

Halal Certification and Implications for MSMEs: A Systematic Literature Review

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ABSTRACT

Research Aims: This study explores the role of halal certification in fostering business growth within the Micro, Small, and Medium Enterprises (MSMEs) sector. Addressing a gap in the literature on the impact of halal certification on MSME performance, it examines its influence on competitiveness, profitability, and market expansion.

Methodology: The research employs a Systematic Literature Review (SLR) methodology, gathering relevant articles published between 2019 to 2024 from the Google Scholar database. The PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) model is utilized to guide the collected studies' identification, selection, and filtration processes.

Research Findings: The findings indicate that halal certification significantly supports MSME operations and enhances product continuity. Consumers are more likely to purchase halal-certified MSME products, positively impacting revenue and sales growth. However, price remains a dominant factor in consumer purchasing decisions, even though halal certification is crucial for meeting Muslim consumer standards.

Theoretical Contribution: This study contributes to the literature by shifting the focus from large corporations to MSMEs. It emphasizes halal certification's economic and operational implications, highlighting its role in attracting Muslim consumers, enhancing market confidence, and fostering MSME growth and sustainability in the global halal market.

Research Limitation and Implication: The research is limited to Google Scholar studies within a specific timeframe, possibly excluding relevant findings from other sources. It emphasizes the importance of integrating halal certification into MSME strategies to meet sharia standards, enhance market performance, and provide valuable insights for policymakers and halal industry practitioners.

Keywords: *Halal Certification, Implications, MSMEs, Sharia Economic.*

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INTRODUCTION

The relevance of halal certification within the micro, small, and medium enterprise (MSME) sector has significantly risen, aligning with the rapid expansion of the global halal product market. This certification now extends beyond food and beverages to include

cosmetics, pharmaceuticals, and various other products utilized by Muslim consumers (Darmawati et al., 2023). The demand for halal-certified products continues to rise, driven by greater awareness among Muslim consumers and the growth of the Muslim population worldwide. Muslim consumers are becoming increasingly selective in choosing products that are not only of high quality but also guaranteed to be halal. As a result, many businesses, including MSMEs, are beginning to realize the urgency of halal certification as a means to enhance their product competitiveness in the market.

While halal certification holds considerable potential as a pivotal driver for market share expansion, numerous MSMEs encounter substantial obstacles in securing it. The certification process is frequently regarded as complex and cumbersome by MSMEs due to a range of contributing factors. One of the main challenges is the relatively high certification costs, which can be a burden for MSMEs with limited financial resources. Additionally, the certification process requires a considerable amount of time. Furthermore, the lack of adequate information access and minimal technical support for MSMEs in understanding and meeting halal certification requirements exacerbates the situation. Without sufficient understanding of the necessary procedures and requirements, MSMEs often struggle to ensure that their products meet the halal standards set by certification bodies. This situation poses a particular obstacle for MSMEs, especially those with limited resources, in their efforts to obtain halal certification. For MSMEs that successfully obtain this certification, opportunities to expand access to broader markets, both domestic and international, become significantly wider. Despite the substantial potential benefits, many MSMEs hesitate to apply for halal certification without adequate support, as they feel ill-equipped to tackle the existing challenges.

The existing body of literature reveals significant gaps, particularly a scarcity of comprehensive research examining the influence of halal certification on the business performance of MSMEs. Much of the existing research focuses on large companies with sufficient resources and capabilities to meet halal certification standards, or only reviews the technical aspects of the certification process itself without paying special attention to how this certification can influence the competitiveness, profitability, and market expansion ability of MSMEs. As a result, the understanding of the impact of halal certification on MSMEs, particularly in the context of competitiveness in both domestic and global markets, remains limited. Addressing this issue may involve enhancing access to information, streamlining the certification process, and offering incentives to encourage MSMEs to pursue halal certification (Jamaluddin et al., 2022; Umami et al., 2023). Government support and relevant institutions also play a crucial role in helping MSMEs face these challenges. Assistance in the form of training, subsidies for certification costs, and technical guidance is essential for helping MSMEs overcome these obstacles (Ismail & Kornitasari, 2022; Pratama, 2022). With training, MSMEs can better understand the procedures and requirements for certification, while subsidies and technical assistance will help reduce their financial burden and enhance their readiness to compete in the continuously growing halal market.

