

THE HALAL PARADOX: STRATEGIES FOR RESILIENT INDONESIAN FOOD MSMEs

Lailatul Qadariyah^{1*}
Sarkawi²

^{1,2}Universitas Trunojoyo Madura, Indonesia

¹UIN Sunan Ampel Surabaya, Indonesia

*¹Corresponding Email: qadariyah_82@yahoo.com

ABSTRACT – Despite the mandatory halal certification for Indonesian businesses, the anticipated benefits, such as increased product value or market share expansion, have not materialized for all enterprises. This study investigates the marketing challenges faced by halal-certified Micro, Small, and Medium-sized Enterprises (MSMEs) in the Bangkalan Regency, Indonesia, focusing on the food sector. Employing a qualitative research design with a phenomenological interpretive approach, the study utilizes data collected through interviews and document analysis from 10 MSME informants. The findings reveal three primary factors hindering their marketing efforts. Firstly, the absence of a centralized platform or marketplace specifically for halal products restricts their reach and visibility. Secondly, the COVID-19 pandemic has disrupted consumer behavior and market dynamics, posing a common challenge for all MSMEs, including those in the halal food sector. Lastly, limited public awareness and understanding of halal certification results in reduced demand for halal products. These findings highlight the need for multi-pronged interventions to support halal-certified MSMEs. This includes establishing dedicated halal product marketplaces, providing pandemic relief measures tailored to MSMEs, and implementing awareness campaigns to educate the public about the significance of halal certification. This study offers valuable insights into the marketing challenges faced by halal-certified MSMEs in a specific Indonesian context. The proposed solutions can inform policy interventions and marketing strategies to empower halal-certified businesses and promote the halal food industry.

Keywords: Halal Certification, MSMEs Marketing, Food Sector, Pandemic Impact

ABSTRAK – Paradoks Halal: Strategi untuk Daya Tahan UMKM Makanan Indonesia. Meskipun sertifikasi halal menjadi kewajiban bagi pelaku usaha di Indonesia, manfaat yang diharapkan, seperti peningkatan nilai produk atau ekspansi pangsa pasar, belum dirasakan oleh semua perusahaan. Penelitian ini mengkaji tantangan pemasaran yang dihadapi oleh Usaha Mikro Kecil dan Menengah (UMKM) yang telah tersertifikasi halal di Kabupaten Bangkalan, Indonesia, khususnya sektor makanan. Data penelitian dikumpulkan melalui wawancara dan analisis dokumen dari 10 informan UMKM dan dianalisis dengan pendekatan interpretatif fenomenologis. Hasil penelitian menunjukkan ada tiga faktor utama yang menghambat upaya pemasaran mereka. Pertama, ketiadaan platform khusus yang dapat menampung dan memasarkan produk-produk halal. Kedua, efek negatif pandemi COVID-19 yang mengganggu perilaku konsumen dan dinamika pasar, termasuk yang berada di sektor makanan halal. Terakhir, rendahnya kesadaran masyarakat akan sertifikasi halal yang mempengaruhi permintaan akan produk halal. Hasil ini menggarisbawahi pentingnya kerjasama berbagai pihak dalam mendukung UMKM bersertifikasi halal, yang mencakup pembentukan pasar khusus produk halal, penyediaan bantuan pandemi yang terukur untuk UMKM, dan pelaksanaan diseminasi tentang sertifikasi halal untuk meningkatkan kesadaran masyarakat akan pentingnya sertifikasi halal. Kajian ini memberikan input yang sangat berharga tentang tantangan pemasaran yang dihadapi oleh UMKM yang tersertifikasi halal dalam konteks Indonesia. Hal ini dapat digunakan untuk intervensi kebijakan dan strategi pemasaran bagi pemberdayaan usaha yang tersertifikasi halal sekaligus mempromosikan industri makanan halal.

