

Analysis of Food and Beverage MSMEs' Readiness in Fulfilling Halal Certification to Improve Business Competitiveness

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Abstract: This study aims to analyze the readiness and constraints of Micro, Small, and Medium Enterprises (MSMEs) in the food and beverage sector in Serang City in fulfilling halal certification requirements and to examine the role of technical assistance in supporting the certification process. A descriptive qualitative approach with a case study method was employed. Data were collected from 60 food and beverage MSMEs through questionnaires, interviews, observations, and supporting documentation. The 60 MSMEs constituted the overall research subjects involved in the Halal certification facilitation process. The results indicate that 30 MSMEs (50%) successfully obtained Halal certificates, while the remaining 30 MSMEs had not yet reached the certificate issuance stage. The findings demonstrate that MSME readiness varies and is influenced by internal and external factors. Internal constraints include limited understanding of certification requirements and procedures, administrative requirements such as the Business Identification Number (NIB), financial limitations, availability of raw materials with halal evidence, human resource capacity, and inadequate record-keeping and documentation. Externally, limited program quotas contributed to the suspension of several applications. Interviews further indicate that seminars and technical assistance improved MSME owners' understanding and confidence in addressing administrative, financial, halal supervisor, and documentation-related challenges. Halal certification may strengthen consumer trust, business credibility, added value, and market access. Therefore, continuous education, administrative assistance, financial support, halal supervisor training, and sustainable access to certification programs are needed to improve MSME readiness and increase the successful completion of halal certification.

Article history:

Received: 14 September 2026

Revised: 26 September 2026

Accepted: 28 September 2026

Published: 29 September 2026

Keyword:

Food and Beverage MSMEs, Halal Certification, Regulatory Compliance, Product Legality, Business Competitiveness

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How to cite: Badariah, E., Sandra, M., Solihin, A., Suhada, M. H A., & Masrurroh, M. (2026). Analysis of Food and Beverage MSMEs' Readiness in Fulfilling Halal Certification to Improve Business Competitiveness. *Jurnal Ekonomi, Manajemen, dan Bisnis*, 4(3), 1486-1498. <https://doi.org/10.70716/emis.v4i3.884>

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) in the food and beverage sector constitute one of the strategic sectors in the national economy, playing a vital role in creating employment, raising household income, and supplying a wide range of food products to the public. MSMEs contribute not only to national economic activity but also form a key driver of regional economic growth through the utilization of local resources and community empowerment. The food and beverage sector is closely tied to daily needs, thereby offering vast and growing market opportunities amid rising demand and evolving consumption patterns.

The growth of food and beverage MSMEs is further supported by increasing creativity and innovation among business owners, who develop diverse products in terms of variety, taste, packaging, and marketing strategies. The adoption of digital technology and social media has enabled MSMEs to broaden their market reach, build stronger consumer relationships, and enhance product competitiveness. However, these expanding market opportunities are accompanied by growing

consumer demands for quality, safety, clear ingredient disclosure, and guaranteed halal status of the products they consume.

The Government of Indonesia has established a mandatory halal certification policy through Law No. 33 of 2014 concerning Halal Product Assurance (JPH) and its implementing regulations. This policy is administered by the Halal Product Assurance Organizing Agency (BPJPH), with the mandatory halal certification requirement for micro and small enterprises to be fully enforced starting 18 October 2026. The halal certification mandate is positioned as part of the national strategy for halal compliance and aligns with the national development agenda (Asta Cita of the President of the Republic of Indonesia), aimed at strengthening the business ecosystem and the competitiveness of national products (Badan Penyelenggara Jaminan Produk Halal (BPJPH), 2025) .

In MSME development practice, halal certification represents a further step toward fulfilling basic business legality requirements, particularly after business owners obtain their Business Identification Number (NIB). This phased approach is consistent with the government's strategy to encourage regulatory compliance among MSMEs in gradual stages (Tati et al., 2024) .

