



## Halal Certification as a Development Strategy: Insights from Dapur Reuni for Micro-Enterprise Competitiveness

Tri Utami Salsabila<sup>1</sup>, Zuhri M. Nawawi<sup>1</sup>, Waizul Qarni<sup>1</sup>

<sup>1</sup>State Islamic University of North Sumatra, Indonesia

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### Abstract

In response to growing consumer awareness of halal products and increasingly competitive markets, halal certification has emerged as a vital strategy for micro, small, and medium enterprises (MSMEs) to enhance competitiveness and expand market access, particularly in countries with a predominantly Muslim population, such as Indonesia. This study aims to explore in-depth how the implementation of halal certification contributes to the development of micro businesses by focusing on a case study of Dapur Reunion, an MSME operating in Medan City, Indonesia. Employing a qualitative approach and case study strategy, this research investigates processes, strategies, and impacts of halal certification through in-depth interviews, participatory observation, and document analysis involving business actors and their operational environments. The interviews were conducted with five respondents, including Dapur Reuni business actors and loyal consumers who consistently purchase products from Dapur Reuni MSMEs in Medan City. The findings reveal that halal certification plays a significant role in building consumer trust, strengthening brand image, widening market reach, and promoting innovation and operational efficiency. Additionally, the certification process encourages business owners to implement more structured production standards and maintain sustainability through consistent internal monitoring. The primary contribution of this study lies in providing empirical evidence on post-certification strategic dynamics from the perspective of MSME actors, which remains underexplored in existing literature. These findings are expected to serve as a practical reference for other MSMEs and inform policymakers and support institutions in developing a more inclusive and sustainable halal certification ecosystem.

**Keywords:** *Halal Certification, MSME Development, Competitiveness Enhancement Strategy, Dapur Reuni, Market Access, Business*

### INTRODUCTION

Every year, the growth of MSMEs in Indonesia experiences very rapid growth, with MSMEs absorbing more than 90% of the total workforce in Indonesia, dominated by young people and women. Halal MSMEs play a pivotal role in supporting national economic growth by generating employment across diverse business sectors, while also demonstrating notable resilience in facing various crises. The global rise in demand for halal products corresponds with the growth of the Muslim population, positioning Indonesia, with the world's largest Muslim demographic, as a particularly promising market for halal products.

The concept of halal is a core principle that guides consumption patterns among Muslims, as it reflects compliance with religious norms and values that influence daily practices, including food choices. At the same time, many non-Muslim consumers also choose halal products because the certification process guarantees safety, nutrition, hygiene, and quality, while also minimizing the risk of contamination. Although the concept of halal is often associated solely with food consumption, its application extends to non-food sectors such as processing, packaging, storage, and distribution (Pohan & Marliyah, 2022), making the adoption of halal practices by MSMEs essential for fostering innovation, enhancing competitiveness, and ultimately contributing to economic growth and community welfare in Indonesia (Ritonga & Qarni, 2022).

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Corresponding author's email: [triutamisalsabila@gmail.com](mailto:triutamisalsabila@gmail.com)

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Hasibuan et al. (2023) highlights that intense competition in the MSME sector has accelerated business growth, and in the context of globalization and rising consumer awareness of halal products, obtaining halal certification has emerged as a strategic tool for the development of MSMEs, particularly in Muslim-majority countries such as Indonesia. This strategy emphasizes creating added value for customers and aligning with market demands, including preferences related to taste, quality, religious compliance, and other factors (Naibaho et al., 2021), with the ultimate goal of enhancing business competitiveness and fostering opportunities for sustained operations (Alharani et al., 2024). Its implementation is essential for MSMEs to achieve long-term business sustainability (Berutu & Aslami, 2024), while halal certification plays a key role in addressing public concerns by establishing clear standards for halal products (Fuadi et al., 2022).

Halal-certified products are not only associated with adherence to religious teachings but are also considered an indicator of cleanliness, safety, and high quality. With the world's largest Muslim population, Indonesia has great potential to become a global hub for the halal industry. However, realizing this potential still faces various structural challenges, including low penetration of halal certification among MSMEs. Law Number 33 of 2014 concerning Halal Product Assurance (UU JPH) requires all food and beverage products to have halal certification. However, implementation remains uneven in the small business sector, which is the backbone of the national economy (Mellita & Apriyadi, 2020).