This study aims to gain an in-depth understanding of how halal certification can serve as a driving factor for business growth in the MSME sector. Halal certification, which indicates that a product meets halal standards in accordance with Islamic regulations, is considered an essential element in fulfilling the needs of Muslim consumers and enhancing

the competitiveness of products in both local and international markets. This study seeks to investigate the economic and strategic implications of halal certification, aiming to offer valuable insights for policymakers and business practitioners. The findings are anticipated to contribute to the development of effective policies and strategies that promote the sustainability of MSMEs. Specifically, the research evaluates the influence of halal certification on the business performance of MSMEs across diverse sectors, identifying both its direct and indirect benefits. The primary emphasis is placed on MSMEs in the food, beverage, and cosmetics industries, given the substantial consumer demand for halal products in these fields.

Through the provision of comprehensive data, supported by a literature review and in-depth descriptive analysis of the impact of halal certification, this research aspires to serve as an important reference for various stakeholders. This study will be a significant reference not only for policymakers in formulating more inclusive regulations for MSMEs but also for MSME owners themselves, who will gain a better understanding of the strategic value of halal certification. By understanding the strategic value offered by halal certification, MSME business actors are expected to optimize existing market potential, both locally and internationally. In addition, the findings of this study may serve to enhance the certification process, making it more cost-effective and accessible for MSMEs, thereby providing them with greater opportunities to enhance the competitiveness of their products in an increasingly demanding global market that requires halal assurance for consumer products.

LITERATURE REVIEW

The halal certification system plays a crucial role in ensuring the compliance of products with Islamic dietary laws, serving as a quality assurance mechanism for consumers. According to the theory of consumer behavior, trust and perceived value significantly influence purchasing decisions (Kotler, 2016). Halal certification enhances consumer trust, particularly among Muslim consumers, by guaranteeing that products meet the required standards of purity, cleanliness, and ethical production processes (Bonne & Verbeke, 2008). Furthermore, the resource-based view (RBV) highlights that intangible assets, such as certification, can provide businesses with a competitive advantage by fostering market differentiation (Barney, 2000). These theoretical foundations establish the link between halal certification and its potential to boost the performance and sustainability of MSMEs.

Numerous studies have examined the relationship between halal certification and business performance, with varying results. For instance, Fitri et al. (2023) found that halal certification significantly increased MSME sales and consumer trust in Indonesia. Similarly, Rezai et al. (2012) observed that halal certification is crucial for penetrating global halal markets, particularly for MSMEs. However, studies such as those by Aziz and Chok (2013) indicate that while halal certification is essential, price competitiveness remains a more decisive factor in influencing consumer choices. Despite these findings, gaps persist in understanding the specific mechanisms through which halal certification impacts MSME profitability and market expansion. This remains an area of contention and requires further investigation to reconcile the conflicting evidence in the literature.

RESEARCH METHOD

This study employs a Systematic Literature Review (SLR) approach to investigate the impact of halal certification on MSME (Micro, Small, and Medium Enterprises) businesses. The review integrates both international and national sources, utilizing secondary data collected from Google Scholar, with the aid of the Harzing's Publish or Perish 8 application for enhanced data retrieval and analysis. The SLR methodology aims to systematically identify, assess, and synthesize relevant findings from previous research studies that contribute to understanding the effects of halal certification. The author references a diverse array of scholarly articles and publications from journals that are directly aligned with the research focus to ensure a comprehensive examination of the topic. A descriptive analytical approach is applied, involving in-depth, critical, and systematic analysis of the data. The analysis results are then presented narratively to facilitate understanding, ensuring the provision of precise and current information on the phenomena being studied. The SLR process is divided into three phases: (1) planning, (2) reviewing, and (3) reporting the results.