Various studies indicate that halal certification has a positive impact on consumer purchasing interest, sales performance, and the competitiveness of MSMEs in both domestic and global markets. A halal certificate serves as a signal of quality and a mark of trust assurance, particularly for Muslim consumers (Muntholip & Setiawan, 2025) . Empirical studies across several regions also show that MSMEs that have obtained halal certification demonstrate improved business sustainability and overall performance (Masrohatin & Hasanah, 2025) .

Nevertheless, the proportion of food and beverage MSMEs holding halal certificates remains relatively low. Multiple studies identify that this gap is primarily driven by limited understanding of halal certification procedures among MSME operators (Akim et al., 2019) .

Prior research conducted in Banten Province focused on guidance for obtaining NIB, as a large number of MSMEs still lacked formal business legality in the form of a Risk-Based Business Identification Number (Haquei & Sandra, 2024) . This phenomenon is similarly reflected in data showing that a substantial number of food and beverage MSMEs in Banten Province are yet to obtain halal certification.

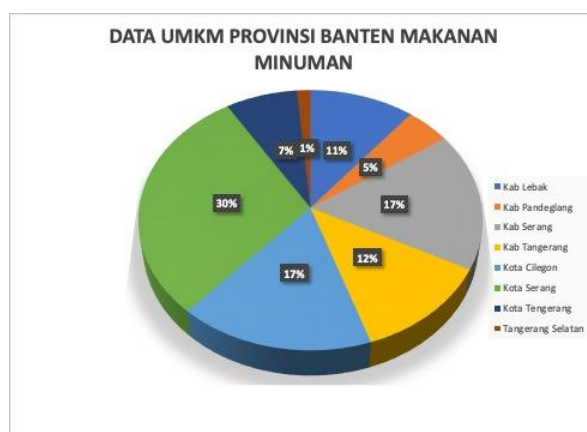


Figure 1. Food and Beverage MSMEs Data

Source: PLUT Banten Province Technical Assistance Data

Based on the distribution data of food and beverage MSMEs in Banten Province, Serang City dominates with a proportion of approximately 30%, indicating a high concentration of food and beverage businesses in this region. This large number of MSMEs is directly proportional to the growing challenges in fulfilling product legality requirements, particularly halal certification. In practice, a substantial number of micro-scale food and beverage MSMEs in Serang City likely still lack halal certification, attributable to limited understanding of regulations, perceptions of complex procedures, and insufficient technical guidance. This condition represents a critical concern, as halal certification is

not merely a regulatory obligation but also a vital factor in ensuring consumer trust and product competitiveness. Therefore, Serang City was selected as the research locus, serving as a strategic area for further investigation into the readiness and guidance needs of food and beverage MSMEs in fulfilling halal certification, as it empirically represents a region where examining halal certification readiness is increasingly urgent.

This study emerges from the gap between the mandatory Halal Certification policy and the actual readiness of food and beverage MSMEs at the local level. Although the government has mandated Halal Certification to be fully enforced starting in 2026, the proportion of food and beverage MSMEs holding Halal Certificates remains relatively low, even among those already possessing a Business Identification Number (NIB) as their basic business legality. This situation indicates that formal business registration does not automatically correspond with MSME operators' readiness to meet Halal Certification requirements.

Previous studies show that MSMEs continue to face diverse obstacles in fulfilling halal certification requirements, spanning knowledge, awareness, resources, and the capacity to satisfy both technical and administrative standards. Tuhuteru & Iqbal (2024), in a study of 110 food and beverage MSMEs in Magelang, found that knowledge regarding halal certification is a key determinant of readiness, with a coefficient of 0.384. This was followed by certification service quality (coefficient 0.244) and halal awareness (coefficient 0.218). These findings demonstrate that better understanding of halal certification regulations, procedures, and benefits correlates strongly with greater preparedness to comply with certification obligations. Meanwhile, Diwanti (2023) observed in West Nusa Tenggara that halal certification implementation remains constrained even after outreach and guidance efforts have been conducted. This suggests that information dissemination alone is insufficient to ensure all MSMEs can optimally meet certification requirements.

Warto & Samsuri (2020) similarly reported uneven halal certification readiness across MSMEs. Among four MSMEs studied, only one demonstrated high readiness levels, while the remaining three required improvements in production facilities, use of guaranteed halal ingredients, and product labeling and information. These findings confirm that halal certification readiness depends not only on business owners' willingness but also on their operational capacity to fulfill all requirements under the halal product assurance system.

