

The role of Halal Certification in increasing sales of Micro, Small, and Medium Enterprise Products in Belitung Regency

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ABSTRACT

The halal aspect has become a global trend and a necessity for people around the world. Indonesia has the potential to become a future halal market. Indonesia has the resources, capabilities, capacity, and potential to be the world's halal center. Therefore, we expect the halal certification system to safeguard both safety and halalness. This research uses a qualitative method. The results of this study indicate that halal certification has a role to play in gaining consumer confidence, increasing sales, and expanding marketing. Furthermore, halal certification is a strategic step for companies to retain consumers, increase competitiveness, and add value to a product. MSME players in Belitung Regency stated that the existence of halal certification can add value and can increase sales and income after being halal certified. Indirectly, Halal certification affects and adds value to every product sold by MSME players in Belitung Regency, ensuring that consumers do not hesitate to consume food sold in the area.

ABSTRAK

Aspek halal telah menjadi tren global dan kebutuhan bagi masyarakat di seluruh dunia. Indonesia memiliki potensi untuk menjadi pasar halal di masa depan. Indonesia memiliki sumber daya, kemampuan, kapasitas, dan potensi untuk menjadi pusat halal dunia. Oleh karena itu, kami berharap sistem sertifikasi halal dapat menjaga keamanan dan kehalalannya. Penelitian ini menggunakan metode kualitatif. Hasil penelitian ini menunjukkan bahwa sertifikasi halal memiliki peran untuk mendapatkan kepercayaan konsumen, meningkatkan penjualan, dan memperluas pemasaran. Selain itu, sertifikasi halal merupakan langkah strategis bagi perusahaan untuk mempertahankan konsumen, meningkatkan daya saing, dan menambah nilai suatu produk. Pelaku UMKM di Kabupaten Belitung menyatakan bahwa dengan adanya sertifikasi halal dapat memberikan nilai tambah dan dapat meningkatkan penjualan dan pendapatan setelah bersertifikat halal. Secara tidak langsung, sertifikasi halal mempengaruhi dan memberikan nilai tambah pada setiap produk yang dijual oleh para pelaku UMKM di Kabupaten Belitung, sehingga konsumen tidak ragu untuk mengkonsumsi makanan yang dijual di daerah tersebut.



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INTRODUCTION

According to Islamic law, consumption serves the purpose of meeting basic needs and maintaining life while also reflecting one's relationship with Allah. Every act of consuming is a demonstration of remembering and honoring Allah. Not only is the prohibition of ingesting haram items grounded in rationality, but it also encompasses the spiritual, social, and environmental dimensions of the directive to consume haram and toyiban food as an act of devotion. In Islam, the central concept of consumption

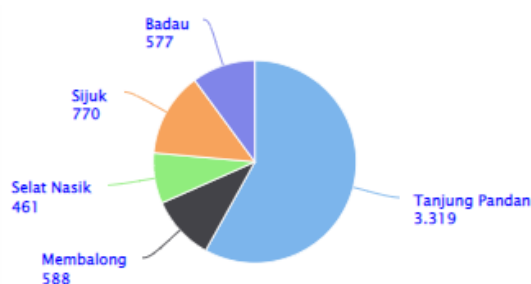
is not the primary focus of all actions. However, acquiring and utilizing consumption is necessary to achieve the highest level of obedience to Allah. Similarly, production activities serve not only to enhance material well-being and fulfill worldly objectives, but also to foster moral development as a tool to achieve spiritual aims.¹

As a Muslim, it is imperative to select halal meals and abstain from haram food without any room for compromise.² The matter of halal (permissible) and haram (forbidden) holds great significance in the perspective of Muslims, as it serves as the demarcation line between what is morally correct and what is not, and even extends to determining one's ultimate destination in the hereafter, be it paradise or hell. Muslims constantly encounter the concepts of halal and haram in every moment of their lives.

The adoption of halal practices has become a widespread phenomenon and an essential requirement for people around the world. Not only do countries with a predominantly Muslim population adopt halal practices, but also those in Europe and America. Halal plays a crucial role in the international trade of food, medicine, and cosmetics. We should implement regulations to ensure the global distribution of halal products. In the future, Indonesia has the potential to become a significant halal market.³ Indonesia possesses the necessary resources, capabilities, capacity, and potential to become the global hub for halal products. The halal certification system is essential for ensuring both safety and halal compliance.⁴

Indonesia is currently witnessing a surge in company growth in the culinary sector. As a result, companies in the culinary industry are striving to come up with innovative strategies to offer exceptional and distinctive services, aiming to attract and retain their clients. Along with the rapid progress of globalization, numerous culinary innovations have gained popularity among the local community. To attract more clients, an industry must not only offer excellent service but also consider the market share and sociological aspects of the Muslim community. This is because the halal label significantly influences people's decisions when buying a food product.⁵