Planning

Effective planning is crucial for ensuring the successful execution of a systematic literature review. This phase involves the careful formulation of research questions that will steer the direction and scope of the review. The research questions formulated for this study are designed to provide a clear focus and guide the systematic exploration of relevant literature. The specific research questions identified for this study are as follows:

1. RQ1 : What is the influence of halal certification on the purchasing decisions of MSME products?
2. RQ2 : How does halal certification impact the sales growth of MSMEs?

Review

The search strategy aims to identify relevant literature that addresses the research questions. This approach is structured into three fundamental steps, each designed to systematically locate and evaluate sources that contribute valuable insights to the study. The strategy unfolds through the following key stages:

1. Identifying Keywords and Determining Search Strings : The primary search term used in this study is "Halal Certification MSMEs."
2. Data Sources : The data for this study are gathered through Harzing's Publish or Perish 8 application, utilizing metadata from Google Scholar, covering articles published from 2019 to 2024.
3. Search Process in Data Sources : Relevant articles are identified through a step-by-step search using the defined keywords.

Inclusion/Exclusion Criteria in Study Selection

At this stage, specific criteria are established to assess the relevance and suitability of the retrieved data for inclusion as research sources. These criteria are designed to ensure that only high-quality and pertinent materials are selected for the review. The inclusion criteria deemed appropriate for this study are as follows:

1. Articles published between 2019 and 2024.
2. Articles sourced from Google Scholar.
3. Articles directly related to the impact of halal certification on MSMEs.

4. Selected articles must be accessible as open-access PDF documents, as some research sources are unavailable.

In the following selection process, only articles published in the English language will be considered for inclusion in the review. Furthermore, the selected documents must be classified as journal articles, while other types of publications, such as books, conference proceedings, or reports, will be excluded from the analysis. Each exclusion criterion will be explained thoroughly to provide a clear understanding of the systematic literature review process employed in this study. A detailed summary of the entire selection and exclusion procedure is presented in the diagram below, which visually illustrates the steps taken to ensure a rigorous and focused review process.

