



Antecedent of Knowledge, Awareness and Willingness of SMEs Actors to Register for Halal Self Declare Certification

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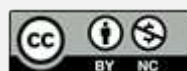
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ABSTRACT

Consuming halal products has become a lifestyle and trend for both Muslim and non-Muslim communities throughout the world. Despite creating a large market potential and the government has strong desire to make Indonesia as a reference for world halal producers and encourage the facilitation of knowledge and awareness of halal products. This study aims to determine the effect of the knowledge of SMEs actors about halal certification on willingness to take halal certification and find out whether awareness of halal products has an influence on willingness to take halal certification. This study used a questionnaire in data collection, and the research informants were micro and small business actors in the food and beverage sector. The results of this study found that knowledge has no significant effect on the willingness of SMEs to participate in self-declared halal certification, while awareness has a positive and significant effect on the willingness of SMEs to participate in self-declare halal certification. The implications of this finding can be conveyed to the government in order to conduct intensive socialization regarding free halal certification which can involve micro and small actors who are successful in participating of halal certification.

ABSTRAK

Mengonsumsi produk halal telah menjadi gaya hidup dan trend masyarakat baik muslim maupun non-muslim diseluruh dunia sehingga kemudian menimbulkan potensi pasar yang besar serta keinginan kuat pemerintah untuk menjadikan Indonesia sebagai rujukan produsen halal dunia serta mendorong fasilitasi pengetahuan dan kesadaran produk halal. Penelitian ini bertujuan untuk mengetahui pengaruh pengetahuan pelaku usaha tentang sertifikasi halal terhadap kesediaan mengikuti sertifikasi halal serta mengetahui apakah kesadaran produk halal mempunyai pengaruh terhadap kesediaan mengikuti sertifikasi halal. Penelitian ini menggunakan kuesioner dalam pengumpulan datanya, dan informan penelitian adalah para pelaku usaha mikro dan kecil di bidang makanan dan minuman. Hasil dari penelitian ini menyatakan bahwa pengetahuan tidak berpengaruh signifikan terhadap kesediaan UKM untuk berpartisipasi dalam sertifikasi halal secara self-declare, serta kesadaran berpengaruh positif dan signifikan terhadap kesediaan UKM untuk mengikuti sertifikasi halal self-declare. Implikasi dari temuan ini berguna bagi pemerintah untuk optimalisasi secara intensif mengenai sertifikasi halal gratis (sehati) yang dapat melibatkan pelaku mikro dan kecil yang berhasil dalam mengikuti sertifikasi halal.



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INTRODUCTION

Consumption of halal products is currently a trend in almost all countries worldwide, both Muslim and non-Muslim countries (Sayekti, 2014). In 2019, total Muslim spending on food products, cosmetics, travel services, fashion, and media reached USD 2.02 trillion. The food and beverage sector still has the most potential (Tighe, 2014). Indonesia, in the period January to August 2020 recorded a trade surplus with the Organization of Islamic Cooperation (OIC) countries of USD12.43 billion (Satria, 2020).

The potential of the world halal market is one of the reasons the government wants to make Indonesia as the center of the world's halal producers. Another reason is the commitment to provide halal and safe products among consumers. In order to achieve this goal, several steps have been taken, including regulations. Law No. 33 of 2014 concerning Halal Product Guarantee significantly changes the provisions of halal certification in Indonesia. This law changed halal certification, initially voluntary, to obligatory. Subsequently, derivative regulations were made to implement the law. The latest legal product is Government Regulation (PP) No. 39 of 2021 concerning the Implementation of the Halal Product Assurance Sector which contains among others: (1) explanation and implementation of Halal Product Guarantee (JPH); (2) inter-institutional cooperation in the administration of JPH; (3) halal certification fee; (4) stages of obligation for halal-certified product types.

The process of becoming the center of the world's halal producers cannot run smoothly without the support of many sectors, especially people in business. The high Muslim population in Indonesia is not in line with the development of the halal food business, as evidenced by the low participation of business actors in halal certification (Prabowo et al., 2015). From 2010-2015 the number of products certified halal by the MUI was 309,115. This number is still tiny, only about 10-15% of the total product available compared to the number of Muslim consumers in Indonesia (Kurniawati & Savitri, 2020). PP No. 39 of 2021 also regulates the stages of halal certification obligations for business actors. In the early stages, business actors for food, beverage, slaughter products and slaughter services are in first place with an implementation time of 17 October 2019-17 November 2024.