The apparent gap between the significant potential of the halal market and the reality on the ground highlights the urgency of more in-depth research into the practice of implementing halal certification in the MSME sector. Many MSMEs remain confused about the application procedures, costs, and sustainability of the certification process, despite increasing awareness of its importance. Previous research also indicates that most MSMEs have not yet obtained certification due to a lack of understanding of the economic and strategic benefits of certification (Anggriani et al., 2022). On the other hand, some MSMEs have successfully adopted halal certification and achieved significant benefits in terms of competitiveness, efficiency, and market expansion (Awirya et al., 2024). Therefore, it is important to explore these case studies as best practice models that other MSMEs can replicate.

According to the latest data, millions of MSME products in Indonesia lack halal certification. Specifically, approximately 7 million MSME products are not halal certified. The Ministry of Cooperatives and SMEs noted that this figure falls far short of the target of 10 million halal-certified MSMEs. In the Indonesian context, with 64.2 million MSMEs, the economic losses resulting from the lack of halal certification can significantly impact the national economy. Therefore, the government and relevant institutions need to increase awareness and support to assist MSMEs in obtaining halal certification in Indonesia.

The significance of this case study warrants further examination. Dapur Reuni is presented as a successful model, highlighting the potential importance of halal certification for MSMEs and policymakers alike. Despite growing global demand for halal products, the lack of certification among Indonesian MSMEs represents a potential risk that may require prompt governmental attention. Dapur Reuni is a food brand that focuses on producing snacks made from tubers and vegetables with unique, authentic flavors. Carrying the theme of togetherness, the brand positions itself as a provider of dishes for reunion events, designed to create a warm and intimate atmosphere while bringing back memories of shared past experiences.

Conceptually, this research is based on the theory of business development strategy and the concept of halal certification as a competitive advantage instrument. Halal certification can be understood as part of a product differentiation strategy within Porter's competitive advantage framework, where added value stems not only from price but also from consumer perceptions of quality assurance and sharia compliance. Furthermore, halal, as a form of ethical labeling, also has

implications for customer loyalty and long-term business sustainability (Maghfirah & Maghfirah, 2022). Rogers' innovation adoption theory is also relevant in explaining how MSMEs adopt halal certification innovations in response to market pressures and public policy (Effendi, 2023).

Based on this background, this article aims to answer the central question: how can the practice of implementing halal certification be an effective strategy in the development of MSMEs, particularly in increasing the competitiveness, sustainability, and market expansion of micro-enterprises such as Dapur Reuni? The main objective of this study is to identify and analyze the urgency of halal certification and examine its implications for the development of micro-enterprises based on a case study in Dapur Reuni, Medan. By using a qualitative approach through observation and interviews, this study is expected to capture the social dynamics and business strategies implemented by MSMEs in facing the increasingly competitive and religious market realities.

In this context, the way MSMEs respond to halal certification policies is often shaped by theological considerations and ethical awareness, reflecting a balance between market demands and value-driven decision-making. At the same time, there is a view that such policies may sometimes be influenced more by economic motives than purely religious or ideological ones. The effectiveness of policy implementation also depends on how far these measures gain acceptance among MSMEs, since acceptance is closely tied to broader public support. Compliance with certification requirements alone does not necessarily indicate genuine support; meaningful policy outcomes require not only compliance but also active endorsement and commitment from the business community.

A frequently encountered issue regarding halal certification is that halal certification for MSMEs in Indonesia faces various challenges, ranging from a lack of understanding among business actors, high costs, and the complexity of the certification process. Furthermore, issues related to the self-declaration policy are also prone to abuse and a lack of oversight. Despite self-declaration programs aimed at simplifying the process, some businesses still consider the halal certification process complicated. The required documents, inspection steps, and costs are significant obstacles. For MSMEs unfamiliar with digital systems, the entirely online certification application process also presents challenges.

Beyond shaping consumer interest, halal certification offers tangible benefits for both businesses and consumers, underscoring the importance of a deeper, more comprehensive understanding of its implications. This research adds a practical dimension to the literature, which has mainly been normative or regulation-based (Sujibto & Fakhruddin, 2023) and fills the gap in field studies that describe how micro-entrepreneurs integrate halal standards into their sustainable business strategies. This article also provides strategic recommendations that can be implemented by other MSMEs in the halal certification process and serves as an important reference for policymakers and MSME support institutions in designing interventions that are more adaptive to the needs of business actors in the field (Hulwati et al., 2025).

