

# Does Halal Label Increase Product Sales?

Hafshah Afifah Az-Zuhdiyyah<sup>1</sup>, Aisyah<sup>2</sup>

<sup>1</sup>Airlangga University, Sukolilo Park Regency, Surabaya, 60111, and Indonesia c

<sup>2</sup>Al Azhar University, Hassan Al-Akbar Street 9 Mokattam, Kairo, 6213, and Mesir

e-mail: hafshah.afifah.azzuhdiyyah-2024@feb.unair.ac.id<sup>1</sup>, isyiyaisyi@gmail.com<sup>2</sup>,

\*Corresponding Author

**Abstract:** This study was conducted to determine whether the halal label increases product sales. The background of this study is because of the large number of MSMEs in Indonesia, especially those engaged in the food and beverage sector, with the government program regarding free halal certificates and the number of Indonesian people with a Muslim majority. This study is qualitative and uses the atlas.ti method to be able to explore data further and review existing literature, as well as make it easier to explore the interview results. With the presence of a halal label on MSMEs, it can help provide branding for a product, so that it can help create higher product sales, although there is no one factor that will increase sales, it can be one of the factors.

**Keywords:** *Halal Label, Micro, Small and Medium Enterprises, Increasing Product Sales*

## 1. Introduction

Indonesia is entering an era of rapid development, one of which is in the food and beverage industry, it can be seen based on data in 2021 approaching 2022 the number of MSMEs is around 64.2 million and most of them are engaged in the food and beverage industry (Muhamad, 2021). Currently, easy access to buying and selling transactions allows people to buy food and drinks with the help of technology. This convenience allows people to buy goods without considering the brand, while the brand has an important role that can differentiate it from competitors' merchandise (Christin, 2024). However, apart from the brand being an important factor in purchasing a product, the halalness of the product is also important, especially for food and drinks that are consumed. With the existence of a halal certificate or mark in a product, it can be a standard for product quality, this is not only needed by Muslims but also needed by other religious communities (Hasan, 2014).

According to Permatasari (2023) based on Law Number 33 of 2014 concerning Halal Product Assurance (UU JPH) article 4 states "products that enter, circulate, and are traded in the territory of Indonesia must be halal certified". This provision implies that all or every product (food, beverages, medicines, and cosmetics) that enters, circulates, and is traded in the territory of Indonesia must be halal certified. The existence of the above regulations is the main factor for consumers in making purchasing decisions for a product, with this policy, in addition to benefiting producers, it also benefits consumers, especially Muslims.

Based on existing regulations, all MSMEs in Indonesia by October 17, 2024, are required to have a halal certificate and will be subject to a fine of up to 2 billion for business actors who do not have a halal certificate (Elnizar, 2023). With this policy, BPJPH provides a self-declare program facility for MSME business actors who have non-slaughtered products to get a free halal certificate assistance program (Indah, 2022). Therefore, BPJPH provides many facilities to assist business actors in providing halal certification to business products before the specified date. Based on data, the number of products that already have a halal logo is around 1.43 million and will continue to increase until October 17, 2024 (Santika, 2023).

This halal label can provide halal branding that has a materialistic interpretation and can increase the product's market share. In today's era, halal has entered electronic media that is very easy for Indonesian people to access, not only food and drinks, but even cosmetics, soaps, and electronic devices also advertise halal products that are issued (Junaidi, 2020). Especially for Indonesian people who are predominantly Muslim, the decision to purchase a product in addition to brand image, selling

price, and the halal value of a product to be purchased. Factors that influence product purchases are due to the needs, desires, tastes, and income levels of consumers (Alim, 2022).

Based on the research results of Rahim (2023), the existence of a halal label has an influence on the food business sector and the existence of this label can increase sales revenue because products that already have a halal label are more guaranteed to be clean. This is also in accordance with Segati's research (2018) that in Catering Aqiqah Nurul Hayat there is a significant relationship and influence on the perception of increasing company sales. This significant relationship gives rise to a strong and positive relationship that can increase (Rahim, 2023).

However, according to Saleh (2020) in addition to the halal label and product quality, the price of a product is also a consideration for consumers to decide on a purchase. This price greatly influences consumer decisions, with the price level set by business actors being a benchmark for the demand for a product. Therefore, business actors need to be careful when issuing a price for a product, in the future it could be that the sales results of the product are not optimal, causing a decrease in sales. The phenomenon in the field of students buying products is caused by the cheap price.

