

The Influence of the Halal Label on Increasing Micro Small and Medium Enterprises (UMKM) in Ponca Rijang District

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ABSTRACT

This study aims to determine the effect of the Halal Label on increasing Micro, Small and Medium Enterprises (MSMEs). With this research, it can be used as a reference in understanding and developing knowledge about the use of the Halal label on Micro, Small and Medium Enterprises (MSMEs) products. The research method used in this research is descriptive qualitative which aims to understand contextual conditions by leading to a detailed and in-depth portrait of natural environmental conditions, in relation to what actually happens outside based on what happens in the research area. Data sources in this study were obtained from interviews, documentation and literature review. The data analysis technique in this research is qualitative analysis taken from the Miles and Huberman model, namely, data reduction, data presentation, and conclusion drawing. By increasing income, capital, production, and the number of consumers, it can be concluded that the Halal label is very influential in increasing Micro, Small and Medium Enterprises (MSMEs) in Panca Rijang District.

INTRODUCTION

In Indonesia, Micro, Small and Medium Enterprises (MSMEs) are an important part of the national or regional economy. Therefore, the development of the small and medium enterprise sector provides its own meaning in efforts to increase national economic growth and in efforts to reduce a country's poverty rate. The growth and development of the Micro, Small and Medium Enterprises (MSME) sector is often interpreted as an indicator of development success, especially for countries that have low per capita income. Due to the very large role of Micro, Small and Medium Enterprises (MSMEs), it provides an explanation that Micro, Small and Medium Enterprises (MSMEs) must be able to be developed and improved even better. In line with the opinion of (Herman & Nohong, 2022) that the benefits of MSMEs for the national economy include creating job opportunities, being the largest contributor to the value of gross domestic product, and an effective solution to the economic problems of small and middle class communities.

According to Constitution Number 20 of 2008 concerning Micro, Small and Enterprises Medium (UMKM), " the meaning of Micro Enterprise MSMEs is business productive owned by an individual or body business individuals who fulfil it Micro Business criteria as arranged in Constitution. Small Business is business economy productive standing yourself, which is done by individuals or body a business that is not is child company or No branch company owned, controlled or become part Good direct nor No direct from business intermediate or business big that fulfils Small Business criteria as follows intended in Constitution This while Medium Enterprises is business economy productive standing do it yourself by individuals or body a business that is not is child company or branch companies owned, controlled, or become part Good direct nor No direct with business small or business big with amount riches clean or results sale annual as arranged in Constitution ".

Development of Micro, Small and Enterprises Medium (MSME) dependent how perpetrator business capable promote the product, in matter this is capable influence consumer. How to influence consumer is build good communication so that consumer decide do purchase. This matter because decision purchase is something very thing important for noticed because decision purchase is thing used by company for create strategy marketing that will done. In line with opinion (Kotler & Armstrong, 2008) explain that decision purchase consumer become important factor in decider existence something company. Quality something product is factor decision purchase consumer. According to (Tjiptono, 2010) quality product is combination between characteristic And defining characteristics so far where output can fulfil precondition need customer or evaluate until how much Far characteristic And characteristics That fulfil his needs. Aspect quality product very important in something product, usually consumer will buy quality product for satisfying need and his wish.

Apart from that, the most important factor for consumers to consider in choosing the product to buy is that it has a halal label and a permit label from the Health Service. In line with the opinion of (Rudi et al., 2024), one of the

processes in including the Halal label is inspection which involves aspects such as separating halal and non-halal products, cleanliness, and the use of halal ingredients. Halal labelling is a series of requirements that must be fulfilled by business actors operating in the field of food and beverage processing products or generally termed food (food and drink) (Ernawati & Koerniawan, 2023). The obligation to have a halal certificate for all food and drink products is clearly stated in Law Article 4 Number 33 of 2014 concerning Halal Product Guarantee, which states "products entering, circulating and traded in Indonesian territory must be halal certified. Halal and good food and drinks are an important requirement for the progress of local and foreign food products." The concept of halal in the lives of Indonesian people is widely known and applied, especially by Muslims. Halal is intended for everything that is good and clean to be eaten or consumed by humans according to Islamic law. In accordance with the words of Allah Subhanahu Wa Ta'ala it reads:

يَأْتِيهَا النَّاسُ كُلُّوا مِمَّا فِى بَاطِنِ الْأَرْضِ أَلَمْ يَكُن لَكُمْ آيَاتِى أَنْ يَسْفِكُوا دِمَاءَكُمْ وَكَفَرُوا بِلِقَائِىَ يَوْمَ تَأْتِي السَّمَكُمُ الْمَوْتُ وَأَنْتُمْ كَافِرُونَ - ١٦٨

"O people! Eat from the halal and good (food) found on earth and do not follow the steps of Satan. Indeed, Satan is a real enemy for you." (Al-Baqarah, 2:168)

There is a halal label inside packaging product will makes it easier consumer For identify product worthy For consumed or No especially For consumer Muslims . In research conducted by (Asriah, 2013) , there are influence between halal labels and decision purchase on product food , and the presence of a halal label on food can give mark positive And own opportunity big in influence decision purchase consumer . Same case with study (Widodo, 2016) , which shows that halal labeling is the most important factor influence decision purchase consumer . By Because That's a very halal label tightly connection with decision purchase consumer so that Micro , Small and Enterprises Medium Enterprises (MSMEs) are increasingly develop .