## LITERATURE REVIEW

### Development Strategy

One of the main conceptual foundations in this study is the theory of business development strategy developed within the framework of competitive advantage, which emphasizes the importance of differentiation and positioning in creating sustainable market advantage. In the context of MSMEs, the implementation of halal certification can be positioned as a strong differentiation strategy because it provides added value based on Muslim consumers' trust in the quality and halalness of the product (Ma'arif et al., 2024). In addition, the maqashid sharia approach is also widely adopted in contemporary studies to analyze halal certification, where halalness is not only a normative compliance but also part of protecting the fundamental values of Muslim

consumers, such as safety, honesty, and business sustainability (Bella, 2024). The relationship between the maqasid sharia and competitive advantage lies in how sharia principles, which focus on the welfare of the people, can serve as the basis for creating added value and competitiveness in various sectors. Maqasid sharia, which encompasses the preservation of religion, life, intellect, posterity, and wealth, serves as the foundation for the development of products, services, and business strategies that are ethical, sustainable, and oriented toward the common good. Thus, the application of maqasid sharia can generate a competitive advantage based on strong moral and social values.

The MSMEs sector has emerged as a highly dynamic economic sector in recent decades. MSMEs play a pivotal role not only in generating substantial employment opportunities with relatively low capital requirements compared to large industries but also in promoting the industrialization of rural areas, thereby reducing regional disparities and contributing to a more equitable distribution of national income and wealth. Serving as complementary units to larger industries, MSMEs make significant contributions to the country's socio-economic development. However, due to generally low competitiveness in the global market, their sustainability often relies on the support of external stakeholders, particularly the government. In response, the Indonesian government has implemented various policies aimed at enhancing the competitiveness of MSMEs.

The development of MSMEs aims to address various challenges and problems faced by MSMEs, thereby creating more competitive MSMEs in the national and international markets, which is a shared responsibility between the government and the community. This can be initiated with government efforts as follows: a) Creating a conducive business climate through efforts to simplify business licensing procedures, and tax relief, to encourage people to want to become entrepreneurs themselves. Government capital assistance By opening access to capital for the community, this will help overcome one of the problems of MSMEs, namely in terms of capital, 3) Business protection is carried out by simplifying the requirements and procedures for applying for business permits, 4) Training is an effort to improve the quality of human resources, and 5) Socialization is the process of instilling habits or rules in a group.

### **Halal Certification**

Empirical studies on the impact of halal certification on strengthening MSMEs show significant results in various aspects. Several studies indicate that halal certification increases consumer trust and loyalty, strengthens brand image, and opens up market expansion opportunities, especially in Muslim-majority consumer environments such as Indonesia (Maghfirah & Maghfirah, 2022). Halal regulations have been mandated nationally, the majority of MSMEs still struggle to understand the certification mechanisms and procedures, requiring intensive mentoring to accelerate their adoption. In another study, the use of halal tracking systems and self-declared certification schemes has also proven effective in increasing the transparency and competitiveness of MSME products (Sa & Erawati, 2024).

While numerous studies have addressed the economic benefits of halal certification, a research gap exists in understanding the dynamics of implementation at the micro-enterprise level, particularly in specific local contexts such as Dapur Reuni. Most previous studies have used quantitative or normative approaches, and few have explored the direct experiences of MSMEs in the halal certification process through qualitative approaches and case studies. For example, a study by Mellita and Apriyadi (2020) focused primarily on business actors' perceptions and motivations toward halal certification without delving into the operational dynamics and post-certification strategies in the actual business context. This gap indicates the need for further exploration of best practices, real-world challenges, and adaptive strategies employed by certified MSMEs.

This article aims to address this gap by presenting an in-depth case study of Dapur Reuni, an MSME in Medan that has integrated halal certification as part of its business development strategy. Using a qualitative approach, this article highlights the business's internal dynamics, post-certification innovation strategies, and consumer perceptions of product halalness. The contribution of this research is to provide a more contextual and applicable empirical understanding of how halal certification functions not only as a tool of religious legitimacy but also as a driver of sustainable business growth and adaptation to local market challenges (Nazli et al., 2022).