Kata kunci: Sertifikasi Halal, Pemasaran UMKM, Sektor Makanan, Dampak Pandemi

INTRODUCTION

In the current economic landscape, the halal industry is experiencing exponential growth. This development is driven by several factors, including the surge in ethical consumerism, the prevalence of smartphones and technology in Organization of Islamic Cooperation (OIC) countries, increased religious awareness among the Muslim population, and the rise in the Gross Domestic Product (GDP) of OIC countries, as well as a steady increase in the Muslim populace (Dinar Standard, 2022; Rarick et al., 2012). The global Muslim population is projected to double, reaching 2.2 billion by 2030. Of this, Indonesia, boasting a Muslim population of 231,055,500, which constitutes 86.7% of its total population, is the country with the largest Muslim population globally (Al-Khraisha et al., 2021).

Indonesia harbors ambitious aspirations to penetrate the global halal market, a sector that has witnessed substantial growth not just in Islamic countries but also in nations with a Muslim minority (Ibrahim, 2018). Intriguingly, non-Muslim majority countries predominantly control halal product exports. As per the State of the Global Islamic Economy Report (SGIER) 2020-2021, the leading halal food exporters to Islamic countries include Brazil (\$16.2 billion), India (\$14.4 billion), the USA (\$13.8 billion), Russia (\$11.9 billion), and Argentina (\$10.2 billion). Meanwhile, the halal food consumer market is dominated by Muslim-majority countries. The top consumers are Indonesia (\$144 billion), Bangladesh (\$107 billion), Egypt (\$95 billion), Nigeria (\$83 billion), and Pakistan (\$82 billion) (Dinar Standard, 2022).

Indonesia has adopted the strategy of promoting halal certification for domestically produced and sold products to achieve its ambition. The Halal Product Assurance Organizing Agency (BPJPH) issues approximately 250,000 halal certificates annually, signifying the government's commitment to ensuring that products comply with halal standards (Armiani et al., 2021). Consequently, the number of halal-certified products has increased, encompassing products from urban and rural areas, including Madura.

However, despite these efforts, small and medium enterprises (SMEs) encounter challenges in marketing their halal-certified products. While previous research by Armiani et al. (2021) and Qomarudin et al. (2021) suggests that halal certification can yield added value to a product and serve as a tool for market expansion, many SMEs still experience market stagnation or



fail to expand their market after obtaining halal certification. This phenomenon, particularly evident in the Bangkalan district of Madura, prompts an examination of the sociological perspective and religiosity of the Madurese people.

While there has been extensive research into the halal market, there remains a gap in understanding why halal certification does not always translate into market expansion, particularly in areas with high religious adherence such as Madura. This research aims to fill this gap by investigating the marketing challenges of halal products in Madura and proposing alternative solutions. This study is significant as it extends beyond the context of Madura and offers insights that can be applied to other regions experiencing similar issues. Furthermore, the research introduces a novel perspective by highlighting the importance of infrastructure and facilities in the marketing process, in addition to the halal logo.

The paper structure proceeds as follows: Section 2 undertakes a thorough review of relevant literature to provide theoretical grounding and context to the reader. Section 3 delineates the research methodology, providing a detailed account of the approach and techniques used for data collection and analysis. Section 4 is dedicated to the presentation and interpretation of the research findings. Lastly, Section 5 encapsulates the conclusions derived from the study.

LITERATURE REVIEW

The Concept of Halal in Islam

The terms "halal" and "haram" are integral to the Islamic discourse as they are frequently used in various contexts within the Qur'an. Halal is typically defined as anything that is permitted by Shari'a to (i) be done, (ii) be used, or (iii) be cultivated (Kamali, 2021). Conversely, haram, the antithesis of halal, is interpreted as forbidden or disallowed. It is a concept that encompasses all that Allah Almighty prohibits, with explicit consequences for those who defy these prohibitions (Khasanah, 2020; Kamri, Ramlan, & Ibrahim, 2014).