Collectively, existing research identifies four primary dimensions of barriers to halal certification compliance among MSMEs: knowledge, economic capacity, administration, and infrastructure. From a knowledge perspective, many MSME operators demonstrate limited understanding of application procedures, raw material requirements, halal production protocols, documentation standards, and the business benefits of certification. Silalahi et al. (2022) and Rahmanita et al. (2023) note that limited outreach and information availability remain persistent challenges, particularly for MSMEs located in rural and peri-urban areas. This knowledge gap often prevents businesses from fully understanding the sequential steps required to obtain halal certification.

Regarding economic factors, limited capital and financing capacity constitute significant barriers. Even with government-facilitated halal certification programs—including the self-declaration scheme for eligible MSMEs—businesses still incur costs and allocate resources to prepare documentation, adapt production processes, establish supporting infrastructure, and ensure all raw materials meet halal standards. Thus, reduced certification fees do not eliminate the broader financial burden borne by MSMEs in meeting halal compliance requirements.

Beyond knowledge and financing, infrastructure and supply chain conditions also critically influence certification readiness. Food and beverage MSMEs must ensure all raw materials possess verified halal status, production processes comply with regulations, and facilities support consistent halal product assurance practices. Limited access to suppliers with certified halal inputs presents a further barrier. These challenges are compounded for businesses lacking systematic raw material

recording, formal production documentation, and access to digital tools to streamline certification applications and documentation management (Qoniah, 2022).

These collective findings provide the empirical foundation for investigating halal certification readiness among food and beverage MSMEs specifically in Serang City. While prior studies have established knowledge gaps, costs, service quality, raw material availability, and infrastructure as common barriers, local conditions vary significantly across regions. As a key economic hub in Banten Province, Serang City hosts a diverse MSME population with varied business profiles, resource capacities, and levels of halal certification awareness. Accordingly, this study examines 60 food and beverage MSMEs in Serang City to assess their compliance readiness and identify specific constraints encountered throughout the certification process. The findings are expected to offer an empirical overview of current conditions while informing the design of targeted guidance and capacity-building strategies—so that halal certification may effectively serve as a tool to strengthen consumer confidence, expand market access, and enhance overall business competitiveness.

RESEARCH METHOD

Research Approach and Design

This study employed a descriptive qualitative approach with a case study method. The descriptive qualitative approach was used to describe comprehensively the actual conditions of Micro, Small, and Medium Enterprises (MSMEs) in the food and beverage sector in fulfilling Halal certification requirements. The case study method was applied to explore the readiness, understanding, constraints, and experiences of MSME actors throughout the Halal certification process within the specific context of Serang City (Sugiyono, 2022).

Questionnaires were used to obtain descriptive information regarding MSME actors' understanding and readiness for Halal certification. Meanwhile, interviews and observations were conducted to obtain more in-depth qualitative information concerning the experiences, constraints, and needs of MSME actors. Thus, the questionnaire served as supporting descriptive data, while interviews and observations provided the main qualitative information for understanding the conditions of MSMEs in the certification process.

Research Location and Period

This research was conducted in Serang City, Banten Province. Serang City was selected as the research location because it is one of the economic and trade centers in Banten Province and has a diverse number of MSMEs operating in the food and beverage sector. This condition makes Serang City a relevant setting for examining MSME readiness and identifying constraints in fulfilling Halal certification requirements.

Population, Sample, and Informants

The research subjects consisted of 60 food and beverage MSMEs operating in Serang City, Banten Province, that were involved in the Halal certification facilitation process. The 60 MSMEs constituted the overall research subjects and were analyzed to identify their readiness, constraints, and needs in fulfilling Halal certification requirements.

Data were collected from the 60 MSMEs through questionnaires, observations, interviews, and supporting documentation. At the time of analysis, 30 MSMEs had successfully obtained Halal certificates, while the remaining 30 MSMEs had not yet reached the certificate issuance stage. Both groups remained part of the research data. The 30 MSMEs that obtained certification provided information regarding the achievement of certification requirements, while the 30 MSMEs that had not reached the certificate issuance stage provided important information regarding barriers and readiness gaps in the certification process.

