

ANALYSIS OF THE IMPACT OF HALAL LITERACY AND HALAL AND HALAL CERTIFICATION COSTS ON INTEREST IN CONDUCTING HALAL CERTIFICATION IN THE CULINARY MSME SECTOR

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ABSTRACT

This study aims to analyze the influence of halal literacy and halal certification costs on the intention of culinary MSME actors in Malang City to pursue halal certification. Halal certification is an important factor in ensuring that products consumed by the Muslim community meet Islamic requirements while also enhancing business competitiveness. However, low levels of halal literacy and perceptions regarding certification costs remain major obstacles, particularly among MSMEs. This research adopts a quantitative approach using multiple linear regression to examine the relationship between halal literacy (X_1), halal certification costs (X_2), and the intention to obtain halal certification (Y). The sample consisted of 105 culinary MSME actors selected using purposive sampling. The results indicate that simultaneously, halal literacy and certification costs have a significant effect on business actors' intention to pursue halal certification. Partially, both halal literacy and halal certification costs show a positive and significant influence on the intention to certify. These findings suggest that improving MSMEs' understanding of the importance of halal products can encourage greater participation in the certification process. At the same time, perceptions regarding costs can be addressed through outreach and subsidy programs. This study provides strategic implications for government bodies and relevant institutions in formulating supportive policies that strengthen the national halal industry.

Keywords: Halal literacy, Halal certification Cost, Intention, MSMEs, Halal Certification

INTRODUCTION

Halal products are not only a religious obligation for Muslims but have also become a global quality and safety standard in the food industry. The halal economy continues to show consistent growth, with global Muslim consumption reaching USD 2.3 trillion in 2023 and projected to increase by 6.9% annually (DinarStandard, 2023). This expansion demonstrates the increasing awareness and demand for halal-compliant products, not only in Muslim-majority countries but also across global markets. As one of the countries with the largest Muslim population, Indonesia holds strategic potential to become a global halal hub.

The government's commitment to strengthening the halal industry is reflected in Law Number 33 of 2014 concerning the Halal Product Assurance (JPH) System and the Masterplan of Indonesia's Halal Industry (MPIHI), which aim to increase competitiveness, infrastructure readiness, and brand awareness in the halal sector (Haryono, 2023; OJK, 2023). This commitment is further supported by the SEHATI Program, which provides free halal certification for MSMEs. Such initiatives are expected to accelerate halal industry growth, ensuring that products consumed by the public meet sharia standards while also enhancing Indonesia's global competitiveness.

Despite these policy efforts, the level of halal certification among Micro, Small, and Medium Enterprises (MSMEs) remains alarmingly low. In Malang City, for instance, from approximately 80,000 registered MSMEs, only around 520 business units (0.6%) have obtained halal certification (Putra, 2024). This indicates that the majority of culinary MSMEs have not yet realized the strategic importance of halal certification for business sustainability and consumer trust. The low participation rate highlights persistent challenges such as limited understanding of halal concepts, lack of information on certification procedures, and negative perceptions of cost and bureaucracy (Aisyah, 2023; Nuraliyah et al., 2023).

Previous studies have confirmed that halal literacy and perceived certification costs are key factors influencing MSMEs' willingness to pursue halal certification. Halal literacy — encompassing knowledge, awareness, and attitudes regarding halal principles — plays a central role in shaping how business owners perceive the necessity of certification (Nangimah, 2024). Without sufficient literacy, MSMEs often view halal certification as merely administrative rather than a form of value creation and market differentiation. Meanwhile, perceptions of high certification costs continue to discourage small businesses with limited capital, especially when they perceive the process as complicated or financially burdensome (Nuraliyah et al., 2023). In addition to national findings, comparative research across ASEAN also shows that literacy and cost barriers are consistent challenges. Studies conducted in Malaysia and other Southeast Asian countries highlight that limited halal awareness and the perceived complexity of certification procedures are the most dominant deterrents among SMEs (Rahman & Musa, 2020; Hassan & Noor, 2019). This suggests that the issue is not only regulatory but also behavioral, emphasizing the need for stronger educational and institutional interventions to build a halal-conscious business ecosystem (Ahmad & Rahim, 2022).