Used widely in the halal industry, the term halal signifies that a product complies with Islamic teachings, is free from any forbidden ingredients, and is processed under Islamic rules (Bakar et al., 2021; Hermawan, 2020; Nafis, 2019; Othman et al., 2018). The packaging of such products also adheres to halal standards. The concept of halal is crucial in Islam and is often associated



with consumption. Today, this concept has expanded beyond just food and drink. In terms of consumption, there are 48 verses related to food (طعام) and as many as 38 verses related to drinks (شراب) (Yanggo, 2013; Umuri & Ibrahim, 2020). The large number of verses discussing consumption underscores its importance in human life.

Numerous studies have examined the impact of halal food. One such study suggests that halal food influences a person's morals, psychology, and intelligence (Md. Sawari et al., 2015). Other research has linked halal food to the quality of human capital (Arif & Ahmad, 2011), health (Azeez, 2013), and worship (Thabrani, 2014). Therefore, halal food is not just about cleanliness and nutrition. It encompasses more than that. However, especially among non-Muslims, the understanding and knowledge of halal food's benefits are often limited to its external aspects, such as cleanliness. The concept of halal and haram is discussed in several verses, including Surah Al-Baqarah, verse 168, which reads:

"O mankind, eat from whatever is on earth [that is] lawful and good, and do not follow the footsteps of Satan. Indeed, he is to you a clear enemy" (Qur'an, 02:168).

This verse highlights several important points. First, Allah commands all human beings, both Muslims and non-Muslims, to consume halal and *tayyib* (good) food. Second, this verse illustrates that God has prepared what is on this Earth for mankind. Third, God forbids people from following the footsteps of Satan.

Several other Qur'anic verses pertinent to this discussion include:

"Eat of the good, lawful things provided to you by Allah. And be mindful of Allah in Whom you believe" (Qur'an, 05:88).

"Now enjoy what you have taken, for it is lawful and good. And be mindful of Allah. Surely Allah is All-Forgiving, Most Merciful" (Qur'an, 08:69)

"So eat of the sustenance which Allah has provided for you, lawful and good; and be grateful for the favors of Allah, if it is He Whom ye serve" (Qur'an, 16:114).



These verses, along with others such as those found in Surah Al-Ma'idah verse 4 and Surah Al-A'raf verse 157, incorporate the terms 'halal' and 'tayyib'. The interpretation of these terms varies among scholars. Some scholars like al-Shafi'i and al-Thabari interpret 'halal' as something that is allowed, while 'tayyib' is something good, not bad, holy, and delicious. On the other hand, some believe that 'tayyib' has the same meaning as 'halal', and thus the word 'tayyib' is reinforcing. Abu Bakr ibn al-Araby, for instance, interprets 'tayyib' as something that is not only permissible but also pure, clean, and wholesome. These interpretations reflect the rich diversity of thought within Islamic scholarship.

While the Qur'an does not provide a detailed list of what is justified for consumption, a primary principle can be followed:

الأصل في المعاملة الإباحة حتى يدل الدليل على التحريمها

This principle posits that the foundational tenet of 'Muamalah' (transactions) is primarily one of permissibility until there exists demonstrable evidence to the contrary, indicating its prohibition. It allows individuals a degree of latitude in their consumption choices, provided that the items consumed do not fall within the realm of *haram*, or forbidden food. In contrast to halal food, which possesses a broad expanse of permissibility, *haram* food has been distinctly and extensively delineated by Allah, thereby considerably narrowing its domain. The Quran offers further elucidation on the subject of forbidden food or drink through numerous verses. For example, it states:

"Indeed, Allah only forbids you dead meat, blood, the flesh of swine, and that on which any other name has been invoked besides that of Allah. But if one is forced by necessity, without wilful disobedience, nor transgressing due limits, then there is no sin on him. Truly, Allah is Oft-Forgiving, Most Merciful" (Qur'an, 2:173).

Another verse provides further clarification:

"He has only forbidden to you dead animals, blood, the flesh of swine, and that which has been dedicated to other than Allah. But whoever is forced [by necessity], neither desiring [it] nor transgressing [its limit], there is no sin upon him. Indeed, Allah is Forgiving and Merciful" (Qur'an, 16:115).



