



Unlocking Market Value through Halal Certification: A Strategic Approach for Culinary MSMEs in Bantaragung Village, Indonesia

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Abstract: *Micro, Small, and Medium Enterprises (MSMEs) play a vital role in supporting Indonesia's economic growth, particularly in the culinary sector. As consumer demand for safe, high-quality, and religiously compliant food products continues to increase, halal certification has become an important factor influencing purchasing decisions among Indonesia's predominantly Muslim population. Beyond regulatory compliance, halal certification serves as a strategic tool for enhancing product value and business competitiveness. This Community Service Program (PKM), entitled "Halal Certification Strategy as a Value-Added Driver for Culinary MSME Products in Bantaragung Village, Sindangwangi District, Majalengka Regency, West Java," was conducted on May 8–9, 2026, in collaboration with the Bantaragung Village Government. The program was organized by lecturers from STEBI Bina Essa Bandung Barat, Tri Bhakti College of Economics, Wibawa Karta Raharja College of Economics, and STIE Bisnis Indonesia. Eleven local culinary MSME representatives participated in the activities. The program employed educational workshops, interactive discussions, consultations, and mentoring sessions focused on halal certification procedures and implementation. The results demonstrated improved participant understanding of the importance of halal certification, application requirements, economic benefits, and strategies for integrating halal certification into business development efforts. Participants also gained greater awareness of halal product assurance standards and their role in maintaining consumer trust. The program concludes that halal certification can effectively increase the added value of culinary MSME products, strengthen market competitiveness, and support sustainable business growth through expanded market access and enhanced consumer confidence.*

Keywords: *Halal Certification; Culinary MSMEs; Added Value; Business Competitiveness; Community Service Program; Sustainable Market Access.*

I. Introduction

Micro, Small, and Medium Enterprises (MSMEs) play a fundamental role in Indonesia's economic development. As one of the largest contributors to national economic activity, MSMEs generate employment opportunities, reduce poverty, and support equitable regional development. Their resilience during periods of economic uncertainty, including the COVID-19 pandemic and subsequent recovery phase, has demonstrated their strategic importance in sustaining economic stability and social welfare (Tambunan, 2022). Consequently, strengthening MSME competitiveness has become a priority within Indonesia's economic development agenda.

Among various MSME sectors, the culinary industry has experienced significant growth over the past decade. The increasing demand for food and beverage products, combined with rapid advancements in digital technology, has created new opportunities for culinary entrepreneurs to reach wider consumer markets. Social media platforms, online food delivery services, and digital payment systems have transformed consumer purchasing behavior and enabled small businesses to compete more effectively in the marketplace (Ainin et al., 2023). Nevertheless, the growing number of culinary businesses has intensified market competition, requiring entrepreneurs to adopt innovative strategies to differentiate their products and strengthen their market position.

In Indonesia, where the majority of the population adheres to Islam, halal assurance has become an increasingly important factor influencing consumer behavior. The concept of halal extends beyond religious compliance and is often associated with product quality, safety, hygiene, and ethical production practices (Wahab, 2020). As consumer awareness of halal products continues to increase, halal certification has emerged as a significant determinant of purchasing decisions. Studies indicate that Muslim consumers are more likely to trust and purchase products that display recognized halal certification because such certification reduces uncertainty regarding product ingredients and production processes (Aziz & Chok, 2018).

The global halal industry has also experienced remarkable growth, creating substantial opportunities for businesses capable of meeting halal standards. According to the State of the Global Islamic Economy Report, the global halal food market continues to expand and is projected to reach trillions of dollars in market value over the coming years (DinarStandard, 2024). This trend suggests that halal certification is no longer solely a religious requirement but has evolved into a strategic business asset that can facilitate market expansion and international competitiveness. For MSMEs, obtaining halal certification can serve as a gateway to broader domestic and international markets while enhancing consumer confidence and brand reputation.

Recognizing the importance of halal assurance, the Indonesian government enacted Law Number 33 of 2014 concerning Halal Product Assurance. This regulation mandates that products circulated and traded in Indonesia comply with halal certification requirements through a standardized certification process administered by authorized institutions. The implementation of this policy aims to protect consumers while simultaneously encouraging businesses to improve product quality and operational standards (Ahyani et al., 2023). However, despite the availability of regulatory support, many MSMEs continue to face challenges in obtaining halal certification due to limited knowledge, administrative constraints, and perceptions regarding certification costs and procedures.

