
Perceptions of Culinary Business Actors Regarding Halal Label Certification in Medan City

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Abstract

This research aims to evaluate the importance of implementing halal label certification and the resulting impact in various business sectors, especially in the tourism industry. Apart from that, this research also focuses on the level of understanding of business actors regarding halal certification, whether they consider it an obligation, a necessity, or just an option. The approach used in this research is a qualitative descriptive method, with data collection carried out through field research. Interviews and observations were conducted at hotels and restaurants in Medan City that met certain criteria, namely having a fixed location, being popular among domestic and international tourists, and having a good layout. Research findings reveal that business actors in restaurants and hotels that have adopted Muslim-friendly concepts and halal kitchens are aware of the importance of halal certification. This certification is seen as an important element that supports business success, increases tourist visits, and functions as a promotional tool. In conclusion, with the various benefits and positive impacts of halal label certification, it is hoped that its application can be expanded to various business sectors in Medan City.

Keywords: Perception, Business Actors, Halal Label Certification, Culinary Tourism.

INTRODUCTION

The current rapid development of the culinary industry, which is increasingly in demand by consumers, means that not all culinary business actors have obtained halal label certification for their products. Halal certification is very important for culinary entrepreneurs, especially because the majority of Indonesia's population is Muslim. Apart from that, Muslim tourists who come to Indonesia tend to look for and choose food that is guaranteed to be halal, which also ensures health and cleanliness aspects.

Including halal labels on culinary products provides benefits for producers and consumers. For producers, halal certification can be an effective marketing tool in the halal culinary industry. Meanwhile, for consumers, the halal label provides a sense of security when consuming food, because they get a guarantee that the product was processed in a halal and ethical manner, without containing questionable ingredients.

Eating halal food is an obligation in Islamic teachings, because there are several prohibitions regulated in Islamic Sharia. Products that are considered halal are those that have been declared halal based on Islamic sharia after going through a verification process from a halal guarantee institution. This is in accordance with what is stated in Qs. Al-Baqarah/2: 168: "O people, eat what is halal and good from what is found on earth, and do not follow the steps of the devil, for indeed the devil is a real enemy for you." (Al-Qur'an Tajwid and Translation, 2006)

The need for halal products is very important for Muslims, especially in Medan City, which is the capital of North Sumatra Province with the majority of the population being Muslim. In recent years, the halal industry has grown rapidly in the city, making it part of a lifestyle that includes the halal food and beverage sector. Since the 2000s, the halal industry has become more significant, and

among the various sub-sectors of the developing creative economy, the culinary sector ranks first with a contribution of 41%, followed by the fashion and craft sectors.

The importance of developing a better culinary sector is becoming increasingly clear, especially if this sector can increase the trust of tourists, both domestic and international, through halal label certification. In this way, Medan City can strengthen its position as a superior halal culinary tourism destination.

Halal certification for food and beverage products aims to provide certainty to Muslim consumers regarding the halal status of the products they consume, so that they feel safer. (Journal: Halal Economic Business, 2022). Therefore, business actors need to adapt to increasing consumer demand for halal products. Apart from that, existing regulations also require halal products offered by business actors. This is regulated in Law Number 33 of 2014 concerning Halal Product Guarantees (UU-JPH) which was passed in 2014. (Siti Hoiriyatul Muawwanah, 2002).

The Halal Product Guarantee Law (UU-JPH) mandates that every company that sells goods consumed by the public is required to have a halal certificate and include a halal label on its products, including Micro, Small and Medium Enterprises (MSMEs). Business actors' awareness of processing halal certification for their products is now no longer voluntary, but has become an obligation that must be fulfilled. However, there are still many food and beverage products found on the market that are not halal certified, including among micro-entrepreneurs who do not yet have a halal certificate from the MUI.

The government has also stipulated mandatory halal certification for food and beverage products starting in 2024. Based on Article 2 of Government Regulation Number 39 of 2022, every product that enters, circulates and is traded in Indonesian territory must be halal certified. (Ahmad Makhtum, 2022) With the increasing number of food and beverage industries in Indonesia, competition is becoming increasingly fierce. This applies not only to large-scale companies, but also to small and medium industries which have spread to the district level, including in the city of Medan.