These verses clearly outline the types of food that are considered haram, or forbidden, for Muslims to consume, which includes carrion, blood, pork, and animals slaughtered in the name of anyone other than Allah. However, in situations of necessity where no other option is available, and the individual does not desire to consume such things or exceed what is necessary, the consumption of these forbidden items is excused, and the individual does not bear sin for it. Haram goods can be divided into two categories: *haram li dzatihi* and *haram li ghairihi*. *Haram li dzatihi* refers to goods, food, or foodstuffs that are inherently forbidden by Islamic law. Conversely, *haram li ghairihi* refers to an object or material that is essentially halal, but the way it is handled or obtained is not justified by Islamic teachings (Kamali, 2013).

Marketing of Halal Products

Marketing, in its essence, can be construed as a societal process wherein individuals and groups fulfill their needs through the creation, provision, and exchange of goods and services of certain value (Salehudin & Mukhlis, 2010). Effective marketing techniques facilitate the market absorption of a product, necessitating the implementation of an efficacious marketing strategy.

Theoretically, a marketing strategy can concentrate on one or more of four elements: product, place, promotion, and price. The amalgamation of these elements is referred to as the marketing mix, a strategy deemed to satisfy consumers. Opting to focus on a single element, such as the product aspect, is not an unfavorable decision. For instance, a company can create a competitive advantage in a product by affixing a halal logo, likely augmenting the product's demand.

The marketing of products bearing a halal logo, commonly known as halal products, does not significantly differ from that of products without a halal logo. The key distinction lies in the incorporation of religious values in the marketing process of these products, as the concept of halal pertains not only to the production aspect but to all stages through which the product passes (Cheng, 2008). Owing to these values, halal products possess greater value than identical products without the halal logo, logically positioning them to dominate the market easily.

In addition to religious values, marketing ethics also serve as a differentiating factor. These ethics encompass three areas. First, product-related ethics stipulate that traded products must be halal and *tayyib*, useful and needed,



economically beneficial, high in added value, scalable economically and socially, and capable of satisfying the community. Second, price-related ethics dictate that production costs should be reasonable, promote healthy competition, align with the community's purchasing power, and that company margins and prices should be feasible and attractive to consumers, respectively. Third, promotion-related ethics include the introduction of goods, balanced information about the utility and qualifications of goods, means of attracting goods to consumers, and factual information based on the principle of honesty (Ibrahim et al., 2021).

METHODOLOGY

The objective of this study is to explore the challenges encountered by micro, small, and medium-sized enterprises (MSMEs) that have received Halal certification for their products, particularly concerning their marketing efforts. This research can be classified as an interpretive study within the context of the social research approach, as it seeks to comprehend social phenomena by viewing individuals as active participants (Martono, 2014). This approach forms the foundation for qualitative methods, positioning this research as qualitative often termed naturalistic research, conducted under natural conditions (Sugiono, 2017).

Qualitative research, as outlined by Creswell (2007), can be approached in five ways: narrative research, phenomenology, grounded theory, ethnography, and case studies. Within these, this study employs the phenomenological approach, which seeks to understand the meanings and interactions of human experiences under specific conditions and situations. Phenomenology, derived from the Greek word "phenomenon" meaning to show oneself, centers on individuals' perceived knowledge and experiences (Ibrahim, 2023).

Data on the marketing challenges in products with halal certificates was gathered using research instruments such as interviews and documentation. Documented data, including the number of MSMEs in Bangkalan Regency, was obtained from the Cooperatives and MSMEs Office. Based on this data, informants were selected for interviews. The study subjects were 10 small micro-business actors in the food sector in Bangkalan Regency who had halal certificates. The collected data was then analyzed using Miles and Huberman analysis techniques, which are divided into three steps: data condensation, data display, and conclusion drawing/verification.



RESULTS AND DISCUSSIONS

Micro, Small, and Medium Enterprises (MSMEs) are established based on individual initiatives and are perceived differently among people. Some view MSMEs as self-interested business units, while others see them as vital for the national economy, forming the backbone of the country's economic activity. This is due to the majority of economic businesses in Indonesia being micro, small, and medium-scale, with large-scale ones being relatively scarce (Heatubun, 2008). MSMEs provide employment opportunities, contribute to the increase in Gross Domestic Product (GDP), economic growth, and exports, and have the potential to expand exports and investments (Wibawa & Anggitaria, 2020).

