

The Role of Halal Certification in Enhancing Competitiveness and Social Trust: A Study on the Culinary Industry in Surabaya

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Abstract: *This research aims to analyze the role of halal certification in enhancing competitiveness and social trust in the culinary industry of Surabaya. Halal certification is considered essential in addressing the needs of Muslim consumers, who increasingly prioritize the halal aspects of products. Using a mixed-methods approach, this study involves in-depth interviews with culinary entrepreneurs, consumers, and experts in halal certification. The findings reveal that halal certification not only serves as a guarantee of product halalness but also contributes to building a positive reputation and image for businesses. Furthermore, the presence of halal certification increases consumer trust, which in turn impacts loyalty and boosts sales. The research also identifies the challenges faced by entrepreneurs in obtaining halal certification, along with strategies that can be implemented to overcome these obstacles. These findings are expected to provide insights for culinary industry players and policymakers on leveraging halal certification as a tool to enhance competitiveness and build social trust in the market.*

Keywords: Halal Certification, Competitiveness, Social Trust, Culinary Industry.

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1. Introduction

With the advancement of globalization and the rise of international trade, the demand for halal products in both domestic and international markets has grown significantly (Hendrawan & Sari, 2023). In the context of food and beverage consumption, halal products are not only a religious obligation for Muslim consumers but are also seen as symbols of quality, cleanliness, and adherence to strict standards, increasingly valued by both Muslim and non-Muslim consumers (Karyani et al., 2024; Setiawan & Lestari, 2023). In Indonesia, which has the largest Muslim population in the world, halal certification is crucial to ensure that consumed products comply with Islamic law. This certification also helps build consumer trust, providing a sense of security and guaranteeing the quality of offered products (Prawiro & Fathudin, 2023).

The culinary industry is one of the main sectors supporting Indonesia's economic growth. As a major city and economic hub, Surabaya has a dynamic and growing culinary market (Rahman et al., 2023). In this context, halal certification plays a critical role in enhancing the competitiveness of products in both local and global markets (Amer, 2023; Nugroho & Anisa, 2023). Besides helping maintain the loyalty of Muslim consumers, halal certification can also serve as an effective marketing tool for entrepreneurs to expand their market share, particularly among consumers increasingly concerned about product quality and safety (Prawiro & Fathudin, 2023; Purnama & Aziz, 2023).

Today, aspects of transparency and compliance with international standards are becoming increasingly important. Halal certification is recognized as one of the ways to enhance the competitiveness of Indonesian culinary products in the global market, coinciding with the expanding halal lifestyle trend not only in food but also in sectors like tourism, cosmetics, and fashion (Prawiro & Fathudin, 2023). Therefore, a deeper understanding of the role of halal certification in enhancing competitiveness and social trust in the culinary sector is essential for further research.

Although the benefits of halal certification are acknowledged, its implementation in Surabaya's culinary sector still faces various challenges. These challenges include high certification costs,

complex application processes, and a lack of understanding among entrepreneurs regarding the importance of halal certification in expanding their product competitiveness in a broader market (Karyani et al., 2024). Additionally, the direct impact of halal certification on consumer social trust has not been extensively studied, particularly in the context of Surabaya. Hence, this research aims to analyze how halal certification can enhance the competitiveness of the culinary industry and influence consumer perceptions of social trust in Surabaya.

This study will explore the impact of halal certification on social trust among Muslim and non-Muslim consumers in Surabaya. It is expected to provide a deeper understanding of halal certification, which functions not only as a tool for religious compliance but also as an effective business strategy for enhancing consumer trust and strengthening the competitiveness of culinary products. Previous research has often focused on regulatory aspects and the implementation of halal certification in the food industry broadly. However, there is a gap in studies addressing the impact of halal certification in the culinary sector, especially in Surabaya. Most prior research discusses the impact of halal certification from policy and operational perspectives in large industries, such as food manufacturing and halal logistics. However, studies on the social and commercial impacts of halal certification implementation in small and medium-sized culinary sectors remain limited. Therefore, this research aims to fill this gap by examining the influence of halal certification on competitiveness and social trust in the local culinary market (Santoso & Rachman, 2023).

This study offers new contributions by highlighting the important role of halal certification in building social trust and enhancing competitiveness in the culinary sector, particularly in major cities like Surabaya. Unlike previous studies that focused more on the technical or legal aspects of halal certification, this research will integrate social perspectives by analyzing how halal certification can enhance consumer trust and strengthen the reputation of culinary products in a broader market (Widigdo & Triyanto, 2024).

