ABSTRACT

Adding eco-friendly attributes to halal products raises production costs, so these products are marketed at premium prices, yet Muslim consumers' willingness to bear the price difference has rarely been examined as a sequential decision. This study analyses the effect of altruistic values and environmental concern on the willingness to accept (WTA) a price increase and the willingness to pay (WTP) for halal eco-friendly products. A two-stage contingent valuation approach was applied to 200 Muslim consumers of halal body serum selected through purposive sampling, using binary logistic regression at the first stage (n = 200) and ordinal logistic regression on the sub-sample that accepted the price increase (n = 162), with income, education level, age, and halal awareness as control variables. The results show that 81.0 percent of respondents were willing to accept the price increase, with a mean WTP of IDR 32,222, equivalent to a premium of 19.34 percent. Altruistic values and environmental concern had positive and significant effects on WTA. At the second stage, environmental concern remained positive, whereas altruistic values had a negative effect, leading to the rejection of the hypothesis. Income was significant at both stages and became the strongest determinant at the second stage, while education level, age, and halal awareness were not significant. These findings indicate that acceptance of a price increase is driven mainly by value orientation, whereas the size of the premium is driven mainly by consumers' financial capacity.

Keywords: *altruistic values, environmental concern, willingness to accept, willingness to pay, halal eco-friendly products, contingent valuation*

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