For the qualitative component, two MSME actors, Mrs. Sopiah and Mrs. Lilis, were involved as in-depth interview informants. Their interviews were used to provide contextual explanations of the constraints and experiences identified from the broader data. The two informants were treated as illustrative cases rather than as statistically representative of all 60 MSMEs.

The use of 60 MSMEs as the overall research subjects enabled the study to combine descriptive information on MSME readiness with qualitative evidence concerning the experiences and constraints encountered during the Halal certification process.

Data Collection Techniques

Data were collected through questionnaires, interviews, observations and supporting documentation. Supporting documentation was reviewed to complement the information obtained from questionnaires, interviews, and observations, particularly regarding business administration, raw materials, production processes, and certification-related records. Questionnaires were distributed to 60 MSME actors to obtain descriptive information regarding their understanding and readiness in fulfilling Halal certification requirements. The questionnaire covered aspects related to knowledge of Halal certification, administrative readiness, raw material requirements, documentation, and other relevant requirements.

Semi-structured interviews were conducted to obtain more detailed information regarding the experiences and challenges encountered by MSME actors. The interviews explored issues such as understanding of certification procedures, administrative requirements, financial constraints, availability of Halal-certified raw materials, availability of Halal supervisors, documentation, and experiences in receiving technical assistance.

Observations were conducted to examine the actual conditions of MSME business activities and to identify aspects relevant to Halal compliance, including production processes, raw materials, documentation, and business administration. The use of questionnaires, interviews, and observations enabled the researcher to compare descriptive information with conditions and experiences observed in the field.

Data Analysis Technique

Data analysis was conducted descriptively by integrating information obtained from questionnaires, interviews, and observations. Quantitative information obtained from the questionnaires was presented using descriptive statistics, particularly frequencies and percentages, to illustrate the distribution of MSMEs according to their level of readiness and fulfillment of Halal certification requirements.

Qualitative data obtained from interviews and observations were analyzed through three stages: data reduction, data presentation, and conclusion drawing. During data reduction, relevant information was selected and categorized according to the research objectives. The data were then presented in a systematic manner to identify recurring patterns, constraints, and experiences among MSME actors. Finally, conclusions were drawn based on the overall findings.

The analysis focused on identifying MSME readiness, understanding of Halal certification requirements, internal constraints, external constraints, and the role of technical assistance in supporting the certification process. This analytical process was intended to provide a comprehensive description of the actual conditions experienced by food and beverage MSMEs in Serang City.

Data Validity

The validity of the qualitative findings was strengthened through methodological triangulation by comparing information obtained from questionnaires, semi-structured interviews, observations, and supporting documentation. Questionnaire data were used to provide descriptive information regarding MSME understanding and readiness for Halal certification, while interview data were used to explore the experiences, constraints, and needs of MSME actors. These findings were then compared with observations of business administration, raw materials, production processes, and

relevant documentation to assess the consistency and convergence of information across data collection techniques. When differences were identified across data sources, the relevant interview records, questionnaire responses, observation findings, and supporting documents were reviewed to clarify whether the differences reflected variations in MSME conditions or inconsistencies in the information. The triangulation process was used to identify findings that were supported by more than one source and to distinguish them from information that reflected the specific experience or condition of an individual MSME. This process strengthened the credibility of the findings by reducing reliance on a single data source.

RESULTS AND DISCUSSION

Based on the research findings regarding food and beverage MSMEs, a total of 60 MSMEs were included in the Halal certification compliance process. Of this number, 30 MSMEs successfully completed the process and obtained their Halal certificates, while the remaining 30 MSMEs have not yet obtained Halal certification. Accordingly, the certification process completion rate stands at 50%. An overview of the Halal certification process outcomes is presented in Table 1.