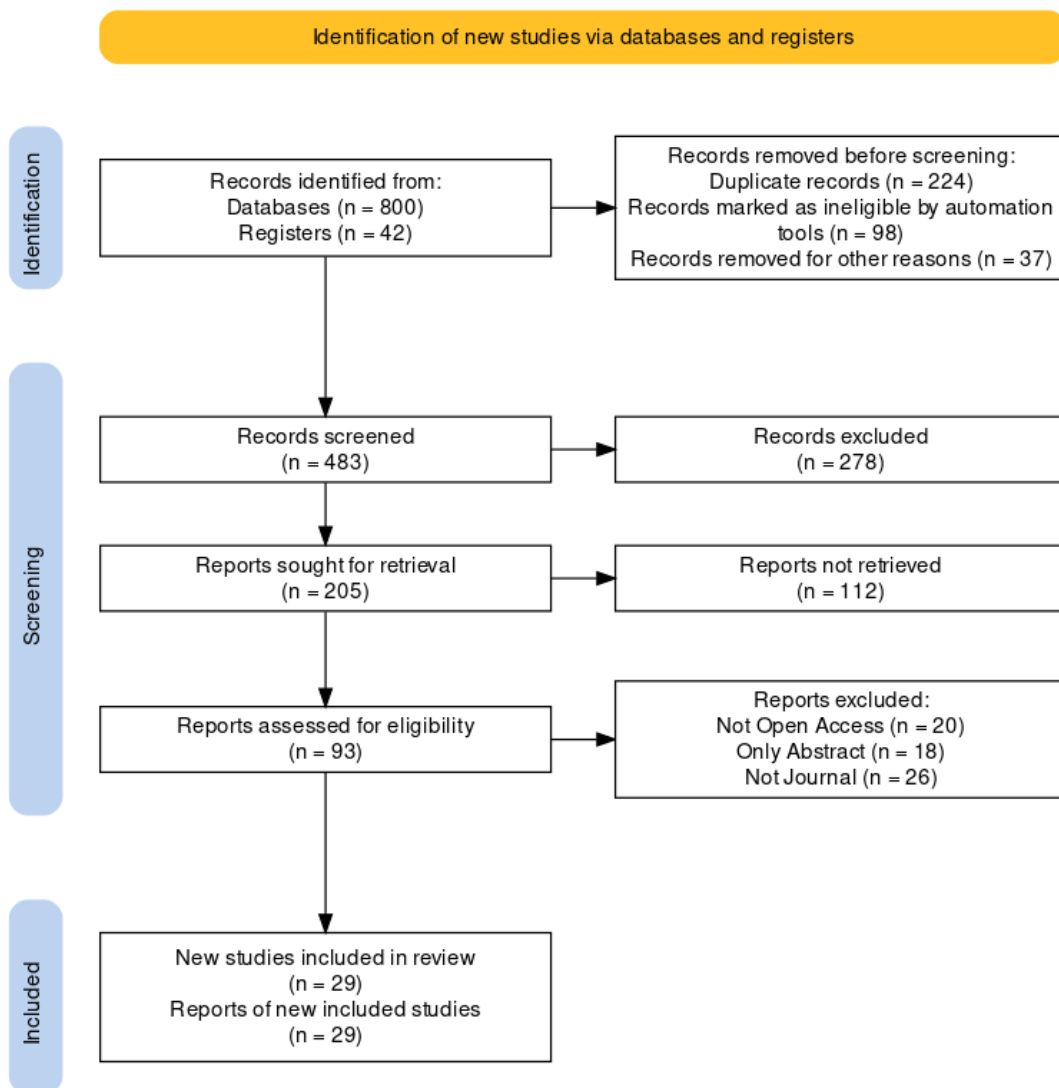


Figure 1. PRISMA Flow Diagram

Source: Author, 2024

A summary of all articles selected to address the research question is presented in the table below:

Table 1. Number of articles selected for SLR analysis

Journal Studied	Number of Article
Al-Ahkam	1
Al-Kharaj: Jurnal Ekonomi, Keuangan & Bisnis Syariah	1
East Asian Journal of Multidisciplinary Research (EAJMR)	1
el Barka: Journal of Islamic Economic and Business	1
Halal Studies and Society	1
Indonesian Journal of Halal Research	2
International Conference on Islam, Economy, and Halal Industry	1
International Journal of Applied Business Research	1
International Journal of Engineering Business and Social Science	1
International Journal of Entrepreneurship and Business Development	1
International Journal of Islamic Business and Economics	1
International Journal of Law Dynamics Review	1
International Journal of Professional Business Review	1
International Journal of Science and Management Studies (IJSMS)	1
International Journal of Social and Management Studies (IJOSMAS)	1
Journal La Bisecoman	1
Journal of Economics, Finance and Management Studies	1
Journal of Halal Science, Industry, and Business	1
Journal of Industrial Engineering & Management Research	1
Journal of Islamic Economic Business and Studies	1
Journal of Islamic Monetary Economics and Finance	1
Journal of Strategic and Global Studies	1
Jurnal Hukum Islam (JHI)	1
Jurnal Ilmiah Teknik Industri	1
Jurnal Pengabdian dan Pemberdayaan Masyarakat Indonesia	1
Jurnal Teknik Industri	1
Shirkah: Journal of Economics and Business	1
Uncertain Supply Chain Management	1
Total	29

Source : Author, 2024

Reporting Result

Upon completion of the first two stages, the final stage of the SLR involves presenting the results, which have been reviewed by the researchers, in the results and discussion section.

RESULTS AND DISCUSSIONS

Through an extensive literature review, the authors identified a total of 29 articles that met the pre-established criteria, all of which were published between 2019 and 2024. These selected articles serve as the primary sources for analyzing the effects of halal certification on MSMEs. The articles utilized to address the research questions RQ1 and RQ2 are meticulously summarized in the table below, providing a comprehensive overview of the key studies that inform the investigation and contribute to the study's findings.