MSMEs are characterized by independent management, with the owner also acting as the manager. They operate with capital provided by the owner or a small group of capital owners, and while they operate locally, some may have an international orientation. SMEs are small in terms of total assets, number of employees, and infrastructure (Kristiyanti, 2012). According to Law No. 9/1995, micro and small businesses have a net worth of at most IDR200.000.000,- excluding land and buildings for business premises, and annual sales of at most IDR. 1.000.000.000,-, belong to an Indonesian citizen, and are standalone (Nasution et al., 2018).

Given these characteristics and criteria, SMEs have the flexibility to develop their products, including deciding whether to obtain halal certification. The Indonesian government, through Law No. 33 of 2014, encourages all business actors to obtain halal certification for their products. This law is intended to motivate all business actors to certify their halal products, which are not only the implementation of Islamic religious obligations but also the fulfillment of aspects of health, safety, and comfort of traded objects in the perspective of consumer protection interests (Triyanto, 2017). Furthermore, halal certification can increase the market share of a product, enabling producers to increase their revenue (Bakhri, 2020; Khairunnisa et al., 2020; Syaifudin & Fahma, 2022). Thus, halal certification is not only related to theological aspects but also business aspects.

In the business domain, products with halal certification have a tremendous opportunity to penetrate the global market due to the high demand for halal



products worldwide. As reported by the State of the Global Islamic Economy, Islamic spending on halal products reached USD 1.27 trillion by mid-2022 and is projected to continue growing by 7.0% by the end of the year (Dinar Standard, 2022). In light of such a lucrative opportunity, it is unsurprising that Indonesia is eagerly vying for a place in this expansive market. This is particularly relevant considering the ASEAN Investment Report 2022 identifies Indonesia as the ASEAN country with the largest number of MSMEs (ASEAN, 2022). A detailed breakdown of this is provided in Table 1.

Table 1. Number of MSMEs in ASEAN Countries

| Country | Number of MSMEs (Thousands) | MSMEs as a share of formal enterprises (%) | Impact of MSMEs | | |
|----------------------------------|-----------------------------|--|-------------------------|-------------------|----------------------|
| | | | Share of employment (%) | Share of GDP (%) | Share of exports (%) |
| Brunei Darussalam | 2.6 ^a | 97.3 | 35.4 | 35.5 | 2.8 |
| Cambodia | 512.9 | 99.8 | 52.5 | 58.0 | 12.1 |
| Indonesia | 65 465.5 | 99.9 | 97.0 | 60.3 | 14.4 |
| Lao People's Democratic Republic | 133.7 | 99.8 | 82.4 | 15.7 | 14.2 |
| Malaysia | 1 226.0 | 97.4 | 48.0 ^b | 38.2 ^b | 13.5 ^b |
| Myanmar | 72.7 ^c | 99.1 | 76.0 | 69.3 | 23.7 |
| Philippines | 996.7 | 99.5 | 63.2 | 45.5 | 14.5 |
| Singapore | 279.0 ^d | 99.0 | 72.0 | 45.0 | 38.3 |
| Thailand | 3 134.4 | 99.5 | 85.5 | 35.3 | 28.7 |
| Viet Nam | 651.1 | 98.1 | 44.5 | 45.0 | 18.7 |

This data reveals that although Indonesia has the largest number of Micro, Small, and Medium Enterprises (MSMEs) in ASEAN, the export portion of these MSMEs is only 14.4%. This percentage is relatively small when compared to other countries with a large number of MSMEs, such as Thailand. Therefore, the government needs to encourage business actors to export their products and fulfill all requirements to enter the global market, including obtaining halal certification.