Table 1. Description of Halal Certification Process Results

Condition	Number of MSMEs	Percentage (%)
Submitted MSMEs	60	100%
Obtained Halal Certificate	30	50%
Have Not Obtained Halal Certificate	30	50%
Total	60	100%

Based on Table 1, only 50% of MSMEs successfully completed the Halal certification process, while the remaining 50% have not yet reached the certificate issuance stage. This condition indicates that MSME readiness in fulfilling Halal certification requirements remains uneven. However, the absence of a Halal certificate does not necessarily mean that an MSME is unprepared, as the certification process is also influenced by various internal and external constraints.

Findings from interviews and observations reveal that several MSMEs face limited capital, do not yet have a Business Identification Number (NIB), and encounter available program quota limitations. Therefore, these quantitative findings require further elaboration through qualitative analysis to identify the underlying factors preventing some MSMEs from completing the Halal certification process.

Results on MSME Readiness and Constraints in Fulfilling Halal Certification

Data obtained from interviews and observations were analyzed through three stages: data reduction, data presentation, and conclusion drawing. During the data reduction stage, information gathered from informants was grouped according to themes related to readiness and constraints in fulfilling Halal certification. The results indicate several aspects influencing the certification process, namely understanding, administration, financial capacity, raw materials and production processes, certification procedures, and limitations on program quotas.

Table 2. Matrix of Analysis Results on MSME Readiness and Constraints

Aspect	Results of Interview Data Reduction	Observation Results / Impact	Interpretation
Understanding	Understanding of certification requirements and stages remains uneven across respondents	Some MSMEs require guidance and assistance	Readiness is not yet optimal
Administration / Business	Some MSMEs do not yet possess a NIB or encounter related issues	Incomplete administrative requirements hinder application submission	Administrative readiness remains uneven

Identification Number (NIB)			
Financial Capacity	Some MSMEs lack sufficient capital and therefore do not proceed with the certification process	Applications are not continued	Financial constraints serve as a barrier
Raw Materials and Production Process	Some MSMEs experience difficulty verifying the halal status of raw materials and obtaining supporting evidence from suppliers	Incomplete information or supporting documents for raw materials complicate compliance verification	Raw-material verification remains a readiness barrier
Certification Procedures	Some MSMEs experience difficulties in following application procedures	Guidance and assistance are required	Procedural readiness is not yet optimal
Program Quota	Some applications cannot be processed further due to quota exhaustion	The certification process is suspended during certain periods	This represents an external influencing factor

Based on Table 2, MSME readiness in fulfilling Halal certification is influenced by both internal and external factors. Internal factors relate to the capacity of MSMEs to meet requirements across areas such as understanding, administration, financial resources, raw materials, and procedures. External factors are reflected in program quota limitations, which prevent some applications from proceeding.

Regarding understanding, interview results show that the ability of MSME actors to comprehend certification requirements and stages varies widely. Many business owners require guidance in understanding application procedures and necessary documentation. This situation demonstrates that willingness to pursue certification does not always correspond with adequate knowledge. Consequently, guidance and assistance are essential in helping MSMEs understand requirements and complete the certification process.

The finding that understanding among MSME actors remains uneven aligns with research by Puspaningtyas et al. (2020) , which indicates that MSME readiness to implement Halal certification is closely related to their level of understanding and capacity to fulfill regulatory requirements. Other studies similarly note that comprehension regarding technical and administrative aspects of Halal certification remains limited among many MSMEs, making guidance and support a critical factor in helping businesses meet certification standards.

Concerning administrative matters, interviews with Mrs. Sopiah revealed that challenges extend beyond simply lacking a Business Identification Number (NIB) to include difficulties accessing the Online Single Submission (OSS) system used for administrative purposes. Due to prolonged inactivity, she had forgotten her account password, causing registration processes to stall. This finding expands upon previous research identifying NIB-related challenges among MSMEs. Accordingly, administrative barriers may arise not only from missing legal documentation but also from limited capacity to access and manage online administrative systems.

This condition illustrates that Halal certification readiness is also tied to broader legal compliance and administrative capacity within MSMEs. Even businesses with eligible operations and products may face delays if administrative documentation and system access are not fully prepared. This aligns with research by Fathorrazi et al. (2025) , who demonstrate that certification barriers extend beyond Halal literacy to include documentation readiness and administrative capacity.