In the context of Malang City, where the culinary sector contributes significantly to the regional economy, these issues are particularly urgent. The lack of halal awareness limits local business competitiveness and prevents MSMEs from integrating into the expanding global halal value chain. Although the SEHATI program aims to reduce the cost burden, its effectiveness ultimately depends on the level of halal literacy and business owners' perception of certification benefits. Therefore, this study aims to analyze the impact of halal literacy and halal certification costs on the interest of culinary MSME actors in Malang City to obtain halal certification. The findings are expected to provide both theoretical and practical contributions: theoretically by strengthening behavioral studies within the Islamic economic framework, and practically by providing insights for policymakers and halal authorities to design more effective strategies to enhance MSME participation in the halal certification process.

LITERATURE REVIEW

Sustainable Development Goals (SDGs)

The SDGs are a continuation of the MDGs which were endorsed by UN member states on September 25, 2015 as a global development agreement. The concept originally came from *Our Common Future* (1987) by Harlem Brundtland, which highlighted resource limitations and their distribution as challenges to sustainable development (Safitri et al., 2022). According to KBBI, interest is a tendency or great attention to something. Agrosamdhya (2020) adds that interest arises when individuals encounter something relevant to their needs. The concept of halal in Islam serves as a guide in assessing the halalness of an action, item, or service, as described in the Qur'an, hadith, and fiqh terms such as *mubah* and *jaiz* (Muhajir & Dawi, 2023). Halal certification ensures that a product, especially food and beverages, complies with the provisions of Shariah. This certificate is proof of compliance with halal principles (Wadji & Susanti, 2021). Halal literacy includes businesses' understanding of the halalness of products. This understanding helps increase consumer confidence, expand markets, and support business sustainability (Bastin, 2022). Cost is an economic sacrifice in the form of money to achieve certain goals (Pattinaja et al., 2023). In the context of MSMEs, perceptions of the affordability of certification costs influence the decision to certify.

HYPOTHESIS

Based on the theoretical review of the study findings logically, the hypothesis can be formulated as follows: H1: Halal literacy has a positive and significant influence on the interest of culinary MSMEs in conducting halal certification. H2: The cost of halal certification has a negative and significant influence on the interest of culinary MSMEs in

conducting halal certification. H3: Halal literacy and halal certification costs simultaneously have a significant influence on the interest of culinary MSMEs to carry out halal certification.

METHODS

This study uses a quantitative approach based on the positivism paradigm, as explained by Sugiyono (2020), in which the research process is carried out on certain populations or samples with data collection through standardized instruments, and data analysis is carried out statistically to test the hypotheses that have been formulated. The research location is in Malang City with a period of implementation from October 2024 to June 2025. The population in this study were Micro, Small and Medium Enterprises (MSMEs) in the culinary sector, which were recorded at 16,417 business units (BPS, 2024). The focus of the research is directed at analyzing the effect of halal literacy and halal certification costs on the interest of MSME players in applying for halal certification. Sample determination is carried out by considering the representative nature of the population and using the Slovin formula (Sevilla et al., 2007) to obtain a statistically adequate sample size.

RESULTS AND DISCUSSION

Respondents in this study amounted to 105 culinary MSME players in Malang City who were selected through the Slovin formula. The majority of respondents were aged 20-30 years (60.95%) and female (80%). In terms of education, most are Bachelor graduates (49.52%), followed by high school / vocational high school graduates (40%). Based on the length of business, the majority had been running their business for less than one year (43.81%). Most respondents did not have employees (54.29%) and had a monthly turnover of below IDR5,000,000 (77.14%).

Descriptive Statistical Test Results

Analysis of this study, namely the variables of Halal Literacy, Halal Certification Costs and Interest in Conducting Halal Certification. The following below is a table of descriptive test results: Halal literacy: has a minimum value of 2 and a maximum of 5. The average (*mean*) is 4.20 and the standard deviation is 0.613. Halal Certification Fee: has a minimum value of 3 and a maximum of 5. The average (*mean*) is 3.89 and the standard deviation is 0.667. Interest in Halal Certification: has a minimum value of 2 and a maximum of 5. The average (*mean*) is 4.07 and the standard deviation is 0.656.

Table 1. Descriptive Statistical Test Results

	Minimum	Maximum	Mean	Std. Deviation
Halal Literacy	2	5	4.20	.613
Halal Certification Fee	3	5	3.89	.667
Interest in Doing Halal Certification	2	5	4.07	.656
Valid N (listwise)				

Source: SPSS Output (2025)

Validity Test

The validity test is carried out to ensure that the instruments used in measuring the variables of Halal Literacy, Halal Certification Costs, and Interest in Conducting Halal Certification. With the following analysis results (Table 2). Based on the table above, all statement items on each variable in the questionnaire show the value of *r* count which is greater than *r* table. Therefore, it can be concluded that all instruments used in this study meet the validity criteria and are declared valid.