Therefore, based on the description above, the researcher wants to study further with the title "Can halal labels increase product sales?" This study aims to determine the impact of increasing sales of products that already have a halal label.

## 2. Materials and Methods

### Halal Products

Halal is a word that is often associated with Islam, in common language halal itself means something is permissible or permitted. In general rules, Islam considers everything to be halal except for those that are forbidden such as pork and alcoholic beverages or khamr. Therefore, a muslim needs to identify whether a product is halal or not, in addition, this halal code is a code of moral ethics and spiritual aspects in everyday life (Junaidi, 2020). In the letter Al-Baqarah verse 168 it reads: "O people, eat what is lawful and good from what is on earth, and do not follow the steps of Satan; for indeed the devil is a clear enemy to you" (QS. 2:168).

The halal label is a logo that can be given to a product that has gone through a checking process from the halal product assurance agency (BPJPH). This halal labeling and certification aims to provide legal certainty regarding the halalness of the product to consumers who buy the product and can provide competitiveness with other producers. In addition to checking the ingredients used, this halal labeling also includes aspects of cleanliness and consumer safety when consuming the product. This halal labeling process has two programs, namely self-declare and regular (paid), for the self-declare program is a program that does not use slaughtered ingredients (Permatasari, 2023). BPJPH has made various strategic efforts and breakthroughs to accelerate halal certification of products, while strengthening the halal ecosystem in Indonesia. The goal is to realize Indonesia's ideals to become the number 1 halal product production center in the world (BPJPH, 2022).

According to Ardiyanto (2021), this halal label is a business activity starting from producing, making, or creating new processed products that are based on sharia principles and prioritize halal and guaranteed cleanliness. In the packaging and storage of halal products, they cannot be mixed with non-halal ingredients, halal ingredients will get their own privileges to be more careful in all processes. The purpose of having a halal logo is also to protect religion, soul, descendants, wealth and reason which can ultimately protect food security, the people's economy, business opportunities, competitiveness and become the trust of the community.

### Sales Theory

Sales are a requirement for the sustainability of a business, with these sales a business will gain profit, and the higher the sales the more increases will be obtained and maximized. To increase these sales, it is necessary to have a high level of attraction and loyalty of business actors to consumers and a business will not develop if it cannot sell the products it has produced. In addition, increasing sales is also influenced by internal factors such as poor service, inadequate facilities when shopping, and so on, these can be factors that do not increase sales of a business. Sales will continue to increase with the increase in products sold, which can ultimately generate profits for business actors (Gusrizaldi, 2016). According to Mursadad (2024), sales are the art of influencing people to buy a product that is being offered, besides that sales are also called an activity of selling a product to consumers and giving full ownership to consumers.

In today's era, sales can be increased by using e-commerce coverage where the process carried out can be by branding products on social media such as Instagram, TikTok, Facebook, or others. In addition, you can also use influencer ads or regular ads on social media, by providing advantages to the products we have and will market, or you can participate in bazaars or event activities that can be increasingly in the wider community and increase product sales (Cay, 2020). The increase or amount of sales can be expressed in units, kilos, tons, or liters, the higher the amount, the greater the potential profit that the company will generate, the amount of this increase in sales is the company's goal and with the hope of making a profit

### **Research methods**

This study uses a descriptive qualitative method approach so that researchers can conduct an in-depth exploration of business actors who already have halal labels to increase their product sales (Herdiansyah, 2019). This study uses primary and secondary data by conducting interviews with business actors, buyers, and halal assistants. The existing data will be processed using an atlas.ti software to explore data and review existing literature. Atlas.ti is a computer-based tool that makes it easier for researchers to manage large amounts of qualitative data, even in the development of Atlas.ti can help the research process from the beginning to record and document (Rusman, 2021). The subjects of the study were MSMEs that already had halal-certified products. The data validity and reliability technique uses the source triangulation technique with the main informant being MSMEs that already had halal-certified products, and additional informants being buyers and halal-certification assistants.