According to the LPPOM MUI report, Indonesia is currently the 4th largest halal food importing country in the world and has not succeeded in becoming a major player in the global halal food industry. This situation shows a very high urgency to achieve a more dominant role in the industry, and cooperation from various parties is needed to achieve this target. Halal certification is very important, especially for business people, including the people of Sumenep, where the majority of the population is Muslim and understands the importance of halal products.

For this reason, a more in-depth study is needed regarding the understanding and perceptions of small and micro business actors in the food and beverage sector regarding the implementation of halal certification, especially in Medan City as the research location. Considering that the majority of the population of Medan City is Muslim, the need for halal certified products is very basic. For consumers, halal certification provides a sense of security in consuming products, while for business actors, this is an important element in convincing consumers of the halalness of their products.

This research will examine how business actors view the importance of halal certification for food and beverage products. This certification aims to provide certainty regarding the halal status of products, so that Muslim consumers feel safer. Business actors are required to adapt to consumer demands and existing regulations, including Law Number 33 of 2014 concerning Halal Product Guarantees (UU-JPH). In this law, every company that sells consumer goods is required to have a halal certificate and carry a halal label, including MSMEs. Awareness of obtaining halal certification is no longer voluntary, but an obligation.

However, there are still many food and beverage products on the market that are not halal certified. The government also requires halal certification for food and beverage products starting in

2024, in accordance with Article 2 of Government Regulation Number 39 of 2022, which stipulates that all products entering, circulating and traded in Indonesia must be halal certified.

The food and beverage industry in Indonesia is increasingly competitive along with the increasing number of businesses, both at the large company level and small and medium industries that have reached the district/city level, such as in Medan City. The city of Medan itself has great potential to develop a halal culinary business, because of the culinary diversity it has. With proper development, Medan has the potential to become an increasingly advanced halal culinary tourism destination.

The benefit and urgency of this research is to encourage culinary business actors to be more responsive and proactive in managing, owning and implementing halal certification. This is very relevant for culinary businesses that serve food with brands such as Chinese Food, Japanese Food, Thai Food, Singaporean Food, American Food and European Food. With halal certification, Muslim tourists from various countries, including domestic tourists, can enjoy the food without any doubt, because its halal status is guaranteed by the restaurant's certification.

If entrepreneurs' perception and awareness regarding the importance of obtaining halal certification increases, and is supported by strong regulations, intensive outreach, and provision from LPPOM MUI, then the development of halal culinary tourism will accelerate. This will be a special attraction for tourists, both domestic and international, in the context of gastronomic tourism. However, even though LPPOM MUI has made various efforts such as providing free certification facilities and promotions via the website, there are still many culinary entrepreneurs who are reluctant to apply for halal certification. Their reasons include costs that are considered expensive, processes that are uncertain, as well as taking a long time and burdening the business.

Therefore, it is hoped that this research can help related institutions or the government in formulating more effective and targeted policies and regulations regarding halal certification. Considering the increasing demand for halal food from domestic and international tourists, this has the potential to increase national and regional income, as well as attract more tourist visits.

The impact of this research is expected to increase the awareness and perception of culinary business actors, food and beverage producers, regarding the various benefits of owning and implementing halal certification. Indirectly, this will also support regional economic growth through increasing demand for halal culinary delights and developing sharia tourism in the city of Medan.

METHOD

This research was conducted using qualitative methods and utilized several approaches, namely the statutory approach, case approach, comparative approach and conceptual approach. These approaches are applied to analyze and answer problems related to culinary business actors' perceptions of the implementation of halal label certification in the city of Medan.

The data used in this research is divided into two types:

- a. Primary Data: Data obtained through interviews with culinary business actors in Medan City.
- b. Secondary Data: Data originating from various sources such as statutory regulations, literature, and previous research results that are relevant to the topic, especially related to halal label certification in Medan City.

Sample selection in this research was carried out using a purposive sampling method, which included the snowball technique. (Peter Mahmud Marzuki, 2008) This technique involves searching for respondents and key informants, which can then lead the researcher to find additional informants who are relevant to the research needs. (Soerjono Soekanto and Sri Mamudji, 1995).