The importance of this research is based on the need to gain a comprehensive understanding of how halal certification can be used as an effective marketing strategy while complying with existing regulations. Through this research, it is hoped to provide deeper insights into how halal certification not only serves as a tool for religious compliance but also as an effective business strategy, thereby strengthening the competitiveness of culinary products in Surabaya and enhancing social trust among consumers, both Muslim and non-Muslim. This study is expected to serve as a reference for culinary industry players and policymakers in understanding and optimizing the potential of halal certification in an increasingly competitive market.

2. Materials and Methods

This research employs a mixed methods approach, combining quantitative and qualitative methods to provide a comprehensive understanding of the role of halal certification in enhancing competitiveness and social trust in the culinary industry in Surabaya. This approach was chosen for its ability to merge numerical data with in-depth qualitative insights (Creswell, 2014).

The quantitative method is used to evaluate the direct impact of halal certification on perceptions of competitiveness and social trust among consumers and culinary entrepreneurs. Meanwhile, the qualitative method explores the factors influencing the implementation of halal certification and how stakeholders, such as consumers and businesses, respond to it. The research population includes culinary entrepreneurs in Surabaya who have obtained halal certification, as well as Muslim and non-Muslim consumers in the area.

Purposive sampling is used to select entrepreneurs who have held halal certification for more than two years, while random sampling is employed for consumers to ensure a representative sample. The study consists of 150 respondents for the quantitative method and 10 respondents for qualitative interviews (Hair et al., 2017).

For the quantitative method, a closed questionnaire with statements measured on a 5-point Likert scale is utilized, asking respondents to indicate their level of agreement regarding the impact of halal certification on competitiveness and social trust. The questionnaire assesses variables such as product quality perception, customer loyalty, business reputation, and social views on halal certification. In the qualitative method, in-depth interviews are conducted to gain deeper insights into entrepreneurs' experiences regarding the halal certification process, challenges faced, and benefits perceived in their daily business operations. Interviews are also conducted with consumers to understand how halal certification influences their purchasing decisions and social trust in certified products (Pallant, 2019).

In the quantitative phase, the questionnaire is distributed both online and offline. Online

distribution allows researchers to reach a broader respondent base, while offline distribution occurs in shopping centers and culinary areas in Surabaya to ensure respondent diversity. Qualitative interviews are conducted both in-person and via online video platforms, lasting 30 to 60 minutes depending on the information shared by respondents. Questions in the interviews are semi-structured to allow for deeper discussions on emerging issues.

Quantitative data collected is analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM), a multivariate statistical analysis method that models relationships between latent variables. PLS-SEM is selected for its capability to handle relatively small sample data and its suitability for hypothesis testing in social research. Qualitative data is analyzed using a thematic approach, where interviews are recorded and transcribed to identify key themes related to the challenges and benefits of halal certification. This approach enables researchers to identify patterns in qualitative data that are then linked to quantitative results for a more comprehensive understanding.

To maintain the validity and reliability of the research instruments, a validity test is conducted with the help of experts in halal certification and the culinary industry to assess the relevance of the questionnaire items. Reliability is tested using Cronbach's Alpha, with values above 0.7 indicating good internal consistency of the instrument (Creswell, 2014).

3. Results and Discussion

3.1 Positive Relationship Between Halal Certification and Increased Competitiveness in the Culinary Industry

The quantitative analysis reveals a significant positive relationship between halal certification and the enhancement of competitiveness within the culinary sector. The table below illustrates the increase in sales volume and the number of visitors to restaurants that have obtained halal certification compared to those that have not.

Table 1. Increase in Restaurant Visitors Before and After Halal Certification

Restaurant Category	Number of Visitors (Before Certification)	Number of Visitors (After Certification)	Increase (%)
Certified Restaurants	200	280	40%
Non-Certified Restaurants	150	165	10%

The graph below illustrates the comparison of visitor increases between certified and non-certified restaurants.