From a strategic management perspective, halal certification can be viewed as a source of competitive advantage. Porter (1985) argues that organizations can achieve superior performance through differentiation strategies that create unique value for customers. In the context of culinary MSMEs, halal certification functions as a product differentiation mechanism that distinguishes certified products from uncertified alternatives. Research conducted by Bashir (2021) found that halal certification positively influences customer trust, purchasing intentions, and long-term customer loyalty. Similarly, Wilson and Liu (2019) emphasized that increasing halal awareness among consumers has transformed halal certification into a key marketing tool capable of enhancing business performance.

Bantaragung Village, located in Sindangwangi District, Majalengka Regency, possesses considerable potential for culinary MSME development. Various local food and beverage enterprises contribute to community income and economic activity. However, preliminary observations indicate that many business owners have limited understanding of halal certification procedures and the strategic benefits associated with certification. As a result, there is a need for educational and mentoring initiatives that can improve knowledge, awareness, and readiness among MSME actors to obtain halal certification.

As part of the higher education institutions' commitment to community engagement and knowledge transfer, lecturers from STEBI Bina Essa Bandung Barat, Tri Bhakti College of Economics, Wibawa Karta Raharja College of Economics, and STIE Bisnis Indonesia collaborated with the Bantaragung Village Government to conduct a Community Service Program (PKM) entitled **“Halal Certification Strategy as a Value-Added Driver for Culinary MSME Products in Bantaragung Village, Majalengka Regency, West Java.”** This program aimed to enhance participants' understanding of halal certification, strengthen their capacity to fulfill certification requirements, and encourage the utilization of halal certification as a strategic instrument for increasing product value, consumer trust, and business competitiveness.

II. Review of Literatures

2.1 Literature Review

a. Halal Certification and Halal Assurance

The concept of halal refers to products, services, and activities that comply with Islamic law (Sharia). In the food sector, halal compliance encompasses not only the ingredients used but also the entire production process, including sourcing, processing, storage, packaging, distribution, and marketing. Therefore, halal certification serves as a comprehensive quality assurance mechanism that guarantees product compliance with religious requirements while simultaneously reflecting standards of hygiene, safety, and quality (Wahab, 2020).

Halal certification is an official recognition issued by authorized institutions confirming that a product meets halal requirements. In Indonesia, the implementation of halal certification is regulated under Law Number 33 of 2014 concerning Halal Product Assurance. Recent studies indicate that halal certification has evolved beyond a religious obligation and has become a strategic business instrument that enhances product credibility and market competitiveness (Awalludin et al., 2024). Furthermore, halal certification provides legal certainty for consumers and encourages business actors to adopt standardized production practices.

b. Halal Certification and Consumer Trust

Consumer trust is one of the most important determinants of purchasing behavior in the food and beverage industry. Halal certification functions as a credible signal that reduces consumer uncertainty regarding product ingredients and production processes. Research has shown that certified halal products are generally perceived as safer, more reliable, and more trustworthy than uncertified products, particularly among Muslim consumers (Bashir, 2021).

Recent evidence suggests that halal certification significantly contributes to the development of market trust. Certified products tend to enjoy higher consumer confidence, stronger brand reputation, and greater customer loyalty. Halal labels are increasingly viewed

not only as indicators of religious compliance but also as symbols of product quality and professionalism. Consequently, halal certification can positively influence purchase intentions and repeat buying behavior.

c. Halal Certification as a Source of Added Value

Value-added theory explains that products gain higher economic value when they possess attributes that provide additional benefits to consumers (Kotler & Keller, 2016). Within the context of culinary MSMEs, halal certification represents a valuable intangible asset that differentiates products from competitors. The presence of halal certification can enhance perceived product quality, strengthen consumer confidence, and justify premium pricing strategies.