Table 2. Validity Test

Variable	Item	r Count	r Table	Description
Halal Literacy (X1)	X1.1	0.520	0.191	Valid
	X1.2	0.780	0.191	Valid
	X1.3	0.505	0.191	Valid
	X1.4	0.708	0.191	Valid
	X1.5	0.708	0.191	Valid
	X1.6	0.784	0.191	Valid
	X1.7	0.774	0.191	Valid
	X1.8	0.818	0.191	Valid
	X1.9	0.782	0.191	Valid
	X1.10	0.806	0.191	Valid
Halal Certification Fee (X2)	X2.1	0.783	0.191	Valid
	X2.2	0.804	0.191	Valid
	X2.3	0.748	0.191	Valid
	X2.4	0.852	0.191	Valid
	X2.5	0.791	0.191	Valid
	X2.6	0.689	0.191	Valid
	X2.7	0.591	0.191	Valid
	X2.8	0.605	0.191	Valid
	X2.9	0.689	0.191	Valid
	X2.10	0.599	0.191	Valid
Interest in Doing Halal Certification(Y)	Y1	0.758	0.191	Valid
	Y2	0.713	0.191	Valid
	Y3	0.829	0.191	Valid
	Y4	0.810	0.191	Valid
	Y5	0.783	0.191	Valid
	Y6	0.780	0.191	Valid
	Y7	0.706	0.191	Valid
	Y8	0.724	0.191	Valid
	Y9	0.830	0.191	Valid
	Y10	0.825	0.191	Valid

Source: SPSS output (2025)

Reliability Test

In the next step, conducting a reliability test is carried out to assess the level of trust in the questionnaire instrument as a data collection tool, using the *Cronbach's Alpha* method. The instrument is declared reliable if the α value is > 0.6 , and not reliable if the value is < 0.6 . The following results are below (Table 3). Based on the results displayed in the table, all instruments used in this study are declared reliable, because each variable shows a *Cronbach's Alpha* value that is above the 0.60 threshold.

Normality Test

The normality test (Table 4) is carried out to determine whether the residual data in the regression model has a normal distribution or not. The Monte Carlo Sig. (2-tailed) value of 0.094 with a 99% confidence interval is in the range of 0.086 to 0.102. Because the

significance value is greater than 0.05, it can be concluded that the residual data is normally distributed.

Table 3. Reliability Test

No.	Variable	Cronbach's Alpha (α)	Description
1.	Halal Literacy (X1)	0.896	Reliable
2.	Halal certification fee (X2)	0.893	Reliable
3.	Interest in Performing Halal Certification Halal (Y)	0.926	Reliable

Source: SPSS Output (2025)

Table 4. Normality Test Results

		Unstandardized Residual
N		105
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	3.70639887
Most Extreme Differences	Absolute	.119
	Positive	.063
	Negative	-.119
Test Statistic		.119
Asymp. Sig (2-tailed)		.001 ^c
Monte Carlo Sig (2-tailed)	Sig	.094 ^d
	99% Confidence Interval	Lower Bound .086 Upper Bound .102

Source: SPSS output (2025)

Multicollinearity Test

The multicollinearity test is carried out to determine the correlation between the independent variables in the regression model used (Table 5). Based on the multicollinearity test results, variable X1 has a Tolerance value of 0.606 and a VIF of 1.650, which are above 0.10 and below 10, respectively. The same is true for variable X2, with a Tolerance value of 0.606 and a VIF of 1.650. Therefore, it can be concluded that the two independent variables in this regression model do not show any symptoms of multicollinearity, so they can be declared free from multicollinearity problems.

Heteroscedasticity Test

Test heteroscedasticity test aims to identify whether there is inconsistency in the residual variance between observations in a regression model. The Glejser Test results show that the significance value (*Sig.*) for variable X₁ is 0.459, while for variable X₂ it is 0.208. Both significance values are greater than 0.05, which means that there is no indication of heteroscedasticity in this regression model.