In previous literature, the dominant methodological approach tends to utilize quantitative survey-based data, focusing on consumer perceptions or business actors' intentions to undergo certification. For example, a study by Santoso et al. (2021) combined quantitative and qualitative approaches to analyze the correlation between perceived costs and certification intentions; however, the study did not explore post-certification strategic aspects (Santoso et al., 2021). Meanwhile, a phenomenological approach has begun to be used in recent studies highlighting the challenges faced by MSMEs in terms of regulation, human resources, and funding (Nugraha et al., 2024). This research seeks to complement these approaches with a more in-depth qualitative case study, allowing for exploration at the levels of process, experience, and managerial strategy.

Based on the conceptual synthesis above, it can be emphasized that halal certification in the context of MSMEs is not only an issue of sharia compliance but also an integrated business strategy that strengthens competitiveness, market expansion, and operational sustainability. In this regard, the theory of competitive advantage, the maqashid sharia approach, and empirical narratives from Dapur Reuni's practices provide a strong foundation for building a relevant and applicable analytical framework. This framework will then serve as the basis for developing a research methodology, which will guide systematic, directed, and contextual field exploration by the characteristics of qualitative case study research.

## RESEARCH METHODS

This research uses a qualitative approach with a case study strategy focusing on the Dapur Reuni MSME in Medan City. The case study strategy was chosen to provide an in-depth and contextual understanding of halal certification practices and their impact on micro-enterprise development. This approach allows for exploration of the phenomenon in its natural setting and allows for interpretation of the social dynamics and business strategies employed by the research subjects (Izzah et al., 2023).

This study employed both primary and secondary data. Primary data were collected through direct observation of business activities and semi-structured interviews with ten participants: five individuals involved in Dapur Reuni's operations and five loyal consumers who consistently purchase and support its products. Participants were selected using purposive sampling to ensure they met specific criteria relevant to the research objectives, rather than being randomly chosen. The unit of analysis is Dapur Reuni, representing an MSME that has implemented halal certification and demonstrated notable business growth in terms of market size, product diversity, certification history, and overall trajectory. The business owner serves as the primary informant due to their in-depth knowledge of business strategy and the halal certification process, while supporting informants, including regular customers and local community leaders, provide perspectives on the business's reputation and impact within the surrounding area. Qualitative data analysis followed a systematic process comprising data collection, data reduction, data presentation, and conclusion drawing.

In the process of collecting data, observations and interview were conducted at the product production and distribution locations, with interviews specially designed to explore understanding,



experiences, and perceptions of the halal certification process and its impacts, while secondary data were obtained from official business documents, government publications, and relevant scientific literature to strengthen data interpretation and triangulation (Purborini, 2024).

The study employed interview guidelines informed by key issues in the halal certification literature, alongside observation sheets to document behaviors, production processes, and interactions between business participants and consumers. Supplementary documentation, including photographs of production activities, halal certificates, marketing brochures, and interview recordings and transcripts, was used to enrich the data. Data validity was ensured through methodological and source triangulation. Observations and face-to-face interviews were conducted at the Dapur Reuni MSME site, with each interview lasting approximately 10 minutes, audio- and video-recorded, and subsequently transcribed in Indonesian. Rapport was established through initial observation prior to data collection, which took place during working hours in a quiet setting. In this study, observations were conducted either before the interviews or at the same time as the interviews, depending on the context (Zaini, 2022).

The data in this study consist of primary information and statements from business actors concerning the halal certification process, its benefits, associated challenges, and strategies implemented after obtaining certification. Secondary data were drawn from relevant literature, selected based on recency (published within the last five years), open-access availability, and direct relevance to the study topic. Literature that did not include a transparent methodology or was opinion-based was excluded from the analysis. The implementation of this method is intended to offer an in-depth, comprehensive, and contextually grounded understanding of halal certification practices in MSME development, while also contributing to the advancement of methodological rigor in qualitative studies of halal certification in Indonesia (Sadiyah & Erawati, 2024).

## RESULTS AND DISCUSSION

### Research Result

This research yielded findings derived from data collection through direct observation, in-depth interviews, and documentation of Dapur Reuni's practices as a halal-certified MSME. Based on the research findings, the halal certification process at Dapur Reuni involves systematic steps, starting from raw materials, through production, and packaging. At the raw materials stage, all ingredients are selected and obtained from halal-certified suppliers and have undergone a rigorous halal inspection process, ensuring that none of the ingredients contain any haram (forbidden) elements.