A recent systematic literature review found that halal certification contributes positively to MSME performance by increasing competitiveness, profitability, and market expansion opportunities. Businesses with halal-certified products are better positioned to access broader consumer segments and strengthen their market presence in both domestic and international markets.

d. Halal Certification and MSME Competitiveness

Competitive advantage refers to a firm's ability to create superior value compared with competitors. According to Porter (1985), differentiation is one of the primary strategies for achieving competitive advantage. Halal certification serves as a differentiation tool by providing a unique attribute that distinguishes certified products from uncertified alternatives.

Recent studies demonstrate that halal certification positively affects MSME competitiveness through increased consumer trust, enhanced brand image, and improved market access. A systematic review conducted in 2025 concluded that halal certification significantly influences consumer purchase intention and contributes to MSME sales growth. The study further emphasized that halal certification functions as an effective marketing strategy capable of improving business sustainability and competitiveness in increasingly competitive markets.

e. Opportunities and Challenges in Halal Certification for MSMEs

Despite its benefits, obtaining halal certification remains a challenge for many MSMEs. Several studies identify barriers such as limited financial resources, insufficient knowledge regarding certification procedures, inadequate administrative capabilities, and perceptions that certification is complex and costly. These challenges often discourage MSME owners from initiating the certification process.

However, significant opportunities also exist. Research highlights that halal-certified MSMEs enjoy increased consumer trust, wider market access, stronger product differentiation, and improved business performance. Government initiatives such as the self-declare halal certification scheme and mentoring programs have been introduced to facilitate MSME participation in the halal ecosystem. These programs are expected to accelerate halal certification adoption and strengthen the competitiveness of Indonesian MSMEs in the global halal market.

f. Conceptual Framework

Based on the literature, halal certification can be conceptualized as a strategic resource that creates added value for culinary MSMEs. Through enhanced consumer trust, improved product quality perception, stronger market reputation, and expanded market access, halal certification contributes directly to business competitiveness and sustainable growth. Therefore, educational and mentoring programs related to halal certification are essential to increasing MSME readiness and encouraging wider adoption of halal standards within the culinary sector.

III. Research Methods

This Community Service Program (PKM) employed a qualitative descriptive approach to explore and document the implementation of halal certification socialization and mentoring activities for culinary Micro, Small, and Medium Enterprises (MSMEs) in Bantaragung Village, Sindangwangi District, Majalengka Regency, West Java. A qualitative descriptive approach was considered appropriate because the program focused on understanding participants' experiences, perceptions, and levels of understanding regarding halal certification as a strategic instrument for enhancing business competitiveness and product value.

The program was conducted over two days, from May 8 to 9, 2026, at the Multipurpose Hall of the Bantaragung Village Office. The activity was organized through a collaborative partnership involving lecturers from STEBI Bina Essa Bandung Barat, Tri Bhakti College of Economics, Wibawa Karta Raharja College of Economics, and STIE Bisnis Indonesia in cooperation with the Bantaragung Village Government. This collaboration represented the implementation of the higher education institutions' community engagement mission, particularly in supporting the capacity development of local MSMEs.

A total of eleven participants were involved in the program. The participants consisted of culinary MSME owners operating various food and beverage businesses within Bantaragung Village. They were selected based on their active involvement in local economic activities and the potential for business development. Most participants had operated their businesses for several years but had not yet obtained halal certification for their products.

The implementation process began with a preliminary needs assessment. At this stage, the community service team conducted informal discussions and consultations with village officials and MSME owners to identify existing challenges related to halal certification. The assessment revealed that many participants had limited knowledge regarding halal certification procedures, regulatory requirements, economic benefits, and administrative processes associated with certification applications.

Based on the findings of the needs assessment, educational materials were developed covering several key topics, including the fundamental concepts of halal and haram in food products, Indonesia's halal product assurance regulations, halal certification procedures, the economic benefits of certification, and strategies for utilizing halal certification as a marketing and competitive advantage tool. The materials were delivered through interactive lectures, group discussions, consultation sessions, and mentoring activities.

A participatory approach was adopted throughout the program to encourage active engagement and knowledge sharing. Participants were invited to discuss the challenges they

encountered in managing their businesses and to share their experiences related to food production and business operations. This approach facilitated two-way communication between facilitators and participants, ensuring that the learning process remained relevant to the participants' actual needs and business contexts.