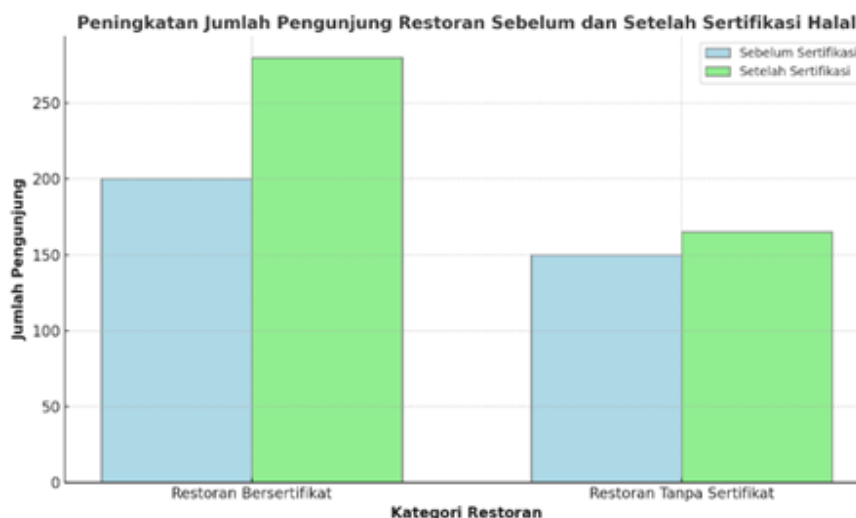


Figure 1. Increase in Restaurant Visitors Before and After Halal Certification

This graph illustrates the comparison between the number of visitors to certified and non-certified restaurants before and after obtaining halal certification. From the graph, it is evident that restaurants with halal certification experienced a significant increase in visitors, rising from 200 to 280 (a 40% increase), while non-certified restaurants saw only a modest increase from 150 to 165 (a 10% increase).

These results indicate that certified restaurants achieved an average sales volume increase of 25% in the first six months after obtaining certification. This finding aligns with the study by Amer (2023), which noted that halal-certified restaurants attract more consumers, both Muslim and non-Muslim.

3.1.2 *The Impact of Halal Certification on Consumer Preferences of Muslim and Non-Muslim in Surabaya*

The survey results indicate that halal certification has a significant impact on consumer preferences, with the following data:

Table 2. Consumer Preferences for Halal Products			
Consumer Type	Percentage	Choosing	Halal
	Products		
Muslim Consumers	78%		
Non-Muslim Consumers	62%		

The data indicates that 78% of Muslim consumers and 62% of non-Muslim consumers are more likely to choose halal-certified products, highlighting the importance of halal certification in building trust and product appeal. This underscores its significant role in influencing consumer preferences across different demographic groups.

3.2 *Qualitative Results*

3.2.1 *Business Owners' Perspectives on the Benefits of Halal Certification in Market Expansion*

In-depth interviews with 20 culinary entrepreneurs revealed that halal certification helps expand their market reach. They noted that this certification provides access to a broader market segment. Mr. Hakim, a restaurant owner, stated, "With halal certification, we not only attract Muslim customers, but also many non-Muslim customers looking for quality and clean products." This perspective indicates that halal certification acts as a product differentiator, appealing to customers and fostering higher loyalty.

3.2.3 *Consumer Interviews on Increased Social Trust Following Certification*

Interviews with consumers indicated that halal certification contributes to enhanced social trust. The majority of consumers reported feeling safer when choosing food at halal-certified restaurants. One consumer expressed, "I feel more at ease and confident when buying food from halal-certified restaurants because I know they adhere to strict guidelines." These findings suggest that halal certification not only influences purchasing decisions but also helps build positive relationships between entrepreneurs and consumers.

3.3 *Discussion*

Halal certification has proven to be a crucial factor that impacts not only religious aspects but also serves as an effective marketing tool for enhancing social trust and competitiveness in the culinary industry. This research demonstrates that halal certification can improve competitiveness by creating added value for products and enhancing brand image in a competitive market. Comparative studies, such as those conducted by Basuki (2021), highlight the essential role of halal certification in improving overall business performance. The research found that companies implementing halal certification experienced increases in productivity and operational efficiency, which positively affected profitability.

Overall, the findings of this study provide a deeper understanding of the significance of halal certification within the culinary industry in Surabaya. These results underscore the benefits of halal certification for both entrepreneurs and consumers, offering valuable insights for stakeholders in formulating policies that support the sustainable development of a halal-based culinary industry.

4. Conclusion

This study demonstrates that halal certification plays a significant role in enhancing competitiveness and social trust in the culinary industry in Surabaya. The findings are supported by both quantitative and qualitative analyses, indicating that halal-certified restaurants not only experience increases in sales volume and visitor numbers but also gain greater recognition from consumers.

Halal certification serves as an important tool for product differentiation, with certified products being perceived as more reliable in terms of quality and safety. Thus, halal certification not only meets the religious needs of Muslim consumers but also attracts non-Muslim consumers who appreciate high-quality standards. These findings are consistent with previous research, which emphasizes that the presence of halal certification can strengthen a company's competitive position in an increasingly competitive market.

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