Halal certification ensures the safety of Muslim consumers in choosing food that is healthy and compliant with Sharia law. Halal-certified food products meet safety and hygiene standards during processing. Halal certification ensures the safety of a product for Muslims to consume. This halal certification is evidenced by the inclusion of the halal logo on product packaging. In general, a halal approach to marketing can also neutralize negative images associated with a product by Muslim consumers.

Halal certification is important because it serves as a means of identifying products for consumers that meet halal requirements. Although halal certification is important for both producers and consumers, awareness among MSMEs regarding halal certification is still lacking, resulting in delays in obtaining halal certification. Some MSMEs still believe that their products are already halal. Furthermore, some MSMEs do not meet the requirements for halal products, and some feel they do not have the time to process halal certification. Low awareness and limited concern regarding the halal industry are among the key reasons many producers remain reluctant to pursue halal certification. For micro, small, and medium enterprises (MSMEs), additional barriers come from difficulties in fulfilling the certification requirements. Many business actors also

perceive the process as costly and complicated, which further discourages them from obtaining halal certification.

Several efforts have been made to develop MSMEs through halal certification. Generally, these strategies fall into two categories: internal and external. Among the internal strategies employed is product strategy. This strategy relates not only to the product being marketed but also to other elements or attributes associated with the product, such as brand packaging, labels, and so on. This is done to ensure the product being marketed attracts consumers.

Based on an interview with the owner of the Dapur Reuni, he said that,

*"During the production process, Dapur Reuni implements strict halal standard operating procedure (SOPs) by Sharia law. This includes processing ingredients and products to ensure cleanliness and safety, while adhering to established halal SOPs. All production steps are strictly supervised by production personnel who understand and adhere to halal principles, including ensuring the use of equipment, work areas, and processing processes to ensure they remain clean and free from contamination by hazardous materials." – Owner of Dapur Reuni*

During the packaging stage, products are packaged using halal and hygienic packaging, and are labeled to indicate that they are halal-certified by Sharia regulations and standards. Furthermore, the entire process is transparent and well-documented, ensuring the product's authenticity and halal status, by Halal SOPs and applicable Sharia provisions. Findings were derived through an open coding process and inductive categorization based primarily on the narrative provided by the main informant, the owner of Dapur Reuni, and were further corroborated with information obtained from business documents and field observations.

#### *Ease of Halal Certification Process Through Institutional Assistance*

Informants stated that the halal certification process conducted in 2014 proceeded smoothly and without any issues. The main factor contributing to this ease was the direct assistance from academics and the Indonesian Ulema Council (MUI), which facilitated understanding and document management. This reflects the important role of institutions in assisting MSMEs during the certification process, as found in a study by [Zaini \(2022\)](#) that found direct assistance from certification bodies increased the participation of small business actors.

#### *Halal Certification as a Strategy to Increase Product Value and Business Image*

Dapur Reuni identified halal certification as a strategy to enhance its brand image and expand market share. This decision was driven by the belief that the halal label adds value to the traditional food products it markets. Based on the interviews conducted, the business owner reported that following certification, their products experienced greater acceptance among Muslim consumers, particularly within the predominantly Muslim local market. A similar finding was found in a study by [Maghfirah and Maghfirah \(2022\)](#), which noted that halal certification contributes to increased credibility and professionalism of MSMEs in the eyes of consumers.

#### *Positive Impact of Certification on Consumer Trust and Market Loyalty*

Based on interviews with business owners and documentation of customer responses. It was found that halal certification significantly increases consumer trust. Customers feel safer and more comfortable consuming the product, and they are more likely to recommend Dapur Reuni products to others. Before halal certification, customers were hesitant to purchase. This finding is consistent with the study by [Sadiyah and Erawati \(2024\)](#), which emphasizes that consumer trust in halal products fosters loyalty and contributes to increased sales for MSMEs.

#### *Post-Certification Operational Strategy: Quality, Branding, and Product Innovation*

After obtaining halal certification, Dapur Reuni implemented several business development strategies focused on improving product quality and raw material hygiene, ensuring consistent production processes by halal SOPs, and intensifying branding through social media and participation in online shopping platforms. These strategies were reported to be effective in maintaining reputation and competitiveness. As demonstrated in a study by [Kurniawan \(2024\)](#), halal-certified MSMEs tend to develop more targeted quality management systems and marketing strategies to maintain halal standards and market reputation.

