# THE EFFECT OF HALAL CERTIFICATE OWNERSHIP ON MSMEs PRODUCT SALES IN PURWAKARTA

Moch. Cahyo Sucipto, Ahmad Ali Sopian STIES Indonesia Purwakarta.

#### Abstract

The ban on the consumption of prohibited foods encourages Muslims to be more selective in choosing the products they consume. The halal label can be used as a reference for choosing a product before making a purchase based on Islamic law which is protected by consumer protection law. The Halal Label for Muslim Consumers is a guarantee of protection against the consumption of non-halal food, drinks, medicines and cosmetics. For producers, having Halal certification can give consumers confidence to buy products, have an impact on production and sales revenue, and increase competitiveness. This research was conducted using a quantitative descriptive method using data collection methods through observation, interviews, questionnaires and documents. Determining the number of samples to be used was determined using a probabilistic sampling technique using simple random sampling. This is to determine the effect of halal certification on sales of MSMEs products in Purwakarta and to determine the magnitude of the influence of halal certification on products in Purwakarta. The correlation/relationship value (R) is 0.753. Meanwhile, the independent variable (halal certificate) influences the dependent variable (income) by 50.3%, the remaining 49.7% is influenced by other factors that were not considered in this research.

kata kunci : Certificate, Halal, Turnover, Sales, Products, MSMES

### Introduction

Humans as social beings have many needs. This need naturally adapts to the changing times and times, including the current need for clear information about an item regarding its contents, expiry date, and halal label.1. The prohibition of Muslims to consume what is forbidden is clearly stated in the Qur'an, one of which is contained in surah al-Baqarah Verse 173.

إِنَّمَا حَرَّمَ عَلَيْكُمُ الْمَيْنَةَ وَالدَّمَ وَلَحْمَ الْخِنْزِيرِ وَمَا أَهِلَ بِهِ لِغَيْرِ اللَّهِ فَفَن اضْطُرَ غَيْرَ بَاغ وَلَا عَادٍ فَلَا إِنَّمَ عَلَيْهِ إِنَّ اللَّهَ عَفُورٌ رَحِيم Verily, Allah only forbids for you carrion, blood, pork, and animals andang (when slaughtered) is called (a name) other than Allah. But anyone in the situation forced (to eat it) while he did not want it and did not (also) exceed the limit, then there is no sin for him. Indeed, Allah is Forgiving and Merciful. (Q,S al-Baqarah :173)

Based on the verse above, it is clear that Allah SWT has forbidden carrion, blood, pork and slaughtering animals in the name of other than Allah and ordered that humans only consume meat. This encourages Muslim consumers to choose products that have been declared halal, rather than products that have not been declared halal by an authorized institution.

Micro, Small and Medium Enterprises (MSMEs) are one of the activities that increase growth, movement, and economic development. The business groups included in MSMEs are groups of small to medium enterprises where in Indonesia this group occupies a fairly dominant position due to its large number. Micro, Small and Medium Enterprises (MSMEs) are one of the activities that increase growth, movement, and economic development. Business groups included in MSMEs are groups of small to medium enterprises where in Indonesia this group occupies a fairly dominant position due to its large number. Micro, Small and Medium Enterprises included in MSMEs are groups of small to medium enterprises where in Indonesia this group occupies a fairly dominant position due to its large number.

Weaknesses faced by MSMEs entrepreneurs in improving business capabilities are very complex and include various indicators which are interrelated with one another, including; lack of capital both in amount and source, lack of

VOLUME 3

managerial skills and operating skills in organizing and limited marketing. The following is data on the development of MSMEs in 2017-2019

Development	MSMES Development Table		
MSMEs in Indonesia	2017	2018	2019
Amount Development MSMEs	62.922.617	64.194.057	65.465.497

Table. 1.1 MSMES Data in Indonesia

According to the data shown in the table above, the development of Micro, Small and Medium Enterprises in Indonesia in 2017 recorded around 62,922,617 Micro, Small and Medium Enterprises, while in 2018 Micro, Small and Medium Enterprises in Indonesia increased by around 1,271,440 from the previous year. Furthermore, in 2019 there was another increase of around 1,271,440 Micro, Small and Medium Enterprises.