Based on results observation Subdistrict Five Chert is Wrong One Subdistricts in the Regency Sidenreng Rappang with amount density resident on in 2022 it will consist of 31,910 people of 15,602 people man and 16,308 people Woman . One of sector booster income public are Micro , Small and Enterprises Medium (MSME). Based on data from the Agency Center Statistics on in 2021 the total number of perpetrators Micro , Small and Business Enterprises Medium (UMKM) in the District Five Chert is 725 of them can seen on table 1.

Table 1. Panca MSME Infrastructure Chert

| MSME Infrastructure | Amount |
|---------------------|--------|
| Mini | 12 |
| Market/Supermarket | 612 |
| Grocery store | 89 |
| Food/Drink Shop | 1 |
| Hotel/Guesthouse | 11 |
| Shop Group | 725 |
| Amount | 725 |

Source :Badan Pusat Statistik, 2021

However, in stimulating consumers to decide to buy Micro, Small and Medium Enterprises (MSME) products, it is not only limited to halal labeling. There are also Micro, Small and Medium Enterprises (MSME) products that do not have a halal label, but the product qualities and prices can meet consumer needs and tastes so that many consumers are interested in choosing Micro, Small and Medium Enterprises (MSME) products over other products. -other food products.

LITERATURE REVIEW

Development of Micro, Small and Enterprises Medium (MSME) dependent how perpetrator business capable promote the product, in matter this is capable influence consumer. How to influence consumer is build good communication so that consumer decide do purchase. This matter because decision purchase is something very thing important for noticed because decision purchase is thing used by company for create strategy marketing that will done. In line with opinion (Kotler & Armstrong, 2008) explain that decision purchase consumer become important factor in decider existence something company. Quality something product is factor decision purchase consumer. According to (Tjiptono, 2010) quality product is combination between characteristic And defining characteristics so far where output can fulfil precondition need customer or evaluate until how much Far characteristic And characteristics That fulfil his needs . Aspect quality product very important in something product, usually consumer will buy quality product for satisfying need and his wish.

METHODOLOGY

This research uses qualitative research methodology. According to Sugiono (2015) qualitative research methods are research methods that are based on the philosophy of postpositivism, used to examine the conditions of natural objects, and the results of qualitative research emphasize meaning rather than generalizations (Abdussamad & Sik, 2021) . Located in Panca Rijang District, with 15 informants. In this research, data was collected through interviews, documentation and literature review. The data analysis technique in this research can be completed using the three phases of the Miles and Huberman model (Winarni, 2021) , specifically: (1) reducing information, summarizing and selecting significant focus, and focusing on perceptual information, (2) presenting information, more Specifically, perceptual information is summarized in the form of a brief description, outline, relationships between classifications, and so on. (3) Final image, specifically perceptual information introduced in the story structure which is the final result or new discovery.

RESULTS AND DISCUSSION

This research was conducted with the aim of finding out the effect of the Halal Label on improving Panca Rijang Micro, Small and Medium Enterprises (MSMEs). This research can be used as a reference in understanding and developing knowledge about the use of the Halal label on Micro, Small and

Medium Enterprises (MSMEs) products. In this research, researchers conducted interviews with several informants who they felt could achieve the findings. The research object determined was food and beverage MSMEs in Panca Rijang District and the subject of this research used one key informant who could provide the information needed by researchers in depth, especially in managing the Halal Label. Apart from that, the researchers also used several other internal informants who could provide additional information regarding the influence of the Halal Label on increasing food and beverage MSMEs in Panca Rijang. Then several other external informants felt that there was an impact in using the Halal Label on a product. In this study, the number of informants the researcher interviewed was 15 people, consisting of 1 Halal Center Manager at Muhammadiyah University of Sidenreng Rappang, 2 Religious Figures, 1 Government Person, 2 Community Figures, 3 Consumers, 3 Non-Halal Label Entrepreneurs, 3 Label Entrepreneurs Halal. The researcher conducted the interview with the informants voluntarily and with the consent of the informants without anything being added or removed.

After the researcher conducted interviews with the informants who had been determined, the researcher obtained information and data regarding influence Halal label for increasing micro, small and medium enterprises (MSMEs) in Panca Rijang. The results of the interview can be seen in table 2.

