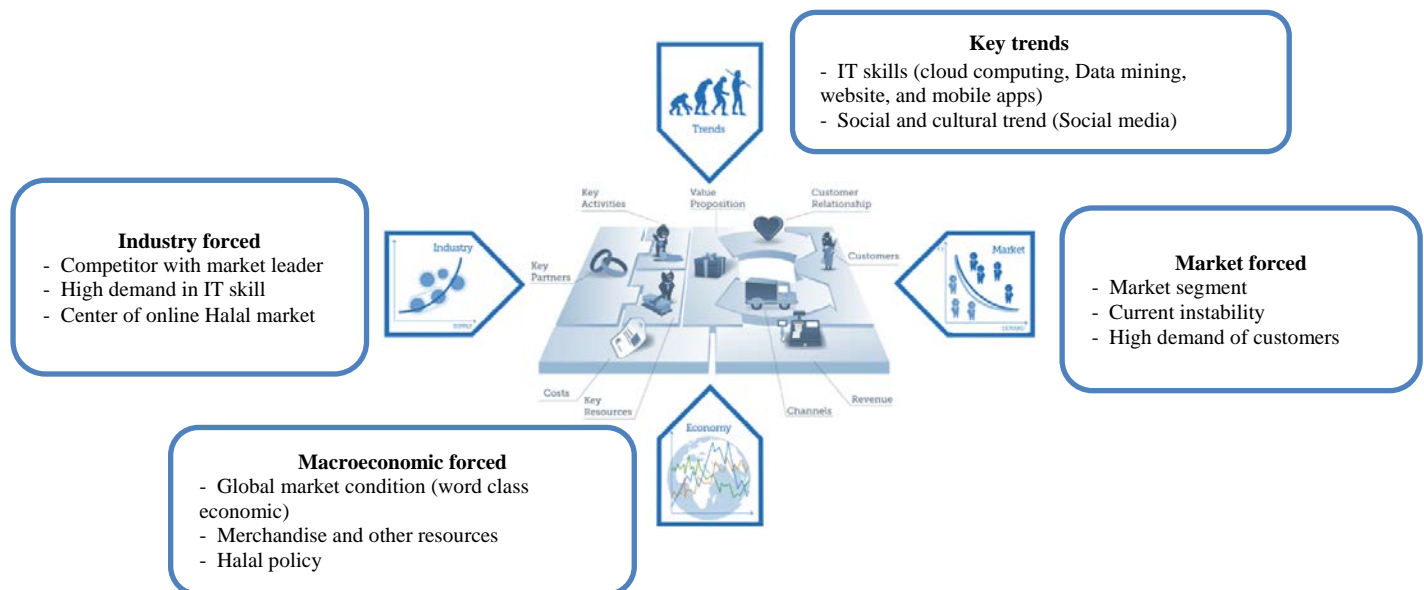


*Figure 12: Business model environment map*

4.   Strategy canvas

The comparison in term of key features of four vendors, which are Alibaba, Sephora, HalalShop and eHalal Cosmetics4u is shown in Figure 13.
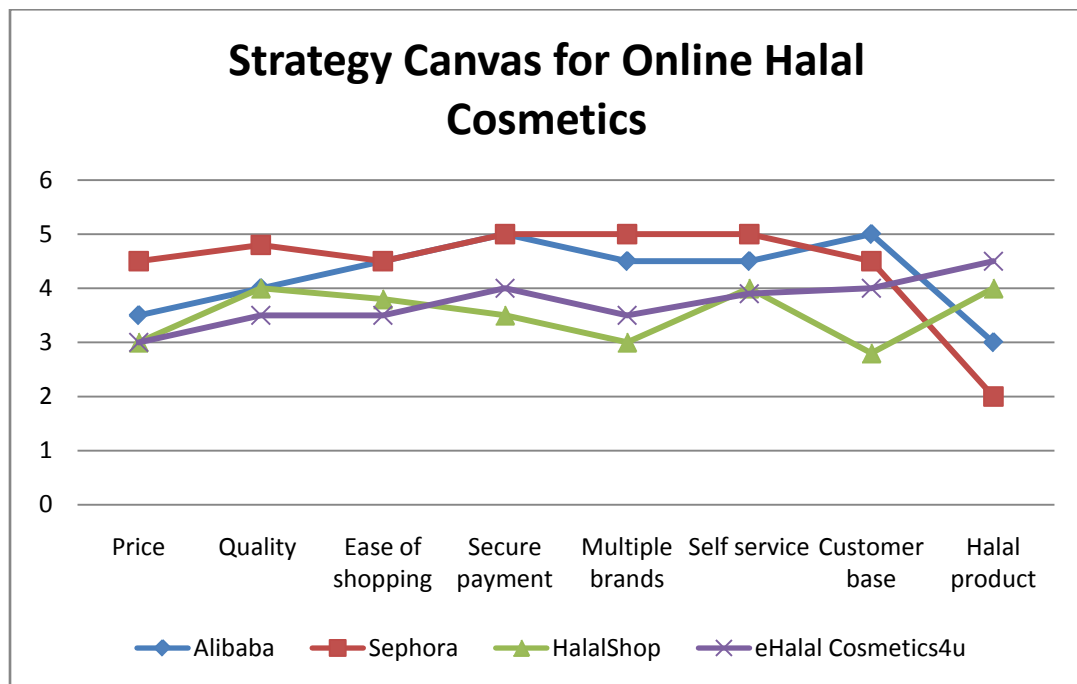


*Figure 13: Strategy Canvas*

## VIII.   CONCLUSION

In conclusion, people sometimes may have difficulties to find the real halal products especially for cosmetic products because there are many fake halal certified products selling via online. For that reason, the idea of developing platforms such as eHalalCosmetic4u is timely. eHalalCosmetic4u platform provides benefit for both buyers and seller because they can use this platform for selling and purchasing the products. The main purpose of this platform is to give a medium for sellers to sell their products and to ease buyer to find multiple halal cosmetics brands at one platform. The strategies that have been used are business model canvas, value proposition and environmental map. Thus, those ideas and strategies are useful tools for planning and developing the business successfully. For future development, the task will be moving on to the next step that is to set up the business plan in order to develop and run the business. The business plan can help the owner to clarify business idea and strategy for starting up the firm as well as propel the business to be more successful in the future.

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