### **3. Results and Discussion**

#### **Before the Halal Logo**

The first informant, NH, is the owner of the Heppin Dessert business in the Malang area. This business has been running since early 2023 and currently has a halal label. The began registering for this halal label was because of his anxiety and posting a status on WhatsApp, then one of his friends provided information about halal certification, since then he immediately took care of the halal label process along with running of his business which was still in the pioneering stage, based on the records of informant NH, sales before the halal logo were around 314 desserts. Then over time, his Heppin Dessert business got the opportunity to participate in a bazaar held by the city of Malang, one of the requirements given was that the products sold must have a halal label or not. Branding in the bazaar made the product, which was previously only known by acquaintances of business actors, into a larger scope because Heppin Dessert is increasingly known to the wider community. In contrast to one business actor with the initials SG, his business is located on one of the campuses that invites business actors to the canteen. Business actors' awareness of halal labels based on directions and instructions, and based on the results of the interview, he explained that the halal label did not affect the increase in sales. This can be seen from the income before receiving the program of around IDR 500,000 (five hundred thousand rupiah). According to informant SG himself, the ingredients used are indeed considered halal because they do not contain pork.

Then for the informant with the initials ANT, she felt the benefits of having a halal label on his business. Some consumers are worried about products that do not have a halal logo, but others are normal. In terms of sales before the halal label, consumers were school students with an average sale of 170 glasses. He registered at the end of 2023 but the halal certificate came out in March 2024, when the certificate was issued he was pleased because with that there was no need to doubt the halalness of his product. Likewise with consumers, when there is a product that does not have a halal label, consumers will be more careful in buying and even choose not to buy because of concerns about the food consumed. In the halal labeling process for business actors, there is a role for a companion with the initials CSA, namely to educate business actors, because the fact is that many business actors still do not know the benefits and importance of halal labels in products. With the direction and assistance, many business actors finally want to be helped, although some still do not want it because they do not feel the halal labeling process is important. Because on average, the business actors who are registered are still SMEs and home industry products, where the business location is still one with the place of residence. Explanation from the perspective of the KA informant as a buyer.

### **After the Halal Logo**

After mentoring and education through halal product process mentors, informant NH stated that sales increased, such as heppin dessert products, there was an increase in sales even though it was not that much, around 316 desserts, but with the halal label, heppin dessert products can be widely known to the people of Malang even with the help of the bazaar program too. In addition, NH also stated that with the halal label, the products owned were branded and felt to have advantages and were seen as products that were not careless. The informant on behalf of SG felt that there was no increase after the issuance of the halal label last year 2023 because the income received was still the same, namely IDR 500,000 (five hundred thousand rupiahs), because the factors that influenced the increase in sales were low prices and product quality, different again from ANT, who only about 2 months after getting the halal certificate, had felt a very good increase, increasing to 245 glasses per day and this halal-certified product was already more widely known to parents at school. ANT explained that consumers who bought expressed their happiness after the halal logo was issued and felt safer because there was already a certificate that had halalized the product. In addition to increasing the experience of CSA halal companion products in assisting business actors who used to be only home industries after the halal label was able to enter a larger realm, namely having outlets in malls, so that they could be better known to the wider community. And because of that, many consumers feel confident with halal products so that they make repeat purchases, consumer trust in the product is a good thing so that it can continue to increase product sales. This is to the statement of KA buyers, where when a product has a halal label, it will make consumers more confident and guarantee that the food consumed is halal and tayyib food. In addition, there still needs to be socialization from the government regarding this halal certificate program so that business actors immediately register their business products and also educate buyers or consumers to be more concerned about the food consumed daily, especially for Muslims.

According to research by Rahim (2023) and Wicahyono (2023), although there are indeed business actors who make price and taste as factors that will increase sales not because of the halal label branding given, but based on informants who have been interviewed, the halal label can be a product branding that can increase sales. Every producer must continue to innovate regarding products and product sales strategies. There are many ways that producers can innovate, namely developing their product types, developing their business networks and new branding for their products. One of the new branding for products is by entering a halal product brand. With the new branding, consumers will be curious so they will try new products. In addition, it will attract new consumers to buy. So the existence of new branding will be able to increase product sales both to old consumers and to new consumers.