The growth of micro, small and medium enterprises in Purwakarta district in 2017 was recorded at 2,253 MSMEs, in 2018 there were an increase of 225 MSMEs and in 2019 there were an increase of 236 MSMEs and continued to increase significantly until 2023. According to Asep Surya Komara as Acting Head of the Office of Cooperatives, MSMEs, Industry and Trade (DKUPP) Purwakarta Regency said more than 6000 MSMEs in Purwakarta district have been encouraged to have Halal certificate ownership. This does not include MSMEs that manage independently.

Halal labeling is basically optional, but based on law number 33 of 2014 concerning product halal guarantees, every product that enters the territory of Indonesia, where the majority of the population is Muslim, is required to include a halal label and is responsible for the characteristics of the product's halal label, especially food product.

The seriousness of the government in dealing with the issue of halal food can be seen through the issuance of fatwas by Indonesian Ulama as a product of Fiqh originating from Islam from Ijtihad. Ijtihad according to Mashudi is an effort to devote all the thinking power to enact syar'i laws based on shari'a arguments, namely the Qur'an and al-Sunnah. Fatwa is a product of fiqh originating from ijtihad According to Abdul Hanan, human reasoning that meets the requirements of ijtihad is the third source of Islamic law known as arra'yu or ijtihad. Methodologically, it is the third source of law after the Qur'an and al-Hadith .

The function of a halal certificate or halal label printed on product packaging for consumers is to guarantee protection against the consumption of non-halal food, medicinal drinks and cosmetics. For the producers themselves, the halal label serves as a tool to increase consumer trust and satisfaction, improve the company's image and competitiveness as well as accountability to the market. Muslim consumers, noted that halal issues for Muslim consumers are part of the Muslim principles of life. In addition, the halal label also acts as a marketing tool and expands the marketing network .

Based on the main problems above, this study aims to analyze the effect of Halal certification on MSMEs product sales in Purwakarta and analyze the extent of this influence.

## Literature Review

## 1. Halal Certificate

A halal certificate is an official document issued by the Food and Drug Supervisory Agency and the Ministry of Religion to show that the product meets halal standards and requirements according to Islamic law. Thus Halal refers to food, cosmetics that are permissible for consumption or use by Muslim communities. The function of the halal certificate is as follows:

1. Notice to Muslim Consumers

- 2. Fulfillment of Trust
- 3. compliance with halal standards.
- 4. Opening Market Opportunities
- 5. Regulatory Compliance
- 6. Promotion of Consumer Welfare
- 7. Transparency and Accountability

Halal certificates also create transparency in the supply chain, which requires producers and service providers to undergo a process of verification and inspection.

## 2. Label Halal

According to Habib Syarief Muhammad Alaydrus, the word halal is defined as something that is permissible according to Islamic teachings. Etymologically, halal means something that is permissible because it is free or not bound by laws that prohibit it As for halal in food, it is food that can be consumed and produced, even marketed.

According to Mashudi, the verses above not only show that consuming halal food is a simple religious obligation, but also show that it is an expression of gratitude and faith in Allah SWT. Refusing his order to consume non-halal food is classified as an act of obedience to Satan's teachings.

The Messenger of Allah said about Abu Hurairah, may God bless him and grant him peace, he said that the Messenger of Allah, may Allah bless him and grant him peace, once said :

عَنْ أَبِي هُرِيْرَةَ رَضِيَ اللهُ عَنْهُ قَالَ : قَالَ رَسُوْلُ اللهِ صَلَّى اللهُ عَلَيْهِ وَسَلَّمَ: إِنَّ اللهُ تَعَالَى طَيِّبٌ لاَ يَقْبَلُ إِلاَّ طَيِّباً، وَإِنَّ اللهَ أَمَرَ المُوْمِنِيْنَ بِمَا أَمَرَ بِهِ الْمُرْسَلِيْنَ فَقَالَ تَعَالَى : يَا أَيُّهَا الرُّسُلُ كُلُوا مِنَ الطَّيِبَاتِ وَاعْمَلُوا صَالِحاً – وَقَالَ تَعَالَى: يَا أَيُّهَا الَّذِيْنَ آمَنُوا كُلُوا مِنْ طَيَبَاتِ مَا رَزَقْنَاكُمْ - ثُمَّ ذَكَرَ الرَّجُلَ يُطِيْلُ السَفَرَ أَشْعَتَ أَغْبَرَ يَمُدُ يَدَيْهِ إِلَى السَّمَاءِ يا رَبِّ يَا رَبِّ وَمَطْعَمُهُ حَرَامٌ ومَشْرَبُهُ حَرَامٌ وَمَلْبَسُهُ حَرَامٌ وَغُذَى إِذَى الرَّهُلُ مسلم(