According to a report by Antara News, as of November 2022, there were approximately 725,000 halal-certified products from 405,000 Micro, Small, and Medium Enterprises (MSMEs) in Indonesia, out of a total of 64.2 million MSMEs¹. This aligns with the information you provided. The report also mentioned that the Halal Product Assurance Agency (BPJPH) of the Religious Affairs Ministry recorded that some 30 million products need halal certification¹. Please note that these numbers are subject to change as more



businesses obtain halal certification for their products (Antaranews.com, 2022). The competitive advantages of halal certification are as follows:

1. Authority: Halal certification indirectly guarantees that the products and services provided comply with Sharia law and that the mechanisms carried out adhere to the guidelines and standards for raw materials and production processes.
2. Confidence: Halal certification provides assurances to Muslim consumers (and other consumers who prefer halal products).
3. Competitive Advantage: Halal certification expands the market scope toward readiness to meet global needs.
4. Quality: Halal certification indicates that the product meets halal requirements and standards of hygiene and strict health practices.
5. International Acceptance: Halal certification serves as a symbol of product guarantee or identity in the export market (Hakim, 2015; Muhammad, 2020).

Currently, halal certification is an issue that has attracted the attention of many business actors in Indonesia, including in Bangkalan Regency. Although it is less than 10% of the number of MSMEs in this district, several MSMEs already have halal certification for their food products. Of the 10 people who participated in this study, most stated that the effort to certify halal was primarily initiated by facilities provided by the industry and trade office in East Java Province. They were educated about halal, and they took care of the halal certificates for their other products. The procedures for managing halal certification are as follows:

1. Business actors visit the MoRA office at the district level to register, bringing supporting documents, including NPWP, product profiles, and a halal supervisor certificate if available. The office then verifies the completeness of the forms submitted by the business actors.
2. Once the registration file for business actors is complete, it is forwarded to the MoRA office at the provincial level (Kanwil), which acts as the task force coordinator.
3. In the past, business actors were required to visit the Central BPJPH after coming from the Regional Office. However, the current process does not require a visit to the Central BPJPH first. Kanwil is authorized to issue a cover letter for business actors, which they can use to register with LPPOM.



4. Upon receipt of the cover letter, the Halal Inspection Agency (*Lembaga Penjaminan Halal-LPH*) carries out an audit and verification process.
5. After the audit or verification, the results are sent to the MUI to obtain recommendations for Halal fatwas.
6. Once the meeting at MUI is concluded, the results are sent to BPJPH to issue a Halal certificate.

The halal certification process involves three parties: BPJPH, LPPOM MUI as the Halal Inspection Agency (LPH), and MUI. BPJPH carries out the administration of halal product guarantees. LPPOM MUI conducts document adequacy checks, audit scheduling, audit implementation, auditor meetings, issuance of audit memoranda, and submission of audits. MUI, through the Fatwa Commission, determines the halal status of products based on audit results and issues MUI Halal Determination (Muhammad, 2020).

The halal certification procedure presents a formidable challenge, not least due to the time and financial costs it entails. Micro, Small, and Medium Enterprises (MSMEs) often face considerable obstacles in this regard. Consequently, it is typically those business operators with an unwavering commitment to their enterprise, faith, and nation who pursue halal certification, although their motivations may be multifaceted.

Interviews with ten MSME informants reveal three distinct attitudes toward halal certification. The first group maintains that halal certification is a critical aspect of their religious duty, irrespective of regulatory mandates. The second group believes that halal certification is indispensable for producers, as it is perceived to contribute positively to business development. The third group views halal certification as a contemporary trend that is necessary for market presence and survival.

These varying perspectives could potentially impact the consistency with which the halal status of products is maintained. The first group is likely to demonstrate due diligence at every stage of the production process to ensure compliance with halal standards. The second group may place a premium on the formal acquisition of a halal certificate, prioritizing its symbolic value. The third group, however, may lack a firm commitment to the halal concept, viewing it as a temporal trend rather than a long-term business necessity.

In Bangkalan Regency, the trade and industry office provides substantial support to MSMEs seeking halal certification. This includes education on the



significance of halal certification and various forms of assistance, with some informants even receiving financial aid. Despite this, most informants report that halal certification has not led to an increase in income, with some experiencing declines attributable to the pandemic.