Ahda (2018) stated that the perception of halal certification in Nurul Hayat Aqiqah Catering has a relationship and partially has a significant effect on the perception of increasing company sales. Rambe and Afifuddin (2012) explained that the inclusion of halal labels has an influence of 31.1% on purchasing interest, thereby increasing the company's sales level.

Buyers, especially Muslims, are required to consume halal goods and services. If producers have innovated by updating their products, such as registering them with halal institutions and obtaining halal logos, consumers will tend to buy more. This is because consumers will be much more confident with the presence of a halal logo. The halal logo is not only related to Islamic law, halal products are assessed on their cleanliness and are good for health. For example, in Islam, chicken carcasses are one of the products that are forbidden in Islam and chicken carcasses are also unhealthy and unclean products.

The strong impact between halal labels and increased sales proves that halal labels are very important for consumers. Producers who do not yet have halal certification or halal labels can immediately register them. There are two types of halal certificate registration paths, namely regular and self-declare. The regular path is intended for all products and can be done without limits. Meanwhile, the self-declare path is only intended for certain business scales and products.

#### 4. Conclusion

Based on the discussion and research results that have been described above, whether the halal label increases product sales, it can be concluded that the halal label has a significant impact on product improvement. This makes the halal label not only an obligation but also a determining factor in consumer decisions to purchase a product. The halal label also pays attention to the health and cleanliness of the product, of course with the latest taste, price and innovation. In addition, this halal label can not only increase product sales but also provide strong branding for the product, the following are other advantages of the halal label :

1. Increase consumer confidence, especially in countries with a Muslim majority
2. Expand market reach not only for Muslims but also non-Muslim consumers
3. Provide a competitive advantage because it has greater appeal.

Therefore, the program of providing halal labels on business products must continue to be carried out so that more and more products have this halal label and can increase consumer awareness of the halalness of food and beverage products. And can implement the regulations that have been given by the Halal Product Guarantee Organizing Agency.

#### References

- Alim, S. (2022). *PENGARUH LABEL HALAL, CITRA MEREK DAN HARGA TERHADAP KEPUTUSAN PEMBELIAN PRODUK KOSMETIK MS GLOW*. <https://journal-upmi.com/index.php/jtip/article/view/11/11>
- Ardiyanto, T. (2021). *PERSEPSI LABEL HALAL PADA PRODUK MAKANAN DALAM KEMASAN OLEH MAHASISWA STKIP BABUNNAJAH PANDEGLANG BANTEN*. <https://journal.halalunmabanten.id/index.php/ijma/article/view/33/31>
- Babang, R. R. (2019). *Strategi Komunikasi Pemasaran Sentra Tenun Prailiu dalam Meningkatkan Penjualan Kain Tenun Sumba Timur Ririh Babang1, Asfira Rachmad Rinata21,2Program Studi Ilmu Komunikasi, Universitas Tribhuwana Tungadewi Email: patihririn2015@gmail.com Abstract: Wo*. <https://jkn.unitri.ac.id/index.php/jkn/article/view/24/20>
- BPJPH. (2022). *Tentang BPJPH*. <https://bpjph.halal.go.id/detail/sertifikasi-halal>
- Cay, S. (2020). *Strategi Pemasaran E-commerce Untuk Meningkatkan Volume Penjualan (Studi Kasus UMKM di Kota Tangerang Selatan)*. <https://www.jurnalmandiri.lkd-pm.com/index.php/mandiri/article/view/132/89>
- Christin, A. dkk. (2024). *ANALISIS PENGGUNAAN LABEL HALAL TERHADAP MINAT MASYARAKAT DALAM MEMBELI PRODUK MINUMAN MOMOYO DI KOTA PEKANBARU*.
- Elnizar, N. E. (2023). *Ingat! Mulai 2024, Makanan dan Minuman Wajib Bersertifikat Halal*. <https://www.hukumonline.com/berita/a/ingat-mulai-2024--makanan-dan-minuman-wajib-bersertifikat-halal-lt657ac45200964/>
- Gusrizaldi, R. (2016). *ANALISIS FAKTOR-FAKTOR YANG MEMPENGARUHI TINGKAT PENJUALAN DI INDRAKO SWALAYAN TELUK KUANTAN*.
- Hasan, S. K. (2014). *ANALISIS PENGGUNAAN LABEL HALAL TERHADAP MINAT MASYARAKAT DALAM MEMBELI PRODUK MINUMAN MOMOYO DI KOTA PEKANBARU*.
- Herdiansyah, H. (2019). *Metode Penelitian Kualitatif Untuk Ilmu-Ilmu Sosial*. Salemba Humanika.
- Idayanti, D. (2022). *Analisis Strategi Pemasaran Untuk Meningkatkan Penjualan Pada Usaha Ibu Bagas di Kecamatan Mamuju*. <https://stiemmamuju.e-journal.id/FJIIM/article/view/83/40>
- Indah. (2022). *Ini Syarat Daftar Sertifikasi Halal Gratis Kategori "Self Declare."* <https://kemenag.go.id/nasional/ini-syarat-daftar-sertifikasi-halal-gratis-kategori-quotself-declarequot-4b6skv>
- Junaidi. (2020). *Fenomena Label Halal is it a Awareness or Branding*.
- Muhamad, N. (2021). *Jumlah Usaha Mikro, Kecil, dan Menengah/UMKM di Indonesia Berdasarkan Kelasnya (2021)*. Katadata.Co.Id. <https://databoks.katadata.co.id/datapublish/2023/10/13/usaha-mikro-tetap-merajai-umkm-berapa-jumlahnya>
- Mursadad, A. (2024). *PERAN SERTIFIKASI HALAL TERHADAP PENINGKATAN PENJUALAN PADA UMKM DI KECAMATAN TELANAI PURA JAMBI*. <https://ejournal.warunayama.org/index.php/musytarineraca/article/view/2958/2796>
- Permatasari, N. A. (2023). *PENGARUH BRAND IMAGE, PROMOSI, DAN LABEL HALAL*