Previous study have been conducted research on this subject. Prabowo et al., (2015) reveals the high potential for halal certification, which is not well responded to by restaurant and catering owners in East Kalimantan. Entrepreneurs in both fields said that the lack of socialization made the knowledge and awareness of business owners not register their businesses for halal certification. On the other hand, Silalahi et al., (2021) examines the factors that influence the intention of SMEs to adopt halal practices. This study used 288 respondents in the field of electronic media. The results of this study indicate that religiosity, government support and higher profit expectations significantly affect the intention to adopt halal practices. In contrast, consumer demand and intensity of competition have no significant effect. While Sudarmiatin et al., (2020) found that only 10% of MSMEs in Indonesia already have halal certification. This study found that business people who understand the halal certification process do not guarantee that they will carry out halal certification. The knowledge possessed by respondents in this study had an average value of above 4 for each question item, meaning that respondents' knowledge of the obligation to produce halal goods was high enough, however, not many respondents knew about the free halal certification program held by the Ministry of Religion (Halimi, et al., 2021). Fadilah et al., (2022) found that many entrepreneurs still do not understand the importance of halal certification for the products they produce. Insufficient knowledge of business actors is also an obstacle for business actors to participate in halal certification. According to Husin et al., (2019) several factors can influence the high purchase of halal products from consumers, namely price, promotion, and product, so that MSME actors may focus on factors other than halal certification.

Several studies also have been conducted discussing consumer awareness of halal products, including (Kurniawati & Savitri, 2020), (Hasan, 2016), (Said et al., 2014). Halal awareness is defined as increasing consumer awareness of the food/beverage that may be consumed by the Muslim community (Ambali & Bakar, 2014). (Ngah & Gabarre, 2020) defines awareness as a consumer's ability to distinguish which products are halal and which are not. Awareness from the producer's side shows the level of awareness of producers to follow halal certification. The results of hypothesis testing in this study indicate that

awareness significantly affects the willingness of MSME actors to take part in halal certification. Awareness of high halal certification will make business actors willing to register their products for halal certification. Increasing awareness of MSME actors regarding halal certification needs to support government programs (Giyanti et al., 2021) through socialization forums. The forum can present success stories of MSME actors who have carried out halal certification.

Based on the explanation above, this study aims to explore whether the knowledge of business actors regarding halal certification has a significant effect on willingness to take part in halal certification. So far, no research has discussed the response or perception of business actors regarding the obligation of halal certification, especially after the enactment of PP No. 39 of 2021. This study contributed especially to explain the factors that have a significant effect on the willingness of MSME actors to take part in halal certification, and generally enhancing the contribution to the halal lifestyle literature in Indonesia.

RESEARCH METHOD

This study uses a questionnaire in data collection to determine the response of food and beverage MSME actors to the obligation of halal certification in Indonesia. The population in this study were SMEs in the food and beverage sector. The sampling method used was probability sampling with a simple random sampling technique. The questionnaire consists of two parts. The first part is about the profile of MSMEs; the second is about knowledge about halal certification, awareness about halal certification and willingness to register products for halal certification. The questionnaire was prepared using a Likert scale from 1 (strongly disagree) to 5 (strongly agree). The data collection method in this study used a questionnaire distributed online using a google form or went to business actors directly if it was impossible to fill it out online.

Table 1. Questionnaire Development

No	Variable	Item	Adapted from
1.	Respondent's Characteristic	5	-
2.	Knowledge	4	(Ngah & Gabarre, 2020)
3.	Awareness	3	(Ngah & Gabarre, 2020)
4.	Willingness	3	(Ag Majid et al., 2021)

Hypothesis Development

Knowledge on Willingness

Knowledge is essential for someone to do or not to take action. Acting in the absence of knowledge can trigger adverse effects in the future. The knowledge of MSME actors regarding halal certification can attract them to be willing to participate in it. (Ag Majid et al., 2021) proved that knowledge about halal certification positively and significantly affects willingness to pay for halal logistics. So, the hypothesis proposed in this study is:

H1: knowledge about halal certification has a significant effect on willingness to follow halal certification.

Awareness on Willingness

For countries with the largest Muslim majority population in the world, purchasing halal food and drinks is relatively easy. However, in countries with minority Muslim populations, awareness of the consumption of halal food and drinks tends to be higher because there are concerns that products consumed without the halal logo are doubtful of halal. Awareness in the context of halal is defined as a person's level of awareness about what is allowed to eat, drink and use in Islam (Hasan, 2016).