The province of Bangka, in the Belitung Islands, is renowned for its immense potential. An indication of economic prosperity in Belitung Regency is the consistent annual growth of micro, small, and medium enterprises (MSMEs).⁶ Based on the KUKM survey data and the economic census conducted by the Belitung Regency Statistics Agency (BPS), there are a total of 5,715 micro, small, and medium enterprises (MSMEs) operating in this region, encompassing a wide range of business sectors. Out of the total, there are 5,501 micro and small enterprises, 150 small businesses, and 49 medium-sized businesses operating in Belitung Regency, offering a wide range of products. Below is a detailed analysis of micro, small, and medium enterprises (MSMEs) in Belitung Regency:



¹ Zulham, *Peran Negara Dalam Perlindungan Konsumen Muslim Terhadap Produk Halal* (Jakarta: Kencana, 2018), 8.

² Eliza Mahzura Nasution and Ummi Azhany Husna Nasution, "Konsumsi Makanan Halal Dan Haram Dalam Perspektif Al-Qur'an Dan Hadis," *Jurnal Ilmu Komputer, Ekonomi Dan Manajemen* 3, no. 2 (2023): 2783.

³ Sitti Saleha Madjid, "Analisis Peluang, Tantangan, Dan Strategi Industri Halal Di Indonesia (Pada Masa Pandemic Covid-19)," *Jurnal Kajian Islam Kontemporer* 13, no. 1 (2022): 19.

⁴ Muhammad Nusran, *Manajemen Penjualan Sistem Halal Produk Ayam Potong* (Makassar: CV. Nas Media Pustaka, 2019), 1.

⁵ Moh Nasuka, "Peningkatan Loyalitas Pelanggan Melalui Kepuasan Pelanggan Dengan Layanan Inti (Suatu Pendekatan Konsep Islamic Marketing)," *Jurnal Syariah Dan Hukum Diktum* 15, no. 2 (2017): 196.

⁶ Muhamad Hijran and Dini Oktariani, "Peran Provinsi Kepulauan Bangka Belitung Dalam Pengembangan Sistem Ekonomi Kerakyatan Saat Pandemi Covid-19 Menurut Undang-Undang 1945," *Jurnal Profit: Kajian Pendidikan Ekonomi Dan Ilmu Ekonomi* 8, no. 2 (2021): 99.

Figure 1. Number of MSMEs in Belitung Regency

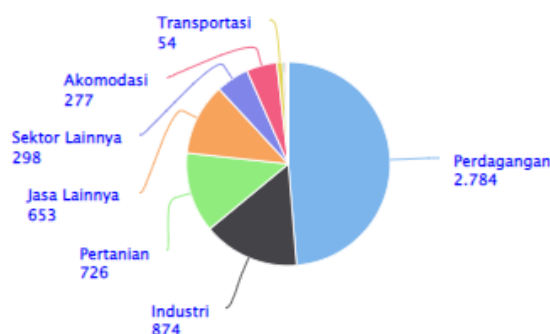


Figure 2. MSME Business Sector in Belitung Regency

Figure 1 clearly shows that microenterprises make up the majority of firms in Belitung Regency, with small and medium enterprises following closely behind. The small, micro, and medium enterprises (SMMEs) in Belitung Regency have seen consistent annual growth, contributing to the success of the regional economy and serving as a significant source of employment, thus helping to alleviate the unemployment rate. The abundance of readily available knowledge and the potential for significant profits encourage individuals to pursue MSME roles. Occasionally, individuals in business disregard government laws, such as those pertaining to halal products.

Despite the increasing growth of MSMEs in Belitung Regency, a significant number of them have yet to obtain halal certification for their products. Various factors, including a lack of understanding about the significance of halal labeling and its impact on business operations, contribute to the low awareness among MSME business actors about obtaining halal certification for their products. Halal certification has a significant impact on sales volume, resulting in a rise in revenue.⁷ This demonstrates the importance of halal certification for the community, particularly the Muslim population, as well as its significant impact on commercial entities in boosting sales.

Given the information provided in the background description, the researcher intends to carry out a study titled "The Impact of Halal Certification on the Sales Growth of Micro, Small, and Medium Enterprise Products in Belitung Regency."

METHODS

This study employs a qualitative methodology. Qualitative research encompasses several methodological approaches used to investigate the natural and scientific aspects of social life.⁸ This study subjects the gathered information to qualitative analysis. We can obtain information through several means, including transcripts of interview outcomes, field notes, and documents, as well as social materials like images, videos, and online resources. These sources provide insights into the lives of individuals and communities.⁹ This study focuses on examining micro, small, and medium enterprises (MSMEs) in Belitung Regency.