- TERHADAP KEPUTUSAN PEMBELIAN GERRY SALUT.*  
<https://ejournal.warunayama.org/index.php/triwikrama/article/view/335/327>
- Rahim, S. (2023). *PENGARUH SERTIFIKAT HALAL TERHADAP PENINGKATAN PENDAPATAN PENJUALAN USAHA DI SEKTOR FOOD AND BEVERAGE KOTA MAKASSAR.* <https://ejournal.nobel.ac.id/index.php/jbk/article/view/3817/2007>
- Rusman, A. (2021). *Pelatihan Analisis Data Kualitatif dengan Software Atlas.ti 8 Pada Prodi Magister Pendidikan Dasar UMP.*  
[https://download.garuda.kemdikbud.go.id/article.php?article=3195174&val=28102&title=PELATIHAN ANALISIS DATA KUALITATIF DENGAN SOFTWARE ATLAS\*ti\* 8 PADA PRODI MAGISTER PENDIDIKAN DASAR UMP](https://download.garuda.kemdikbud.go.id/article.php?article=3195174&val=28102&title=PELATIHAN%20ANALISIS%20DATA%20KUALITATIF%20DENGAN%20SOFTWARE%20ATLAS%20ti%208%20PADA%20PRODI%20MAGISTER%20PENDIDIKAN%20DASAR%20UMP)
- Saleh, S. (2020). *PENGARUH LABEL HALAL, KUALITAS PRODUK DAN HARGA TERHADAP KEPUTUSAN PEMBELIAN PRODUK KEMASAN DAN DAMPAKNYA PADA LOYALITAS MAHASISWA FAKULTAS EKONOMI UNIVERSITAS ISLAM RIAU.*  
<http://ejournal.iseiriau.or.id/index.php/economica/article/view/34/24>
- Santika, E. F. (2023). *Produk Bersertifikasi Halal RI Capai 1,42 Juta Produk pada 2023.*  
<https://databoks.katadata.co.id/datapublish/2023/10/25/produk-bersertifikasi-halal-ri-capai-142-juta-produk-pada-2023>
- Segati, A. (2018). *PENGARUH PERSEPSI SERTIFIKASI HALAL, KUALITAS PRODUK, DAN HARGA TERHADAP PERSEPSI PENINGKATAN PENJUALAN.*
- Wicahyono, A. (2023). *Analisis Kepemilikan Sertifikat Halal Terhadap Pendapatan Pelaku Usaha Kripik ASAN96.* <https://journal-nusantara.com/index.php/JIM/article/view/2453/2050>