Table 2. Halal Label for Increasing MSMEs

| No | Indicator | Description |
|----|-------------|--|
| 1 | Halal Label | <p>It is very important to include a halal label on every product, especially food and drinks, because having a halal label indicates that the product can be confirmed and guaranteed to be halal, so that consumers no longer hesitate to consume it, besides that it can also increase consumer buying interest.</p> <p>The halal label on a product can also ensure that the products circulating from MSMEs contain ingredients that are safe for consumption. Because the process of getting a halal label on a product is not easy, starting from the materials, tools, to the process of making the product, it is monitored/identified, and verified by halal center officers, which will then be proposed to the Halal Product Guarantee Agency of the Ministry of Religion. Apart from that, by having a halal label on a product, it can be ensured that the product has protection from the Ministry of Religion, namely the Halal Product Guarantee, proven by the ID Number on the Halal label.</p> |

| | | |
|---|-------------------------------------|--|
| 2 | Increased revenue | Regarding the increase in income after having a halal label on products, it can be said to have increased greatly, because before there was a halal label in terms of orders, it could be said that there were not many orders, in addition to the tight competition for MSMEs for food and beverage products, especially in Panca Rijang, however, after obtaining Halal certification and including halal labels on products, orders are increasing. |
| 3 | Increased Production | Having a Halal label also certainly increases production, seen from the number of orders received. Because when buying of course consumers are more likely to choose products that have a Halal label than those that do not have a Halal label. |
| 4 | Increase in the number of consumers | With the Halal label, of course the number of consumers will increase as seen from the increase in income and production. The Halal label listed on the product also attracts consumers to buy because the ingredients in the product are guaranteed to be halal for consumption. |
| 5 | Capital increase | The inclusion of the Halal label also increases business capital, because increasing income, production results and increasing the number of consumers can increase business capital. |

Source: Interview Results, Processed by Researchers

Based on Table 1, it shows that the Halal label has an effect on increasing MSMEs in Panca Rijang District, looking at the business improvement indicators, namely increasing income, increasing capital, increasing production and increasing the number of consumers.

Apart from conducting interviews to determine the influence of the Halal Label on improving MSMEs, researchers also conducted literature reviews to collect data relevant to the research results.

Table 3. Literature Review Data Relevant to Research

| Researcher Name | Year | Research Title | Research result |
|-----------------------|---------|--|--|
| (Wulandari al., 2023) | et 2023 | The Influence of the Halal Label and Product Quality on Purchasing Decisions for Cirebon Umkm Products | The Halal label is proven to have a positive and significant influence on consumer purchasing decisions. This indicates that the perception of the halal label influences purchasing decisions by 69.4%. |

| | | | |
|----------------------------|------|--|--|
| (Kalbarini, 2022) | 2022 | Halal label and its impact on Maha Bakery business income in Pontianak City | Based on the results of the researcher's interview with Mrs. Maha as the owner of Maha Bakery, it was found that Maha Bakery's income before the halal label appeared tended to be stable, while Maha Bakery's income after the halal label was introduced increased. This increase occurred due to an increase in consumer confidence in Maha Bakery products which already have a halal label. |
| (Rido & Sukmana, 2021) | 2021 | The Urgency of Halal Certification for MSME Businesses | Halal certification is a very important instrument in ensuring business sustainability and efforts to strengthen MSMEs, which is proven by its positive influence on purchasing interest and purchasing decisions for MSME products. Halal certification has also been proven to have a positive influence in increasing sales or turnover of MSMEs. |
| (Syarifudin & Fahma, 2022) | 2021 | Analysis of Halal Certificate Ownership on Mendoan Ngapak MSME Business Income | The benefit of owning an MUI Halal certificate that can be seen from its application to Mendoan Ngapak MSMEs is to increase income from sales. This is because having a halal certificate can increase consumer confidence and buying interest, the ability to enter a wider market and participate in various programs provided by the government to promote products. |

CONCLUSIONS AND RECOMMENDATIONS

Study this research the influence of the Halal label on increasing Micro and Small Enterprises and Medium (UMKM) in the District Five Chert. Based on analysis of the data obtained from interviews, documentation, and study literature, can concluded that the Halal label has influence significant to enhancement various MSME aspects, inch income, production, quantity consumers, and business capital. First, the Halal label increases MSME income. With with a Halal label, more MSME products trusted by consumers, in particular Muslim consumers who are the majority in Indonesia. Trust this contribute on enhancement sale and on finally increase income UMKM. Second, the Halal label too impact positive on enhancement production. Because products labelled Halal are more interested by consumer, demand product increase. For fulfil increasing demand in this case, MSME actors must increase production they. Enhancement production this covers increase in production volumes and enhancement quality product for fulfil standard Halal. Third, quantity consumer Also increase with have a Halal label. Halal label provides guarantee to consumer that their products buy safe and in accordance with principles sharia. This matter interesting more Lots consumer for buy MSME products that are labelled Halal, which on turn increase amount customer MSMEs. Fourth, MSME business capital increases along with increasing income and production. This capital increase allows MSMEs to develop business they more continue, okay with expand scale production, increase quality product, or do innovation product new. Actually overall, the Halal label is not only help MSMEs in increase sale and income, however Also increase trust consumers, quantity customers, and business capital. With Thus, the Halal label plays role important in development and sustainability of MSMEs in the District Five Chart. Implications from findings this show importance MSME actors for obtain and include a Halal label on product they for increase Power competitive and continuity business they are in the market increasingly competitive.

FURTHER STUDY

This research still has limitations so further research needs to be done on the topic "The Influence of the Halal Label on Increasing Micro Small and Medium Enterprises (UMKM)."

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