Data for this study were collected through direct observation during program implementation, activity documentation, group discussion records, and participant feedback obtained at the conclusion of the program. The collected data were analyzed using descriptive qualitative techniques to identify changes in participants' understanding of halal certification and to assess the perceived benefits and impacts of the community service activities. The findings were then systematically interpreted to provide a comprehensive overview of the effectiveness of halal certification education and mentoring in supporting the development and competitiveness of culinary MSMEs in Bantaragung Village.

IV. Result and Discussion

4.1 Implementation of the Community Service Program

The Community Service Program was successfully conducted on May 8–9, 2026, in accordance with the planned schedule. The activity commenced with an opening session attended by representatives of the Bantaragung Village Government, the community service team, and culinary MSME participants. During the opening remarks, village officials emphasized that MSME development is one of the priorities of local economic development and highlighted the importance of capacity-building programs for strengthening community-based enterprises.

The first session focused on introducing participants to the development of the halal industry at both national and global levels. This topic was particularly relevant because many MSME owners were previously unaware of the significant growth potential of the global halal economy. The increasing Muslim population, coupled with growing awareness of halal consumption, has generated substantial market opportunities for halal-certified products (DinarStandard, 2024). Participants were introduced to the economic potential of halal markets and the strategic role of halal certification in improving business competitiveness.



Figure 1. *Educational and Counseling Activities on the Importance of Halal Certification for Culinary MSMEs in Bantaragung Village*

The discussion on halal concepts extended beyond religious compliance and emphasized quality assurance and consumer protection. Participants learned that halal products must comply with standards covering raw material selection, production processes, storage, packaging, and distribution. This finding supports Wahab (2020), who argues that halal certification represents a comprehensive quality assurance system that promotes product safety, hygiene, and consumer confidence.

During the interactive discussion sessions, it became evident that many participants perceived halal certification as a complicated and expensive process. Such perceptions have been identified as common barriers preventing MSMEs from pursuing certification (Nijuar et al., 2025). To address these concerns, the facilitators explained government-supported halal certification programs, including assistance schemes and simplified certification pathways designed specifically for micro and small enterprises.

4.2 Halal Certification as a Source of Competitive Advantage

One of the most important findings of this program was the shift in participants' understanding of halal certification. Prior to the activity, many participants viewed halal certification merely as an administrative requirement with limited business value. However, after receiving explanations and practical examples, participants began to recognize halal certification as a strategic instrument capable of enhancing business competitiveness.

From a marketing perspective, consumer trust is a key determinant of business success. Consumers tend to choose products that are perceived as safe, reliable, and consistent with their values and beliefs (Kotler & Keller, 2016). Consequently, halal certification serves as a competitive advantage by differentiating certified products from uncertified alternatives. This finding is consistent with Bashir (2021), who reported that halal certification positively influences consumer trust, purchase intention, and customer loyalty. MSMEs can strengthen their competitiveness through digital marketing, product quality improvement, attractive packaging, and customer relationship management (Suhada et al., 2024).

Effective marketing strategies require comprehensive information regarding consumers, market characteristics, and product positioning. Marketing functions as a bridge connecting producers and consumers, enabling products to reach their intended target markets. When integrated into marketing strategies, halal certification can strengthen brand credibility and increase product attractiveness among Muslim consumers as well as health-conscious consumers seeking quality assurance (Wilson & Liu, 2019). Suhada et al. (2024) stated that MSMEs can improve their sales performance through the utilization of social media, product quality enhancement, attractive packaging, customer trust building, targeted promotional activities, and the expansion of business partnerships

4.3 Expanding Market Access Through Halal Certification

Another important topic discussed during the program was the role of halal certification in expanding market access. Participants were informed that many modern retail channels, supermarkets, and institutional buyers require halal certification as a prerequisite for supplier partnerships. Consequently, halal certification can facilitate broader distribution opportunities and improve business sustainability.

Halal certification can be defined as a systematic assessment process that verifies whether products and production systems comply with halal standards established by authorized institutions. Businesses possessing halal certificates are generally better positioned to access wider market segments, including regional, national, and international markets (Awalludin et al., 2024). Therefore, halal certification represents not only a legal requirement but also a strategic asset for business growth.