Data analysis in this research was carried out qualitatively, without using statistical calculations. Drawing conclusions is based on logic and interpretation of data that has been processed and described. Data presentation is carried out simultaneously with analysis, so that the relevance and accuracy of the data is maintained throughout the research process. (University of North Sumatra, 2001)

RESULTS AND DISCUSSION

Implementation of Halal Standardization for Food Products

Modern human lifestyle increasingly demands efforts to obtain good and quality food. Knowledge of business actors and consumers regarding halal standards is an important factor that must be considered by both parties, especially in avoiding food that contains haram elements or that is not in accordance with Islamic law. However, this awareness is often ignored, which ultimately ignores the common good.

The application of halal standards to food products must be in accordance with the Halal Guarantee System (SJH), which integrates the concept of Islamic sharia, especially regarding halal and haram, with ethics and planning and implementation mechanisms in the food production process to be consumed by Muslims. According to Hazairin's theory, the laws that apply in Indonesia include Islamic law, which includes provisions regarding halal food. Therefore, every food, both traditional and modern, that is within the area of Islamic law must comply with Islamic law without exception. (Sidik Lukman Sah, 2008).

For culinary businesses and the tourism industry in Medan City, including hotels in halal tourist areas, researchers recommend including the halal label as a form of consumer protection. Halal standards for culinary products and the tourism industry are in line with consumer protection as regulated in Article 6 of Law Number 8 of 1999 concerning Consumer Protection, which guarantees the quality of goods and services produced or traded according to quality standards.

Halal products are products that meet halal requirements according to Islamic law. In terms of terms, halal means everything that is permitted, while haram refers to everything that is prohibited by Islamic teachings. Islam pays great attention to aspects of sharia and food quality with the aim of protecting and making humans healthy. (Guide to Halal Certification, 2003) However, the implementation of halal certification in Medan City is not evenly distributed because many business actors do not realize the importance of implementing this in their businesses. The requirement for halal certification for the culinary and tourism industry should be a major concern. Some of the obstacles that cause halal certification to not be widely implemented in Medan City include the lack of regular outreach from the government, as well as medium to lower scale culinary business actors who are unable to pay certification fees or face a long and complicated process in processing it.

Impact of Implementing Halal Label Certification for the Tourism Industry

The implementation of halal certification in the tourism industry, especially in the culinary and hospitality sectors, has had a significant positive impact, especially in the city of Medan, which is currently developing halal tourism. Halal label certification is an important element that drives industrial progress by meeting current market needs for halal consumption and accommodation based on Islamic sharia. Culinary and hospitality businesses that implement the Muslim-friendly concept in the city of Medan report that halal certification increases the number of tourist visits, both Muslim and non-Muslim, and functions as an effective promotional medium. Apart from that, this certification also contributes to increasing industry income.

Halal label certification can strengthen businesses and increase income by creating a positive image in the eyes of consumers, because products that have been certified halal are considered to

meet strict hygiene and quality standards. The research results show that halal certification has a big influence on the income of business actors in the culinary and hotel sectors. This certification helps expand the reach of market share, especially among the increasing number of Muslim consumers.

According to the Department of Islamic Development Malaysia (JAKIM), there are four main benefits of having halal certification:

1. Customer Confidence: Halal certification increases customer confidence in purchasing products.
2. Competitive Advantage: Certification provides a competitive advantage, being an effective marketing tool.
3. Product Quality: Halal certified products meet strict hygiene and halal standards.
4. Product Monitoring: Halal certification ensures the power to audit and monitor halal products.

By having halal certification, business actors can attract consumer interest and loyalty, making it a new promotional medium in the industry. Halal certification is also considered an effective marketing strategy to expand market share and meet the needs of Muslim consumers for halal, safe and quality food and beverage products.

Business Actors' Perceptions of Halal Label Certification in Medan City

Regulations regarding the use of halal certification for business actors in the food, beverage and tourism industry sectors have long existed, but have not been regulated exclusively in law as an obligation. However, since 2019, the government has begun requiring culinary and hotel businesses to have halal label certification. This is based on government regulations and the Halal Product Guarantee Law (UU-JPH).

Over time, halal certification has increasingly been implemented because of the benefits it brings, especially in the city of Medan which plans to become a sharia tourist destination. Many business people in the food industry understand the importance of halal food and consider halal label certification an obligation.

Syahputra, Supervisor at O'Chicken Organic Chicken, Medan City, stated that halal certification is an obligation because it is important to ensure that food is managed and processed according to sharia. However, there is also a view that halal certification is an option. (Syahputra , 2024) Andika, manager of a cake culinary business, said that although halal certification is very important, some business owners don't mind it too much and see it as a useful option. (Andika,2022).