The data sources used in this study are only primary data. We collect primary data through first-hand observations and interviews. The interview method was the initial data collection approach used in this research. The second method is the documentation method. The documentation department is

⁷ G. W. Qomaro, Hammam, and Nasik K. H, "Pemberdayaan Usaha Mikro Kecil Dan Menengah Sektor Pangan Dalam Meningkatkan Perekonomian Lokal Melalui Pendampingan Sertifikasi Halal Di Kecamatan Tengah Bangkalan," Jurnal Ilmiah Pangabdhi 5, no. 2 (2019): 137.

⁸ Rahman, "Teacher's Strategy for Teaching Students' Akhlakul Karimah."

⁹ Sugiyono, *Metodologi Penelitian Bisnis Pendekatan Kuantitatif, Kualitatif, Kombinasi, R Dan D* (Bandung: Alfabeta, 2018), 424.

seeking data pertaining to objects or variables in the form of written records, transcripts, books, meeting minutes, agendas, and similar sources.¹⁰

FINDINGS AND DISCUSSION

This study employs a qualitative methodology. Qualitative research encompasses several methodological approaches used to investigate the natural and scientific aspects of social life. This study subjects the gathered information to qualitative analysis.¹¹ We can obtain information through several means, including transcripts of interview outcomes, field notes, and documents, as well as social materials like images, videos, and online resources. These sources provide insights into the lives of individuals and communities. This study focuses on examining micro, small, and medium enterprises (MSMEs) in Belitung Regency.

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The importance of Halal certification lies in its direct correlation with Muslim consumers' welfare and security. A product only receives the Halal mark once the business actor confirms or proclaims its permissibility for consumption by Muslim consumers. Undoubtedly, the question of halal and haram is a common concern for Muslims when it comes to the selection and consumption of permissible food. It is incumbent upon every Muslim to carefully choose the food they wish to consume, as per Islamic teachings. Islam strictly prohibits Muslims from consuming anything other than halal food.

The government, in collaboration with the House of Representatives, has formulated Law Number 33 of 2014, which pertains to the assurance of halal products. Government Regulation Number 31 of 2019, which outlines the implementation guidelines for Law Number 33 of 2014, further elaborates this law. The design of these regulations upholds the principles of protection, legal certainty, justice, effectiveness, accountability, transparency, efficiency, and professionalism. Additionally, the Minister of Religion issued Decree No. 982 of 2019. As stated in Law Number 33 of 2014, Government Regulation Article 2 Number 31 of 2019, which deals with the Halal Product Guarantee (JPH), mandates halal certification for items imported, circulated, and traded in Indonesia.¹²

The Indonesian Ulema Council (MUI) issues the Halal Certificate, an official declaration that confirms a product's compliance with Islamic law and its halal status.¹³ MUI issues the Halal Certificate as proof that a product is more than just halal. Law 69 of 1999, specifically Article 11 Paragraph 2, mandates that the Minister of Religion establishes guidelines and procedures for the examination mentioned in paragraph 1, considering the recommendations of religious institutions with expertise in this area. Products that possess Halal certificates might offer additional benefits, not only in terms of health but also in terms of economic worth. The Ministry of Religion's "Halal Certificate Guidelines" define halal items as those that meet Islamic law's criteria for halalness. This product is free from pork and any pig-derived substances. This product doesn't contain any substances considered haram, like those derived from human organs, blood, or feces. We source all ingredients from animals slaughtered in accordance with Islamic dietary regulations. We prohibit the use of any storage areas, places of sale, processing areas, or management and transportation locations for pork and/or other non-halal

¹⁰ Mamik, *Metodologi Kualitatif* (Sidoarjo: Zifatama Publisher, 2015), 104.

¹¹ Mei le et al., "PKM Pendampingan Kewirausahaan Bagi UMKM Belitung Sebagai Upaya Mendukung Sustainable Tourism," *Jurnal Bakti Masyarakat Indonesia* 5, no. 1 (2022): 4.

¹² Rachmaniah, "Sertifikasi Halal Pada Produk Makanan Dan Minuman Memberi Perlindungan Dan Kepastian Hukum Hak-Hak Konsumen Muslim," *Jurnal Ekonomi Dan Bisnis Islam* 7, no. 3 (2019): 161.

¹³ Lilik Erliani and Cucu Sobiroh, "Studi Komparasi Fatwa MUI No: KEP-018/MUI/I/1989 Dan Undang-Undang Nomor 33 Tahun 2014 Tentang Ketentuan Jaminan Produk Halal," *Jurnal Hukum Dan Ekonomi Syariah* 2, no. 2 (2022): 17.

commodities. If these areas are ever used for pork or any other non-halal products, they must be cleaned in accordance with Islamic law. All non-alcoholic foods and beverages.