"From Abu Hurairah r.a. it was said: The Messenger of Allah, may God bless him and grant him peace, said: Indeed, God Almighty is good, He does not accept anything but good. And indeed Allah commands the believers as he commanded his messengers with his words: O Messengers, eat what is good (halal) and do righteous deeds. And He said; O you who believe, eat what is goodbetter than what we have provided for you. Then he mentioned that there was someone who traveled far in a dirty and dusty condition. He raised his hands to the sky and said: O my Lord, O my Lord, even though his food is unclean, his drink is unclean, his clothes are unclean and his needs are met from something unclean, then (if that is the case) how will his prayer be granted". (H.R Muslim)

Based on the hadith written above, it tells us that consuming what is not halal (haram) which causes all worship to be carried out will not be accepted by Allah SWT. Based on this, it is clear that the issue of halal and haram for Muslims is very urgent and very important.

The use of halal labels by producers on each of their products is technically regulated by law, including the joint decision of the Minister of Health and the Minister of Worship of the Republic of Indonesia No. 2020-2018. 427/Men.Kes/SKB/VII/1985 (No. 68 of 1985) concerning the inclusion of halal claims on food labels. Manufacturers that labeling Halal on their products is fully responsible for the halalness of the products they produce and can be legally prosecuted if they deceive the public.

### Methodology

This study uses a quantitative descriptive method. Quantitative description according to Syamsudin & Damiyant is a study that aims to explain existing phenomena by using numbers to standardize individual or group characteristics. This section describes in detail the research conducted.

According to Suharsimi Arikunto, population is a complete set of analytic units that can be studied, namely a set of subjects or individuals who have certain traits or characteristics to be studied. The population studied in this study were MSMEs that already had halal certificates in Purwakarta Regency during the time this research was conducted.

2023

According to Suharsimi Arikunto, a sample is a study conducted only on a portion or representative of the population, but the results of the study apply to all subjects who are members of the population. Thus, the sample is part of the number and characteristics possessed by the population. Due to budget, human and time constraints, researchers cannot study all subjects in a population. Therefore, researchers use this sample for research. The sample used is representative (representative) so that the conclusions obtained will apply to the entire population.

The sampling technique in this study was to use the probability sampling method with the simple random sampling method. Simple random sampling or simple random data collection involves taking sample members from a population without considering the strata of that population. Simple random sampling can be done by random selection.

The formula for calculating the number of samples in this study comes from an unknown population using the formula developed by Ishak from Sugiyono's book Statistics for Research. The formula is:

$$S = \lambda 2.N.P.Q$$
  
d2 (N-1) +  $\lambda 2.P.Q$ 

With :

S : Number of samples

 $\lambda 2$ : Chi Square whose value depends on the degree of freedom and error rate. For Degrees of freedom and 5% error Chi Square = 3.841.

- N : Number of population
- P : Correct probability (0.5)
- Q : Probability of being wrong (0.5)

d : The difference between the sample average and the population average. That is 0.05 and than :

$$S = {}^{2}.N.P.Q$$
  

$$d^{2}(N-1) + {}^{2}.P.Q$$
  

$$= 3,841.126.0,5.0,5$$
  

$$0.05^{2}(126-1) + 3,841.0,5.0,5$$
  

$$= 120,9915$$
  

$$1.27275$$
  

$$= 95,06305245$$
  

$$= 95 (Rounded)$$

## **Results and Discussion**

## 1. Halal Certificate

The process of making a halal certificate for food products involves several stages for the registrant. Here's the general flow you can expect:

- 1. Registration:
  - a. Producers or companies submit applications to halal institutions which in this case are handled by the Halal Product Guarantee Agency (BPJPH).
- 2. Preliminary Examination:
  - a. The Halal Product Assurance Organizing Agency (BPJPH) will then conduct an initial inspection of the products and production processes of the applicants including inspection of raw materials, additional materials, and production processes.
- 3. Material Halal Verification:
  - a. Producers report complete information regarding the ingredients used in these food products and the Halal Product Assurance Organizing Agency (BPJPH) checks the halalness of each ingredient to ensure that no ingredients are used that are forbidden.
- 4. Production Monitoring:
  - a. The Halal Product Assurance Organizing Agency (BPJPH) through designated officers conducts direct monitoring of production facilities and ensures that products are produced according to established halal standards.