H2: awareness of halal certification has a significant effect on the willingness

RESULT AND DISCUSSION

In this study, the respondents were MSME Food/Beverage as many as 35 people. Based on the results of the study, it was found that there were 7 male SMEs (20%) and 28 (80%). Regarding age, the dominant MSMEs are 15-24 years with a total of 13 people (37.14%), while the smallest is in the age group of 25-34 years with a total of 3 people (8.57%). The characteristics of the respondent level are the last education that MSMEs have taken, there are 12 people at the D1/D3/S1 level (34.29%) and at the SMA/SMK/MA level as many as 7 people (20%). Of the types of products produced, MSMEs produce the most food by 33 people (94.29%) and 5.71% produce drinks. Meanwhile, in terms of monthly business turnover obtained by MSMEs in

the range of <1,000,000, the percentage is 42.86%. A percentage of the same magnitude is also obtained for the turnover range of 1,000,001 – 2,500,000.

Table 2. Respondent's Characteristics

Characteristics	Category	Total	Percentage
Gender	Male	7	20%
	Female	28	80%
Age	15-24	13	37,14%
	25-34	3	8,57%
	35-45	10	28,57%
	45-55	9	25,71%
Educational level	Primary School	8	22,86%
	Junior High School	8	22,86%
	Senior High School	7	20%
	Undergraduate/ Vocational Shool	12	34,29%
Product	Food and Beverages	33	94,29%
	Drinks	2	5,71%
Monthly income	< 1.000.000	15	42,86%
	1.000.001 – 2.500.000	15	42,86%
	2.500.001 – 5.000.000	3	8,57%
	5.000.001 – 10.000.000	1	2,86%
	>10.000.001	1	2,86%

Before carrying out the testing process, the author presents descriptive statistics. The purpose of presenting this descriptive statistic is to show the characteristics of the data more precisely. Descriptive statistical table 2 displays the mean, standard deviation, minimum value, maximum value and the number of data observations.

Table 1. Result of Statistic Decriptive Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
K1	35	1	5	4.63	.877
K2	35	1	5	4.06	.873
K3	35	2	5	4.37	.808
K4	35	2	5	3.74	1.010
A1	35	1	5	4.34	.968
A2	35	1	5	3.74	1.120
A3	35	2	5	3.97	.985
W1	35	1	5	4.06	.968
W2	35	2	5	4.14	.912
W3	35	1	5	3.00	1.111
Valid N (listwise)	35				

Note: K (knowledge) is an indicator of the respondent's level of knowledge related to halal certification, there are 4 questions for the K indicator; A (awareness) is an indicator of respondents' awareness regarding halal certification, there are 3 questions for indicator A; W (willingness) is an indicator of respondents' willingness to halal certification, there are 3 questions for the W indicator.

Validity and Reliability Test

The validity test is carried out to determine the extent to which the questions asked can represent the observed object so that the questions in the questionnaire meet the legal requirements or are not used as primary data in research. The significance test was carried out if the correlation value was <0.05.

Table 2. Result of Validity Test

Knowledge (X1)	Value Correlation	Result
X1.1	0.000	Valid
X1.2	0.000	Valid
X1.3	0.000	Valid
X1.4	0.000	Valid
Awareness (X2)		

X2.1	0.000	Valid
X2.2	0.000	Valid
X2.3	0.000	Valid
Willingness (Y1)		
Y1.1	0.000	Valid
Y1.2	0.000	Valid
Y1.3	0.000	Valid

The results of the validity test above show that the 10 questions asked to the respondents are valid and can be used. The researchers consider these 10 valid questions standardized and distributed to Food and Beverage SMEs in Jepara.

Furthermore, the reliability test was carried out to determine the consistency of a measurement tool in the same symptoms. The reliability test with the Cronbach's Alpha technique on the questionnaire is declared reliable, if it has a value > 0.6. The study's results obtained a value of 0.925 or equivalent to 92.5%. Therefore all questions can be declared reliable to provide consistent measurement results.

Table 3. Result of Reliability Test

Cronbach's Alpha	N of Items
.925	13

Classic Assumption Test

The classic assumption test is used to determine whether the model in this study meets the BLUE criteria (best linear unbiased estimator). Classical assumption tests performed include normality, multicollinearity, autocorrelation and heteroscedasticity.