The purpose of the halal label is to safeguard Muslim consumers by ensuring that they have access to products that comply with the requirements of Sharia law. We achieve this by providing accurate, transparent, and comprehensive information regarding the quantity, composition, and quality of a product. Consumer protection regulation aims to govern the rights and responsibilities of consumers and businesses, as well as the obligations to uphold these responsibilities. The assurance of halal items for the Muslim population undoubtedly provides solace in their religious practices, as adherence to halal standards in consumable goods profoundly impacts a Muslim individual's everyday existence and spiritual journey.

In order to ensure that every Muslim adheres to their religious beliefs, it is the responsibility of the state to offer protection and assurances on the halal status of products consumed and utilized by the community. Ensuring the authenticity of halal products should adhere to the principles of safeguarding, fairness, legal clarity, responsibility, transparency, effectiveness, efficiency, and professionalism. Therefore, the purpose of ensuring the execution of halal products is to provide the community with convenience, protection, and assurance about their accessibility for consumption and utilization, while also boosting the value proposition for business entities involved in their production and sale.

There is no guarantee that many community products are halal. However, the existing laws and regulations pertaining to the regulation of Halal items have failed to offer definitive assurance and legal protections for the Muslim population. Hence, it is imperative to establish a single, comprehensive piece of legislation that governs the regulations pertaining to JPH. The scope of this legislation should include products such as food, beverages, drugs, cosmetics, chemical products, biological products, genetically modified products, and goods used by the community.

MSME businesses in Belitung Regency aim to assure consumers of the halal status of their products by displaying the halal logo from MUI and providing detailed information about the materials used in their processed products. Halal certification is crucial for products produced by business actors, as it ensures the proper implementation of halal product guarantees. This certification also has implications for enhancing the quality and competitiveness of halal products.

The aim is to ensure that the community has access to halal items that are both comforting and secure, while also prioritizing safety and availability. MSME actors engage in customer service activities, including greeting, smiling, and displaying friendliness while presenting products. Express gratitude as the consumer completes their payments, and be open to receiving feedback and critiques from consumers following their product consumption. By showcasing their halal certification from MUI, MSME actors successfully convince clients of the authenticity and quality of their products.

Halal Certification possesses a distinctive selling point (USP) or unique selling proposition, which is a marketing idea that sets it apart from other products. Halal certification enhances a product's unique selling proposition (USP). To clarify, halal-certified products have a competitive advantage that elevates their perceived value in the eyes of consumers. Products that are already labeled with a halal logo on their packaging have a distinctive selling point as a unique marketing technique and have a favorable perception among consumers.

Halal certification offers a competitive edge, as the concept of halal has expanded beyond its religious connotation and become a key aspect of global commerce. Halal values encompass the notions of sacredness, cleanliness, purity, ethical conduct, accountability, and integrity. Halal products have gained recognition for their adherence to the principles of sharia law as well as their commitment to safety, nutrition, health, animal welfare, suitability, and environmental sustainability. The primary purpose of halal labeling is to assist consumers in selecting items without any doubt or uncertainty. Typically, any Muslim individual will perceive a product bearing a halal label as an assurance of its safety for consumption. By offering this guarantee, the market expands beyond local borders and offers a significant opportunity to reach the wider Muslim market. Halal can serve as a universal marketing tool and strategy.

It is important to establish a unique selling point (USP) for commercial entities engaged in the production or sale of halal products to enhance added value. MSME players in Belitung Regency have expressed that obtaining halal certification can offer an additional advantage and boost sales and income. The prevalence of Islam in Belitung Regency makes the halal certification of the goods a persuasive factor for consumers.

The Halal certification indirectly impacts and enhances the value of all products offered by MSME businesses in Belitung Regency, thereby fostering consumer confidence to purchase food from the area. Halal-certified products offer additional benefits, not just in terms of health but also in the economic sector. Halal certificates enhance competitiveness by serving as effective marketing tools. On the other hand, halal-certified products can provide substantial economic advantages.

CONCLUSION

The role of Halal certification is to establish consumer trust, enhance sales, and broaden marketing efforts. Furthermore, firms deliberately seek halal certification to retain their customer base, boost their competitiveness, and add value to their products. The halal label or halal certification has a beneficial effect on boosting profitability, expanding the worldwide market, and creating export opportunities for commercial entities, particularly small, medium, and large enterprises in Belitung Regency.

MSME players in Belitung Regency have expressed that halal certification can offer an additional advantage and boost sales and income. The prevalence of Islam in Belitung Regency makes the halal certification of the goods a persuasive factor for consumers.

Halal certification indirectly impacts and enhances the value of all products offered by MSME companies in Belitung Regency, ensuring that customers have no reservations about consuming food sold in the area. Halal-certified products offer additional benefits, not only in terms of health but also in the economic domain. Halal certificates enhance competitiveness by serving as effective marketing tools. On the other hand, halal-certified products can provide substantial economic advantages.

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