4.4 Technical Assistance and MSME Readiness Assessment

The second day of the program focused on the technical aspects of obtaining halal certification. Participants received detailed explanations regarding registration procedures, document preparation, verification processes, and halal audits. In addition, participants were encouraged to assess their current business practices and identify areas requiring improvement before applying for certification.

The readiness assessment revealed that most participants were already using raw materials with clear and traceable sources. However, several weaknesses were identified, particularly regarding business documentation and production record-keeping. Proper

documentation is a critical component of the Halal Product Assurance System because it provides evidence required during verification and audit processes (Ahyani et al., 2023).

Participants demonstrated a high level of engagement throughout the sessions. Most questions focused on certification costs, certificate validity periods, halal labeling requirements, and certificate renewal procedures. This active participation indicates that the program addressed practical concerns directly relevant to participants' business operations.

4.5 Impact of the Program

Observations conducted throughout the program indicated significant improvements in participants' knowledge and perceptions regarding halal certification. Before the training, many participants considered halal certification to be a complex obligation that offered limited business benefits. Following the educational and mentoring sessions, participants increasingly viewed halal certification as a long-term investment capable of generating economic returns through enhanced consumer trust and expanded market opportunities.

The program also contributed to increased motivation among participants to develop their businesses more professionally. Greater awareness of business legality, product quality standards, and systematic production management emerged as notable outcomes of the activity. These findings support previous studies demonstrating that knowledge enhancement and mentoring interventions can positively influence MSME readiness to adopt halal certification and improve business performance (Widigdo & Triyanto, 2024).

Overall, the results indicate that halal certification education remains highly relevant for rural MSMEs. Limited access to information and technical assistance continues to represent a major challenge for business owners. Therefore, sustained collaboration among higher education institutions, local governments, and other stakeholders is essential to strengthen MSME capacity and accelerate halal certification adoption. Through continuous mentoring and support, MSMEs will be better positioned to obtain halal certification, improve product competitiveness, and contribute to sustainable local economic development.

V. Conclusion

The Community Service Program conducted on May 8–9, 2026, at the Multipurpose Hall of the Bantaragung Village Office, Majalengka Regency, successfully enhanced participants' understanding of halal certification as a value-added strategy for culinary MSME products. The program, attended by eleven culinary MSME owners, provided comprehensive knowledge regarding halal concepts, certification procedures, economic benefits, and the strategic utilization of halal certification to improve business competitiveness.

The findings indicate that participants experienced significant improvements in their awareness and understanding of the role of halal certification in business development. Halal certification was no longer perceived merely as a regulatory requirement but also as a strategic business asset capable of increasing consumer trust, strengthening brand image, expanding market access, and enhancing competitive advantage. Furthermore, participants gained a

better understanding of the importance of implementing halal assurance practices, maintaining proper business documentation, and complying with administrative requirements necessary for certification.

The success of this program demonstrates that collaboration between higher education institutions and local governments can play a significant role in supporting MSME development. Beyond improving the capacity of individual entrepreneurs, such initiatives contribute to broader community economic development by encouraging more professional business practices and improving product competitiveness. Therefore, educational and mentoring programs related to halal certification remain essential for strengthening the sustainability and growth of culinary MSMEs in rural areas.

Recommendations

To maximize the impact of this initiative, continuous mentoring and technical assistance should be provided to MSME owners throughout the halal certification process. Such assistance is particularly important in supporting participants in preparing the required documentation, fulfilling administrative requirements, and completing certification procedures efficiently.

In addition, stronger collaboration among local governments, village administrations, higher education institutions, halal certification agencies, and MSME support organizations is needed to accelerate the adoption of halal certification among small businesses. This collaborative approach can reduce barriers to certification and increase access to relevant information and resources.

Future community service programs should also incorporate complementary training topics, including digital marketing, product packaging and branding, business legality, financial management, and entrepreneurial development. Integrating these areas with halal certification initiatives will enable MSMEs to maximize the economic benefits of certification and strengthen their competitiveness in increasingly dynamic markets. With sustained support and capacity-building efforts, culinary MSMEs in Bantaragung Village are expected to develop into more professional, competitive, and sustainable enterprises capable of making greater contributions to local and regional economic development.

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