#### *Challenges of Sustainable Certification: Product Consistency and Halal SOP Compliance*

While there were no obstacles in the certification application process, challenges arose at the sustainability stage, namely, maintaining long-term compliance with halal procedures. Informants emphasized the need for regular monitoring of the cleanliness of equipment, raw materials, and employee discipline in adhering to halal standards. This issue was also highlighted in a study by [Sani \(2023\)](#), which noted that the sustainability of halal certification requires a robust internal monitoring system and ongoing training for human resources.

#### *Strategic Advice for Other MSMEs Who Want to Adopt Halal Certification*

Dapur Reuni business owners recommend that other MSMEs undertake thorough initial preparation, thoroughly understand certification procedures, and build a strong commitment to maintaining halal standards in their daily operations. This advice aligns with the recommendation put forward by [Izzah et al. \(2023\)](#), which states that the success of halal certification depends on the internal preparedness of business owners and the ongoing process of adapting to applicable regulations.

### **Discussion**

The results of this study confirm that it is particularly effective in strengthening competitiveness, increasing consumer trust, and expanding market reach. This aligns with the research objective of exploring how the practice of implementing halal certification is an effective strategy for the development of micro-enterprises such as Dapur Reuni. The implementation of halal certification has been shown to encourage strengthening operational quality, product innovation, and business efficiency. These findings also address the research question of how MSMEs implement post-halal certification and their development strategies in the local context.

Interpreting these findings within the framework of business development strategy theory suggests that halal certification acts as a powerful differentiation strategy in creating competitive advantage. Halal certification strengthens the perceived value of the product offered and provides ethical legitimacy in the eyes of Muslim consumers. Furthermore, from the perspective of maqashid sharia, halal practices are not only about fulfilling sharia but also about maintaining safety, quality, and business sustainability. Dapur Reuni's strict adherence to halal SOPs also reflects the application of the principle of *thayyib* in its production system, emphasizing the role of halal in maintaining consumer welfare and business continuity ([Wafiq et al., 2024](#)).

Halal certification strengthens the sustainability and consumer trust in MSMEs in Muslim-majority areas. Another study by [Sadiyah and Erawati \(2024\)](#) also supports that halal footprints and self-declared certification schemes can improve MSME performance through the integration of efficient supply chain management and increased consumer trust. In the case of Dapur Reuni, small business actors still confront structural challenges in the halal certification process, especially the short validity period and bureaucratic hurdles, which have yet to be adequately resolved.

This article's scholarly contribution lies in providing an empirical narrative of the direct



practices of MSMEs in managing halal certification as a development strategy, a topic rarely explored in previous academic studies. Unlike normative or quantitatively perceptual literature, this research provides descriptive depth through a case study approach, demonstrating how business actors internalize the process, develop post-certification operational systems, and respond to the challenges of certification sustainability in a local context. This research broadens understanding of the relationship between halal product legality and innovation, efficiency, and consumer loyalty at a micro level (Izzah et al., 2023) while also strengthening the claim that halal certification is not merely a tool for religious legitimacy but also an adaptive business strategy in the modern marketplace (Santoso et al., 2021).

The implications are particularly significant for MSME practitioners, as the findings advocate for the integration of halal certification as a strategic component rather than a mere administrative requirement. A comprehensive understanding of halal SOPs, quality control mechanisms, and trust-based marketing strategies can thus serve as a practical reference for enhancing business sustainability. Whereas for policymakers, these findings emphasize the need for bureaucratic simplification and incentives for MSMEs that adopt halal certification sustainably (Nugraha et al., 2024). This study also recommends collaboration between the government, academics, and the business community to create an inclusive and adaptive halal certification ecosystem.

Thus, this article reaffirms the important position of halal certification as a strategic instrument that not only meets the demands of religiosity but also serves as a catalyst for innovation and sustainability of MSMEs in the national and global halal economic ecosystem (Sari et al., 2023).

MSMEs play a crucial role in the development of the halal industry in Indonesia, both quantitatively and qualitatively. Their role in the Indonesian economy is significant, particularly in reducing unemployment, absorbing labor and creating jobs, and increasing household consumption, thus helping to boost the national economy. In line with this, the Indonesian government has set a strategic goal to position the country as a center of the halal industry by 2024, which underscores the importance of developing halal-focused MSMEs. Indonesia possesses several key advantages in achieving this vision, including the world's largest Muslim population of 219 million people, representing 12.6% of the global Muslim population and 87.2% of the national population, alongside a growing awareness within the Muslim community regarding the importance of a halal lifestyle.