- 5. Laboratory Testing:
  - a. The Halal Product Assurance Organizing Agency (BPJPH) can carry out laboratory tests to check the legitimacy of product halalness. This is done if there is doubt or the need to verify the halalness of a material.
- 6. Certificate Issuance:
  - a. After all the steps above have been completed and the product has been proven to meet halal standards, a halal certificate can be issued by the Halal Product Guarantee Agency (BPJPH) by including information about the product, producer, and is valid for a certain period.
- 7. Update and Maintenance:
  - a. Halal certificate numbers that have been issued have a certain validity period and can be renewed every time the validity period has expired.
- 8. Enforcement and Monitoring:
  - a. The Halal Product Assurance Organization (BPJPH) continues to monitor producers' compliance with halal standards. If there is a violation at the time of running then the halal certificate can be suspended or revoked.

### Discussion

Based on the results of the partial t test conducted to test the effect of the independent variables on the dependent variable, it is known that the t-value for the independent variable is at

Table 4.2

Level of Significance Test t Coefficients <sup>a</sup>								
Model	Unstandardized Coefficients		Standardized Coefficients		ts	t		Sig.
	В	Std. Error	Beta					
(Constant)	10.764	1.548			6.9	55	.000	
Sertifikat_Halal	.600	.057		.737	10.5	00	.000	

a. Dependent Variable: Revenue\_Sales

Basic decision making for the partial t test in Regression Analysis is as follows: Based on the value of t count and t tabl:

- 1. If the value of t count> t table then the independent variable affects the dependent variable
- 2. If the value of t count <t table then the independent variable has no effect on the dependent variable.

Based on the significance value, the SPSS output results

- 1. If the Sig. <0.05, the independent variable has a significant effect on the dependent variable.
- 2. If the Sig. > 0.05, the independent variable has a significant effect on the dependent variable.

Based on the data above, an understanding can be drawn that the t count value is 10,500 > from t table 1,980, the independent variable (Halal Certificate) affects the dependent variable (Sales Turnover). Based on the significance value of the SPSS output results in this study, it was obtained data that the Sig. is 0.000, then the value of Sig. 0.000 < 0.05. This means that the Halal Certificate has a significant effect on sales turnover. Based on the results of testing the data above, the magnitude of the influence of the independent variables on the dependent variable can be seen in the following table:

Tabel 4.					
Hasil pengujian data uji t					

## Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.753ª	.503	.538	1.56603

a. Predictors: (Constant), Sertifikat halal

b. Dependent Variable: Revenue\_Sales

Based on the data shown in the table above, it is explained that the magnitude of the correlation / relationship (R) value is equal to 0.753. From the output (R), the coefficient of determination (R Square) is 0.53 which implies that the influence of the independent variable (Halal Certificate) on the dependent variable (Sales Turnover) is 50.3%. the remaining 49.7% is influenced by other factors not examined in this study.

### Conclusion

A halal certificate issued by the Halal Product Guarantee Agency (BPJPH) for products marketed is an absolute requirement for the presence of a halal label on the product. Halal labels can maintain credibility, cohesion and public trust thereby increasing consumer confidence and increasing competitiveness, production and sales. Based on the results of the regression test in this study, it can be concluded that:

- 1. Halal certificates that are listed on products sold by MSMEs based on the results of the certification test from the Halal Product Guarantee Agency (BPJPH) affect MSMEs sales turnover in Purwakarta.
- 2. 2. Based on the results of the regression test, it can be seen that the coefficient of determination obtained (R squared) is 0.542 compared to the correlation/relationship (R) value of 0.753. So from these data it can be seen that the effect of the independent variable (Halal Certificate) on the dependent variable (Sales Turnover) is 50.3% with the remaining 49.7% influenced by other factors that are not taken into account in this study.

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