Table 4. Result of Normality test

		Total X1	Total X2	Total Y
N		35	35	35
Normal Parameters^{a,b}	Mean	16.80	12.06	11.20
	Std. Deviation	2.949	2.388	2.599
Most Extreme Differences	Absolute	.222	.215	.151
	Positive	.139	.109	.073
	Negative	-.222	-.215	-.151
Test Statistic		.222	.215	.151
Asymp. Sig. (2-tailed)		.570	.128	.043 ^c

Note: Value of asymp. Sig (2-tailed) > 0.05, the data is normally distributed

A multicollinearity test was conducted to determine whether there is a perfect intercorrelation among some or all independent variables. The regression model is said to be good if there is no correlation between the independent variables. Indications of multicollinearity problems can be seen through the correlation between variables. According to (Gujarati, 2012) the coefficient between variables showing a value of 0.80 indicates a multicollinearity problem in the regression model. Multicollinearity can interfere with the regression results.

Table 5. Result of Multikolinearitas Test

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.112	1.621		.069	.945	
	TotalX1	.125	.147	.142	.850	.407	2.459
	TotalX2	.746	.181	.685	4.116	.000	2.459

Note: Value of tolerance > 0.10 and value of VIF < 10,00, then no multicollinearity problem

a. Autocorrelation test

An autocorrelation test is conducted to test whether there is a correlation between the variables studied in a linear regression model—detecting autocorrelation problems using the Durbin-Watson test.

Table 6. Result of Autocorrelation test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.799 ^a	.639	.617	1.609	1.757

Note: Durbin-Watson value between -2 – 2, indicated no autocorrelation problem.

Hypothesis Test

This study uses multiple linear regression to test the proposed hypothesis. There are 2 hypotheses tested in this study.

Table 7. Result of T test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	.112	1.621	.069	.945
	TotalX1	.125	.147	.142	.402
	TotalX2	.746	.181	.685	4.116

The t-test in this study aims to test hypotheses 1 and 2. From the table above, it can be seen that the influence of the variable X1 (knowledge) has a significance value > 0.05, so H1 cannot be accepted. Hypothesis 2 examines the effect of X2 (awareness) regarding halal certification on the variable of willingness (willingness) to follow halal certification. Significance shows a value of 0.000 < 0.05, then H2 can be accepted. Awareness of halal certification has a significant influence on the willingness of MSME actors to take part in halal certification.

DISCUSSION

The hypothesis test results show that knowledge has no significant effect on the willingness to take part in halal certification. The knowledge possessed by respondents in this study had an average value of above 4 for each question item, meaning that respondents' knowledge of the obligation to produce halal goods was high enough, however, not many respondents knew about the free halal certification program held by the Ministry of Religion. (Fadilah et al., 2022) shows that many entrepreneurs still do not understand the importance of halal certification for the products they produce. Insufficient knowledge of business actors is also an obstacle for business actors to participate in halal certification (Prabowo et al., 2015). According to (Husin et al., 2019) several factors can influence the high purchase of halal products from consumers, namely price, promotion, and product, so that MSME actors may focus on factors other than halal certification.

From the consumer side, halal awareness is defined as increasing consumer awareness of the food/beverage that may be consumed by the Muslim community (Ambali & Bakar, 2014). (Ngah & Gabarre, 2020) defines awareness as a consumer's ability to distinguish which products are halal and which are not. Awareness from the producer's side shows the level of awareness of producers to follow halal certification. The results of hypothesis testing in this study indicate that awareness significantly affects the willingness of MSME actors to take part in halal certification. Awareness of high halal certification will make business actors willing to register their products for halal certification. Increasing awareness of MSME actors regarding halal certification needs to support government programs (Giyanti et al., 2021) through socialization forums. The forum can present success stories of MSME actors who have carried out halal certification.

CONCLUSION

This study aims to determine the effect of the knowledge of SMEs actors about halal certification on willingness to take halal certification and find out whether awareness of halal products has an influence on willingness to take halal certification. The results of this study found that knowledge has no significant effect on the willingness of SMEs to participate in self-declared halal certification, while awareness has a positive and significant effect on the willingness of SMEs to participate in self-declare halal certification. The implications of this finding can be conveyed to the government in order to conduct intensive socialization regarding free halal certification which can involve micro and small actors who are successful in participating of halal certification.

Despite of the compelling results, this study acknowledges a research limitation. The characteristics of respondents were limited. Due to the limitation, the authors suggest future research to add wider variables including religiosity and knowledge with the same respondents.

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