Table 5. Multicollinearity Test

Coefficient		
Model		Collinearity Tolerance
1	Halal Literacy (X1)	.606
	Halal certification fee (X2)	.606
		Statistics Vif
		1.650
		1.650

Source: SP

SS Output (2025)

Table 6. Heteroscedasticity Test Results

Model	Unstandard B	Coefficients Std. Error	Standard. Coeff. Beta	t	Sig
1 (Constant)	3.324	1.897		1.753	.083
Halal Literacy (X1)	.041	.055	.094	.743	.459
Halal certification fee (X2)	-.064	.051	-.160	-1.267	.208

Source: SPSS Output (2025)

Multiple Linear Analysis

Multiple linear regression analysis is used to examine the extent to which the independent variables (X) simultaneously affect the dependent variable (Y): A constant of 3.476 indicates the level of basic interest in halal certification when halal literacy and halal certification costs are zero. Halal literacy has a regression coefficient of 0.386, which means that every one unit increase in halal literacy will increase interest in halal certification by 0.386. The cost of halal certification has a regression coefficient of 0.540, indicating that an increase in positive perceptions of the cost of halal certification will increase interest by 0.540.

Table 7. Multiple Linear Analysis Test Results

	Unstandard B	Coefficients Std. Error	Stand. Coeff Beta	t	Sig
(Constant)	3.476	2.640		1.317	.191
Halal Literacy (X1)	.386	.077	.361	5.021	.000
Halal Certification fee (X2)	.540	.071	.549	7.637	.000

Source: SPSS output (2025)

F and Ttest

The F test is used to measure the extent to which the independent variables (X) simultaneously or together affect the dependent variable (Y). Based on the results in the ANOVA table, the calculated F value is 108.601 with a significance level of 0.000. Because the significance value is smaller than the significance limit of 0.05, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_1) is accepted. This means that the independent variables X_1 and X_2 together have a significant influence on the dependent variable Y. The t test (Table 9) is used to determine how much influence each independent variable has separately on the dependent variable.

Determination Coefficient Test (R^2)

The coefficient of determination is used to determine the extent to which the model's ability to explain variations that occur in the dependent variable. The Adjusted R Square (Table 10) value of 0.674 indicates that the model is able to explain 67.4% of consumer decision variables through variables X_1 and X_2 , while 32.6% is influenced by other variables outside the model, thus indicating the suitability of the model.

Table 8. F Test Results

Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	3042.302	2	1521.151	108.601	.000 ^p
	Residual	1428.689	102	14.007		
	Total	4470.990	104			

Source: SPSS output (2025)

Table 9. t-Test Results

	Unstandardized B	Coefficients Std. Error	Standardized Coefficients Beta	t	Sig
(Constant)	3.476	2.640		1.317	.191
Halal Literacy (X1)	.386	.077	.361	5.021	.000
Halal certification fee (X2)	.540	0.71	.549	7.637	.000

Source: SPSS output (2025)

Table 10. Test Results of the Coefficient of Determination (R²)

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	.825 ^a	.680	.674	3.74256

Source: SPSS output (2025)

Discussion

The test results show that halal literacy has a positive and significant effect on MSMEs' interest in halal certification ($t = 5.021$; $sig. = 0.000$). A good understanding of the halalness of products encourages MSMEs to take care of certification. This finding is in line with research by Aisyah (2023) and Nangimah (2024). The cost of halal certification also shows a significant effect on MSME interest ($t = 7.637$; $sig. = 0.000$). The perception that costs are burdensome can reduce interest in certification. These results support the findings of Nazzriani & Miko (2021) and Nuraliyah et al. (2023). The results showed that halal literacy has a positive and significant effect on the interest of MSME players to apply for halal certification. The higher the level of understanding of business actors of the halal concept, the certification process, and the sharia and economic benefits, the greater their tendency to follow the certification process. This finding is in line with research by Aisyah (2023) and Nangimah (2024) which states that halal literacy significantly influences the decision of business actors to carry out certification. The cost of halal certification is also proven to have a positive and significant influence on the interest of MSME players. When the cost of certification is considered reasonable or there are assistance programs such as Free Halal Certification (Sehati), the interest of businesses to take care of certification tends to increase. Conversely, the perception of high costs is one of the obstacles. These results are in line with the research of Nazzriani & Miko (2021) and (Nuraliyah et al., 2023) which state that cost is a significant factor in halal certification decisions.

CONCLUSION

Based on the results of the analysis and discussion that has been carried out, it can be concluded that halal literacy and halal certification costs simultaneously have a significant effect on the interest of culinary MSME players in Malang City in applying for halal certification. Partially, halal literacy has a positive and significant effect, which indicates that the higher the understanding and awareness of business actors of the concept and importance of halal certification, the higher their interest in participating in the certification process. Conversely, the cost of halal certification shows a negative and significant influence on the interest of MSME players. Costs that are considered high or unaffordable are one of the main obstacles in the certification process, so the existence of a subsidy or free certification program can be a driving factor to increase MSME participation in halal certification.

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