Table 2. Literature Based on RQ1

No	Title	Author
1	The Importance of Halal Certificates in Halal Food Using the Digital Platform	(Nurillah, 2023)
2	Urgency Of Halal Certification In Msme Products	(Heryudanta et al., 2023)
3	The Role of Halal Certification and Brand Image in Increasing Consumer Trust (Case Study of MSMEs Crispy Masjef Bananas)	(Muhnidin & Br. Pinem, 2024)
4	The Impact of The Halal Label on The Welfare of Micro Small-Medium Businesses in Indonesia	(Azis et al., 2023)
5	The Influence of Halal Certification and Halal Awareness on Purchasing Decisions	(Purnomo et al., 2024)
6	Halal Product Guarantee to the Development of Small and Medium Enterprises Business in Indonesia	(Arifin, 2020)
7	The Influence Of Various Factors On Msme Halal Certification Behavior: an Analysis With Intention as an Intervening Variable	(Pratikto et al., 2023)
8	The Effects of Halal Certification and Halal Awareness on Purchase Intention of Halal Food Products in Indonesia	(Septiani & Ridlwan, 2020)
9	The Intention of Halal Certification by Micro Business	(Sudarmiatin et al., 2020)
10	Legal Effectiveness of Halal Product Certification in Improving Business Economics in Indonesia and Malaysia	(Supriyadi et al., 2024)
11	Factors that influence the offender's decision MSME's have a halal certificate in the district Bogor	(Izzah & Irfany, 2024)
12	Halal Certification Perspective of Small Micro Entrepreneurs in Pasuruan Regency	(Aslikhah et al., 2024)
13	Impact of Halal Certification on The Performance of Food Small Medium Enterprises	(Giyanti & Indriastiningsih, 2019)
14	The Effect of Halal and Price Labels on MSME Culinary Products: An Experimental Study of the Purchase Decision of the Pandahalungan Community	(Puspita et al., 2023)
15	Analysis of the Impact of Halal Certificate on the Performance of Micro and Small Enterprises (SMEs) with the Propensity Score Matching (PSM) Method	(Akbar & Rohman, 2023)
16	The Influence of Halal Certification, Halal Awareness, and Brand Image on Purchase Intention Halal Food Products: An Empirical Study of Consumers in Indonesia	(Djakasaputra et al., 2023)

Source : Author, 2024

Table 3. Literature Based on RQ2

No	Title	Author
1	Exploring Factors Affecting the Purchase Intention of Halal Food Products : An Empirical Study on Student Consumers	(Purwanto et al., 2022)
2	Uncovering Indonesian Millennial's Halal Food Purchase Intention: Halal Value And Halal Logo As The Antecedents	(Sosianika & Amalia, 2020)
3	The Role of Brand Image, Food Safety, Awareness, Certification on Halal Food Purchase Intention: An Empirical Study on Indonesian Consumers	(Purwanto et al., 2020)
4	Purchase Decision on Halal Products among Female Muslims: Evidence from Indonesia	(Sujono et al., 2023)
5	Religiosity and Halal Certification: Its Effect on Interest in Buying Traditional Food	(Najmudin & Syihabudin, 2022)
6	The Impact Of Awareness, Lifestyle, And Halal Certification On The Buying Interests Of MSME'S Halal Food Products In DKI Jakarta	(Pratiwi et al., 2020)
7	The Influence of Religiosity and Halal Labeling on Purchase Intention of Non-Food Halal Products	(Susilawati et al., 2023)
8	The Role of Halal Label to Increase the Effect of Attitude Toward Halal Product on Brand Image and Purchase Intention	(Hidayati & Sunaryo, 2021)
9	Halal Foods Purchase Intension among Indonesian Non-Muslim	(Purwanto et al., 2020)