Pre-pandemic, MSMEs in the district marketed their products at the IKM Center, a facility established by the Surabaya and Madura Regional Development Agency (BPWS) on the Suramadu access road. The center's strategic location was conducive to attracting customers from within and beyond Madura. However, following the pandemic and the disbanding of BPWS, the IKM Center was discontinued, significantly hampering the marketing efforts of MSMEs, including those with halal-certified products.

MSMEs have subsequently struggled to independently capture market share. While some have sought collaboration with other businesses for marketing purposes, others have placed their halal products within various centers in Surabaya. Nonetheless, these efforts have not markedly improved MSMEs' incomes, with large-scale business-to-business cooperation being the exception, albeit not universally achievable due to networking challenges.

Another issue that MSMEs in the region face is the low consumer emphasis on halal certification when making purchases. For the populace of Bangkalan and the broader Madura region, a halal logo on product packaging is not a pivotal factor in purchasing decisions. Consumers typically prioritize taste and affordability over halal certification, a trend that does not necessarily reflect a disregard for religious edicts but rather a variance in religious observances.

The Madurese society is deeply religious, adhering stringently to Islamic teachings, which are so integral to their identity that Islam and Madura are considered synonymous. A Madurese individual's faith is so central to their ethnicity that a departure from Islam is tantamount to a forfeiture of their Madurese status (Subahianto, 2004). The Madurese's interpretation of religious doctrine is influenced by their cultural traits, such as individualism without egotism (*Ejhin*), forthrightness (*gherra*), strong commitment (*Koko*), and acceptance of tenets (*saduhuna*). Such traits significantly impact their understanding of Quranic passages concerning consumption, as outlined in Al Maidah verses 3 and 90.

Al-Ma'idah verse 3 reads:



"Prohibited to you are dead animals, blood, the flesh of swine, and that which has been dedicated to other than Allah, and [those animals] killed by strangling or by a violent blow or by a headlong fall or by being gored to death and those from which a wild animal has eaten, except what you [are able to] slaughter [before its death], and those which are sacrificed on stone altars, and [prohibited is] that you seek decision through divining arrows. That is grave disobedience."

Al-Ma'idah verse 90 reads:

"O you who have believed, indeed, intoxicants, gambling, [sacrificing on] stone alters [to other than Allah], and divining arrows are but defilement from the work of Satan, so avoid it that you may be successful."

The verses delineate the types of food that Muslims are forbidden to consume. The Madurese people adhere to these prescriptions precisely as they are articulated in the verses, an approach in Islamic studies known as a textual understanding. This interpretive method leaves little room for alternative interpretations unless they are explicitly stated, embodying the characteristic of *saduhuna*, or taking things "as is." Consequently, the Madurese apply the scriptural text literally.

This method of interpretation suggests rigidity and tends to be exclusive. When the Indonesian government mandated halal certification for all products distributed within the country, business operators in Madura did not immediately comply with the requirement. They believed that their production processes were already halal, as they did not include any prohibited elements as specified in the Qur'an.

Similarly, convincing Madurese consumers to consistently check for halal logos on products they intend to purchase is challenging. They generally assume that products in the market are halal, with the exception of known forbidden items like liquor or pork. It is therefore difficult to persuade them that many products may contain these illicit ingredients and that they should be vigilant about the halal logo on packaging. The strong alignment of the Madurese with their beliefs and knowledge about halal presents an obstacle to educating them about the significance of halal certification. This low level of awareness regarding halal certification significantly affects the marketing of halal products in Madura, particularly in Bangkalan Regency.



Addressing the marketing challenges of halal products requires concerted efforts from all relevant stakeholders. The trade and industry office, for instance, should consider establishing a halal community and a dedicated marketplace for halal products. Without such support, the growth of halal product MSMEs, many of which are run by housewives with limited business networks, is likely to be stymied. The example set by the IKM center demonstrates that collective efforts can be more profitable and manageable.