From the perspective of ASN employees of the Medan City Culture and Tourism Service, halal certification is considered an obligation because it can increase business income. This certification provides confidence to all tourists, both Muslim and non-Muslim, and guarantees that the materials and tools used are in accordance with sharia. (Adryanta Putra, 2024) Munir, manager of a sharia hotel in Medan City, said that halal certification could be a necessity if the hotel or restaurant carries the sharia concept. However, for conventional hotels or restaurants, halal certification may only be an option. (Munir, 2024).

In general, perceptions about halal certification in the tourism industry in Medan City vary. Some businesses see it as an obligation, especially due to government regulations, while others see it as a necessity or an option depending on market needs.

The obligation for halal certification is regulated by the Halal Product Guarantee Organizing Agency (BPJPH), which is under the Minister of Religion. Based on Law Number 33 of 2014, BPJPH is tasked with:

1. Develop and establish JPH policies.
2. Establish JPH norms, standards, procedures and criteria.
3. Issuing and revoking halal certification and halal labels.
4. Register halal certification for foreign products.
5. Carrying out outreach, provision and publication of halal products.
6. Accredite LPH.
7. Register a Halal Auditor.
8. Supervise LPH.
9. Fostering Halal Auditors.
10. Collaborating with domestic and international institutions in the field of JPH.

Halal certification required by the JPH Law provides a comparative advantage for products in Indonesia, especially in competing with non-halal products. Halal certification includes several important elements:

1. **Authority:** Guarantees compliance with sharia law and production standards. Halal certification provides legal certainty that products comply with sharia law and applicable production standards. This is important to build consumer trust because they can be sure that the products they consume or use have gone through processes that comply with sharia principles. With this authority, business actors must comply with standard guidelines and standards, which minimize the risk of errors or fraud in the production process.
2. **Confidence:** Provides assurance to Muslim consumers and others. Halal certification provides assurance to consumers, both Muslim and non-Muslim, that the product meets halal requirements. This belief is especially important in the food and beverage industry because consumers want to ensure that the products they consume are not only halal but also safe. For non-Muslim consumers, halal certification can be an indicator of product quality and cleanliness, even though they may not be religiously attached to halal principles.
3. **Competitive Advantage:** Expanding markets and meeting global needs. Products that are halal certified have a significant competitive advantage in the global market. This certification opens up access to a wider market, including countries with large Muslim populations. In addition, by highlighting the halal label, products can attract the attention of consumers who are looking for goods that meet halal standards, thereby increasing competitiveness in domestic and international markets.
4. **Quality:** Shows that the product meets halal, hygiene and health standards. Halal certification ensures that products not only meet halal standards, but also hygiene and health standards. The certification process involves examining raw materials, production processes, and facilities to ensure that all aspects meet strict standards. This underlines a commitment to quality and cleanliness, which can enhance the product's reputation with consumers.
5. **International Acceptance:** Increase acceptance in export and international markets. Halal certification can increase product acceptance in international markets, especially in countries with large Muslim populations. This also opens up greater export opportunities, as products

with halal certification are often more accepted and sought after on the global market. This international acceptance can expand the market and increase the potential for business growth.

Halal certification required by UU-JPH provides various strategic advantages for products in Indonesia. By ensuring compliance with sharia law, providing confidence to consumers, expanding markets, improving product quality, and improving international acceptance, halal certification not only serves as a tool to fulfill legal obligations but also as an effective marketing strategy. This helps businesses to compete more effectively in domestic and global markets and increases consumer trust and satisfaction.

CONCLUSION

The implementation of halal label certification in Medan City has not been fully implemented in food stalls, restaurants and hotel kitchens. However, agencies and culinary businesses who are aware of the importance of halal certification feel that this implementation has a big impact. Based on research, the benefits of implementing halal certification include strengthening businesses, increasing the number of visits, and increasing income for food stalls or hotels. The perception of business actors who have obtained halal certification from LPPOM MUI, the Ministry of Religion of the Republic of Indonesia, and the MUI, shows that they see halal certification as an important need. This certification is considered to attract the attention of consumers to visit restaurants and hotels and ensure the safety of food consumption. Many business people think that halal certification is an obligation because it has become a regulation from the central and regional governments.

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