No	Title	Author
	Consumers: An Exploratory Case Study Approach	
10	Perception and Consumer Behavior of Halal Product Toward Purchase Decision in Indonesia	(Djunaidi et al., 2021)
11	Effect of halal food management system certification on buying interest of Indonesian consumer goods	(Sahir et al., 2021)
12	Effect of Halal Awareness, Halal Certification, Food Ingredients Composition, Halal Marketing and Religiosity on Purchase Intention of Imported Food Products	(Karimah & Darwanto, 2021)
13	Halal Awareness and Halal Traceability: Muslim Consumers' and Entrepreneurs' Perspectives	(Jannah & Al-Banna, 2021)

Source : Author, 2024

RESULT AND DISCUSSION

Results for RQ1: What is the influence of halal certification on the purchasing decisions of MSME products?

Halal certification plays an indispensable role in influencing the purchasing decisions of consumers, especially when it comes to products from Micro, Small, and Medium Enterprises (MSMEs). A growing body of literature underscores the significant impact that halal certification can have in driving the sales of MSME products. By adhering to halal standards, as prescribed by Islamic law, halal certification assures consumers that the products they are purchasing meet specific religious and ethical guidelines. This assurance is particularly critical in countries with a predominantly Muslim population, such as Indonesia, where consumer preferences are heavily influenced by religious considerations (Djakasaputra et al., 2023; Heryudanta et al., 2023). The role of halal certification in fostering consumer confidence cannot be overstated. It has been shown that consumers tend to feel more secure and assured when purchasing products that bear a halal label, as it signifies compliance with Islamic dietary and ethical standards. This confidence can be instrumental in increasing the sales of MSME products, as consumers are more inclined to choose products that align with their religious beliefs and values (Aslikhah et al., 2024; Muhnidin & Br. Pinem, 2024; Pratikto et al., 2023). The trust instilled by halal certification does not only encourage initial purchases but also nurtures long-term customer loyalty, as consumers are more likely to return to businesses and products that they trust.

This trust often translates into a heightened preference for products that are halal certified. For MSMEs, this can be a valuable competitive advantage, as the certification differentiates their products in a crowded market, particularly among consumers who prioritize ethical and religious standards in their purchasing decisions. Studies have shown that consumers are not only willing to pay a premium for halal-certified products but also demonstrate strong brand loyalty toward businesses that consistently offer products in line with these certifications (Azis et al., 2023; Izzah & Irfany, 2024; Sudarmiatin et al., 2020). This trend is particularly evident in industries where food safety, quality, and ethical sourcing are critical to consumer choice.

Moreover, halal certification presents MSMEs with the opportunity to expand their market reach beyond domestic borders. For instance, a study by Nurillah (2023), published in the *International Journal of Law Dynamics Review, Industry, and Business*, demonstrates that halal certification serves as a gateway for MSMEs to tap into international markets,

particularly in regions with predominantly Muslim populations. The global Muslim market is vast, and the demand for halal products continues to grow. By obtaining halal certification, MSMEs not only cater to local consumers but also position themselves to compete in the global marketplace, where halal products are highly sought after. This international appeal offers MSMEs a unique opportunity for growth and diversification, especially in export-oriented sectors. Furthermore, research by [Purnomo et al., \(2024\)](#) in the *East Asian Journal of Multidisciplinary Research* suggests that halal certification enables MSMEs to broaden their market reach and significantly influences consumer purchasing decisions, leading to a notable rise in sales. Consumers generally favor products with halal certification, associating them with safety, hygiene, and high quality, a view also supported by [Supriyadi et al., \(2024\)](#) in *AL-AHKAM*.

Halal certification provides MSME products with legal recognition and protection, thereby enhancing consumer confidence, especially among Muslim buyers who prioritize religious compliance. Additionally, halal certification opens significant market opportunities beyond the Muslim consumer base. Non-Muslim consumers often perceive halal-certified products as being of higher quality, safer, and more hygienic, further broadening the appeal of these products across diverse markets. This dual appeal, both within and outside the Muslim community, enables MSMEs to expand their consumer reach and strengthen their market position ([Arifin, 2020](#); [Septiani & Ridlwan, 2020](#)). Therefore, halal certification offers MSMEs a significant competitive edge.