In educating the public about the importance of halal certification, the involvement of various parties is crucial, particularly religious leaders known as Kyai. In the hierarchical structure of Madurese society, which includes respected figures such as *Bhuppa'* (Father), *Bhabbhu'* (Mother), *Guruh* (Guru: Kyai), and *Ratoh* (King or government), the Kyai hold a position of significant influence, often surpassing that of the government. The Kyai has the potential to shift societal perspectives from a textual to a contextual understanding, from a rigid interpretation of halal to a more philosophical comprehension of halal and its certification. Such a paradigm shift could lead to changes in consumer behavior, fostering a consumption pattern that is cognizant and sensitive to the importance of halal certification in the modern era.

The findings indicate that not all products with halal certificates automatically gain increased market share. In certain regions, such as Bangkalan Regency, the opposite is true. Several factors contribute to this issue: the absence of a centralized location for marketing halal products, the impact of the pandemic on MSMEs not only in Bangkalan but across Indonesia, and the public's low awareness of halal certification, which in turn affects the demand for halal products.

The study also implies that regardless of a product's added value, if public awareness of that value is lacking, demand for the product will not rise. This is true for halal products as well; intense guarantees of halal status in a certificate, unsupported by a robust halal ecosystem and awareness, will not increase consumer preference for halal products.

Furthermore, research indicates that halal awareness influences people's interest in purchasing halal products. Halal awareness is defined as the level of knowledge possessed by Muslim consumers regarding the identification and consumption of halal products in accordance with Islamic law. It also



encompasses an understanding of the correct slaughtering process and prioritization of halal food for consumption.

In the context of Madurese society, knowledge about halal is well-established, with a strong emphasis on consuming what is permissible. Many Madurese have received religious education, which has facilitated the internalization of religious values. However, awareness of halal certification and its contemporary importance remains a challenge. Halal awareness and certification awareness are distinct concepts; the former focuses on understanding the concept of halal itself, while the latter emphasizes understanding the significance of halal certificates.

The study further asserts that being a religious community does not necessarily equate to acceptance of all derivatives of religious rules. Differences in doctrinal interpretation may exist between the community and policymakers. Therefore, efforts to synchronize understanding must be undertaken through persuasive approaches to ensure policies are fully embraced and accepted. For the Madurese, adherence to halal consumption is non-negotiable; however, when faced with halal certification, which is not explicitly mentioned in their scriptures, acceptance of this policy is low. Education about the relationship between halal certification as a policy and the concept of halal in religion is necessary for the public to develop a comprehensive understanding of the halal concept.

CONCLUSION

The study reveals that Small and Medium Enterprises (MSMEs) in Bangkalan Regency encounter significant obstacles in marketing halal products. These challenges can be attributed to three primary factors: the absence of a specialized marketplace for halal products, the pervasive impact of the global pandemic on MSMEs, and the insufficient public cognizance of halal certification, which results in diminished demand. The findings indicate that the mere presence of a halal logo does not guarantee market success. Instead, a comprehensive approach is required to address the fundamental issues obstructing the marketing of halal products.

The implications of this study are significant for policymakers and business developers. It underscores the necessity for strategic interventions to establish centralized halal marketplaces, enhance public awareness and education regarding halal certification, and offer support to MSMEs in navigating the



post-pandemic market landscape. The research also uncovers a critical gap: the presumption that a halal logo inherently amplifies product sales is refuted, signifying an urgent need to reevaluate and investigate additional factors that may influence the marketing success of halal-certified commodities.

Considering the limitations of the study, which include its concentrated focus on MSMEs in the Bangkalan Regency and the absence of a thorough analysis of the Madurese population's awareness level concerning halal certification, it is clear that additional research is indispensable. Future studies should endeavor to expand the scope to encompass other regions on Madura Island and intensify the examination of consumer awareness and attitudes toward halal certification. Such research would not only supplement the current findings but also furnish a more comprehensive understanding of the challenges and opportunities within the halal product market.

Acknowledgments

This paper constitutes a portion of the research findings funded by the Institute for Research and Community Service (LPPM), Trunojoyo Madura University.

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