The growing awareness among Muslim consumers regarding the significance of halal consumption has positioned halal products as a dominant trend in recent years. This transformation illustrates a global lifestyle shift often characterized as a "halal fever," shaped primarily by economic dynamics and the strengthening of religious values. The halal industry has demonstrated remarkable growth potential, with its market value projected to reach several trillion dollars in the early 2020s. In addition, the expansion of the global middle class has contributed to a notable rise in the number of Muslim travelers across the world.

Halal certification can guarantee product quality, such as ensuring that raw materials and production processes comply with halal standards. Therefore, products with a halal label are safer to consume than those without. Businesses demonstrate that their products are of high quality and guaranteed halal, as evidenced by the halal certificate issued by the Indonesian Ulema Council (MUI). A halal-certified product undergoes a comprehensive audit, from raw materials to production, according to Islamic law, ensuring that it is clean, safe, and healthy.

The halal industry places strong emphasis on certification because it plays a vital role in assuring consumer satisfaction, especially in terms of trust, safety, and hygiene. Within the foodservice sector, spiritual values and adherence to Islamic principles are central factors shaping consumer confidence and market demand, making halal certification a necessity for products aimed

at Muslim communities in Indonesia. Certification not only strengthens consumer confidence but also serves as proof of product authenticity, underscoring the urgency for clear regulations and comprehensive guidelines on halal food. Establishing a consistent and effective certification framework is therefore seen as essential, as it helps address the industry's main challenge: ensuring consumer trust while overcoming issues of standardization.

Despite its critical role, halal certification continues to face significant challenges, particularly the issue of dubious accreditation, as confirmed by this study. Some companies obtain certification from unauthorized bodies, and there have been multiple instances of counterfeit halal logos and the use of questionable ingredients. For Muslim consumers, halal extends beyond a mere branding element; it embodies a fundamental belief system and moral code that permeates everyday life, underscoring the importance of maintaining rigorous standards and authentic certification processes.

## **CONCLUSION**

This study found that halal certification plays a significant role as a development strategy for MSMEs in increasing competitiveness, expanding markets, and building consumer trust, particularly in Muslim-majority communities. The case study of Dapur Reuni shows that the certification process can be relatively easily accessed with the support of institutional mentoring and has a positive impact on reputation, operational efficiency, and customer loyalty. Post-certification strategies, such as strengthening quality control, product innovation, and optimizing digital branding, are driving factors in business success in maintaining business sustainability. These findings address the research problem formulation that halal certification, more than just normative legality, has transformed into an adaptive instrument in facing the dynamics of market competition.

This research provides a theoretical contribution to the study of religious-based MSME development, particularly through the integration of competitive advantage theory and the principles of maqashid sharia in the context of micro-enterprise practices. Practically, this research offers a halal certification-based strategy model that can be replicated by other businesses and serves as a reference for supporting institutions and policymakers in formulating a more contextual, applicable, and participatory approach. The emphasis on the direct experiences of business actors provides an important contribution to an empirical understanding of the internal dynamics of MSMEs, which has not been widely explored in the literature.

## **LIMITATIONS & FURTHER RESEARCH**

Although this study provides valuable insight into halal certification issues in MSMEs, it has several limitations. First, the research subjects were limited to a single MSME, making the findings difficult to generalize broadly. Second, the qualitative approach employed did not allow for statistical measurement of business performance improvements. Third, the primary focus only covered internal aspects of business actors without quantitatively involving external actors, such as consumers or institutional certification bodies. Further research with a multi-case comparative design or a mixed quantitative-qualitative approach could broaden the scope and validity of the findings.

In terms of practical implications, this study underscores the need to strengthen sustainable mentoring systems, streamline halal certification procedures, and integrate digital technologies into both the certification process and halal quality management for MSMEs. Further research is encouraged to conduct comparative studies across different regions or business types to improve generalizability and to evaluate the effectiveness of post-certification strategies in diverse socio-economic contexts.

As a further implication, this study recommends strengthening sustainable mentoring systems, simplifying halal certification bureaucracy, and integrating digital technology into the certification process and halal quality management of MSMEs. Future research is recommended to develop comparative studies across regions or business types to broaden the generalizability of the findings and test the effectiveness of post-certification strategy models in different socio-economic contexts.

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