Despite the substantial evidence supporting the positive impact of halal certification, there are also viewpoints suggesting that it may not always lead to a significant increase in MSME product sales. Some studies argue that although consumer trust might improve, this does not necessarily result in a direct boost to profit margins. [Giyanti & Indriastiningsih \(2019\)](#) in *Jurnal Ilmiah Teknik Industri* observe that while sales may show signs of growth, the effect of halal certification on profit margins is not immediately apparent. Several factors may contribute to this outcome, including the financial burden associated with obtaining and maintaining halal certification, as well as the intense competition in the marketplace, both of which can impact sales performance ([Akbar & Rohman, 2023](#)). Additionally, while Muslim consumers may prioritize halal products, their purchasing decisions are also influenced by other crucial factors, such as price, product quality, and brand loyalty ([Puspita et al., 2023](#)). Thus, while halal certification can enhance consumer trust and confidence, it does not necessarily guarantee an immediate or substantial increase in sales, particularly in the short term. Other market dynamics must also be considered for long-term sales growth.

Results for RQ2: How does halal certification impact the sales growth of MSMEs?

Halal certification plays a pivotal strategic role in driving sales growth for Micro, Small, and Medium Enterprises (MSMEs), especially in countries with large Muslim populations like Indonesia. Beyond ensuring compliance with halal standards as defined by Islamic law, this certification offers significant strategic advantages for MSMEs. It not only boosts consumer confidence by assuring the product's religious and ethical compliance, but it also allows businesses to expand their market reach. With halal certification, MSMEs can enhance the competitiveness of their products, positioning themselves favorably in both domestic and international markets where demand for halal products is growing ([Najmudin & Syihabudin, 2022](#)). With the increasing consumer awareness of the

importance of safe, healthy products that comply with Islamic principles, halal certification becomes a valuable asset for MSME products. One of the most significant effects of halal certification is the increased trust it fosters among consumers (Purwanto & Sudargini, 2022). Muslim consumers, in particular, tend to prefer products bearing halal certification, as it reassures them that these products not only meet safety standards but also align with their religious beliefs and values, ensuring both ethical and dietary compliance (Hidayati & Sunaryo, 2021). This trust not only increases customer loyalty but also serves as a strong foundation for MSMEs to build a larger customer base. With growing consumer trust, MSMEs that hold halal certification can more easily retain their customers and develop long-term loyalty, which in turn positively affects sales volume. For instance, a study by Sujono et al. (2023) demonstrates that halal certification plays a crucial role in boosting consumer trust in MSME products, which in turn has a direct effect on sales growth.

Moreover, halal certification also allows MSMEs to broaden their market access (Susilawati et al., 2023). With a guaranteed halal label, MSME products are not only sought after by consumers in local markets but also possess strong appeal and great potential for international marketing, particularly in countries where the majority of the population is Muslim (Purwanto et al., 2020). Halal certification allows MSMEs to broaden their market reach and introduce their products on a global scale, ultimately leading to significant increases in sales and revenue. This is crucial considering that the global halal market is one of the fastest-growing market segments in the world (Pratiwi et al., 2020). Therefore, halal certification assists MSMEs in accessing larger markets and overcoming geographical constraints. This not only expands the market share of MSMEs but also enhances their competitiveness on a global scale, providing them with a stronger position in the increasingly developing global halal economic ecosystem.

From a marketing perspective, halal certification offers a competitive edge for MSMEs (Susilawati et al., 2023). Products that carry halal labels are easily distinguishable from those without such certification, which significantly enhances the effectiveness of marketing strategies (Sosianika & Amalia, 2020). This distinction is not merely cosmetic; it serves as a powerful tool in influencing consumer perceptions and purchasing behavior. As highlighted by Jannah & Al-Banna (2021) in the *Journal of Islamic Monetary Economics and Finance*, the presence of a halal certification plays a pivotal role in shaping consumer decision-making, particularly within markets where religious dietary laws are prioritized. For many consumers, especially those in predominantly Muslim countries, a halal label signifies that the product adheres to strict ethical and health standards as outlined by Islamic law.

Furthermore, halal-certified products are often perceived as being more trustworthy and of higher quality compared to their non-halal counterparts, as consumers associate the certification with rigorous quality control and safety practices (Karimah & Darwanto, 2021). This differentiation also strengthens the position of MSME products in the market, making them the preferred choice for consumers who prioritize halal aspects in their purchasing decisions. For Muslim consumers, halal-labeled products provide added assurance that the products they consume align with their religious principles, ultimately enhancing their loyalty to halal-certified brands.

Furthermore, halal certification has a positive effect on the overall operational performance of MSMEs. According to an article by Djunaidi et al. (2021) in *Jurnal Ilmiah*

Teknik Industri, MSMEs with halal certification often witness an increase in their sales volume. Halal certification boosts consumer trust and expands marketing opportunities for products to Muslim consumers, both domestically and internationally. While immediate increases in profit margins may not be readily apparent, substantial evidence suggests that halal certification positively influences operational performance and sales over time (Sahir et al., 2021). This improvement can be attributed to enhanced efficiency in the production and distribution of products that comply with halal standards. By undergoing this certification process, MSMEs gain valuable insights into more structured operational management, allowing them to identify areas that require improvement and ensure that each stage of production complies with recognized halal standards.

Halal certification functions not only as a means to build consumer trust and broaden market access but also assists MSMEs in adhering to relevant regulations, preventing potential administrative penalties that could adversely affect their operations (Sujono et al., 2023). In certain countries, such as Indonesia, regulations mandate that food products must possess halal certification before they can be marketed on a large scale (Hidayati & Sunaryo, 2021). This policy aims to protect the rights of Muslim consumers to choose products that align with their religious beliefs and to ensure that products circulating in the market meet stringent halal standards. By adhering to this policy, MSMEs can ensure legal and sustainable operations, a key determinant for the long-term viability of their businesses. Thus, halal certification not only meets consumer demands but also supports the operational sustainability of MSMEs, helping them adapt to regulations and providing a strong foundation for sustainable business development. This certification prepares MSMEs to face the challenges of competition in an increasingly tight market while enhancing their opportunities for success and growth in the rapidly expanding halal industry.

CONCLUSION AND RECOMMENDATION

In summary, halal certification holds considerable potential to shape the purchasing behaviors of consumers, especially by fostering trust and loyalty among Muslim buyers who are increasingly drawn to products aligned with Islamic values. This certification not only guarantees that products adhere to halal standards but also broadens the market reach of MSMEs, offering opportunities to penetrate wider markets and create product differentiation that strengthens their competitive advantage. However, the benefits of halal certification may not always be immediately visible in terms of profit margins, as some MSMEs might not witness substantial short-term gains due to factors such as certification costs, market competition, and other essential marketing strategies. Despite this, halal certification positively influences sales growth for MSMEs by boosting consumer trust, expanding market access, differentiating products from competitors, and ensuring regulatory compliance. As such, it serves as a powerful tool for enhancing the competitiveness, performance, and long-term sustainability of MSMEs, contributing to increased sales, sustainable business growth, and overall economic prosperity.

Thus, obtaining halal certification serves as a crucial strategic approach for the growth and global competitiveness of MSMEs. In the long term, this certification not only plays a role in enhancing the reputation and public trust in MSME products but also becomes a key to business sustainability, allowing MSMEs to continue growing and

meeting the demands of consumers who are increasingly critical of the halal aspects of products. In other words, halal certification not only supports the financial development of businesses but also reinforces the commitment of MSMEs to Sharia compliance, business ethics, and product quality, all of which are vital foundations for building a competitive, trustworthy, and sustainable business.

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