In the financial domain, limited capital represents a particularly evident constraint. According to Mrs. Sopiah, business capital is primarily allocated toward daily production needs, making certification-related costs burdensome. This financial pressure at one point raised doubts about the viability of

continuing operations. This finding corroborates earlier observations that insufficient capital causes some MSMEs to abandon certification efforts.

Financial constraints experienced by Mrs. Sopiah further indicate that even with available assistance or subsidy programs, MSMEs may still face related costs. These may include administrative expenses, production adjustments, Halal raw materials, and other supporting requirements. Consequently, free or subsidized certification programs do not necessarily eliminate all financial burdens. This observation aligns with findings by M. Topit Hidayat & Sri Rahma Witta (2024), who note that cost and process complexity remain significant barriers. Research focused on culinary MSMEs similarly identifies cost as a key consideration in encouraging Halal certification participation.

Regarding raw materials and production processes, Mrs. Sopiah expressed difficulty sourcing materials accompanied by clear evidence of Halal compliance from suppliers. This necessitates heightened diligence in verifying the status of inputs used. This finding reinforces observations that certification readiness depends not only on the final product but also on inputs and production methods. Accordingly, MSMEs require clear information regarding material origins and status, alongside documentation capable of supporting Halal certification audits.

These findings highlight that raw material challenges are intrinsically linked to supply chain conditions. Businesses face difficulties when suppliers fail to provide adequate information or documentation confirming Halal status. Therefore, strengthening Halal raw material awareness must be paired with improved capacity to maintain accurate records and documentation.

In terms of understanding and procedures, both interviewees indicated that information obtained prior to attending seminars was insufficient. Mrs. Lilis explained that critical details regarding procedures and requirements were only discovered upon inquiry, while information obtained from various sources was sometimes difficult to interpret. This observation is consistent with the broader findings indicating variation in MSME knowledge and the continuing need for guidance during the certification process. Post-seminar interviews also indicated improved understanding among the two informants. Mrs. Sopiah became aware of available subsidies and financial assistance, alongside practical solutions for OSS access and NIB-related challenges. Meanwhile, Mrs. Lilis gained knowledge regarding affordable Halal supervisor training and simplified record-keeping approaches that do not require complex technology. These developments demonstrate that seminars not only provide information but also transform perceptions—shifting the view of Halal certification from an onerous obligation to an achievable process.

These outcomes underscore the vital role of education and guidance in enhancing MSME readiness. Before receiving adequate information, administrative complexity, cost, Halal supervisor requirements, and documentation were frequently perceived as insurmountable barriers. Following structured explanation and solution guidance, business owners expressed greater optimism and clarity regarding necessary actions. The importance of awareness and support also corroborates findings by Azis (2025) concerning the link between understanding and implementation readiness.

Regarding human resources, interviews with Mrs. Lilis Sulyah highlighted the absence of an assigned Halal supervisor within her business. She indicated that training costs represented a significant barrier for small-scale beverage enterprises. This finding adds important nuance to existing research by demonstrating that readiness extends beyond capital and documentation to encompass qualified personnel responsible for Halal compliance.

The absence of designated Halal supervisors indicates limited internal capacity to maintain consistent Halal practices. This gap becomes particularly problematic when businesses remain unaware of available training alternatives or subsidy programs. Consequently, providing accessible and affordable Halal supervisor training represents an essential form of targeted support.

Beyond human resources, limitations in technology and record-keeping were also identified. Mrs. Lilis noted that production monitoring and material tracking remain manual and basic in practice. This created apprehension regarding the ability to present comprehensive and organized records

during audits. This demonstrates that certification readiness also requires adequate documentation capacity—though this need not depend on sophisticated technology.

These record-keeping limitations relate closely to administrative and procedural challenges. Without organized documentation of materials, processes, and supporting evidence, businesses struggle to demonstrate compliance during audits. Guidance should therefore combine information about requirements with practical instruction in simplified record-keeping systems adapted to MSME capabilities.

In addition to internal constraints, external factors including program quota limitations were identified. Interviews revealed that certificate issuance operates within specific periods—February, July, and September. Once allocated quotas are fully utilized, applications cannot proceed. This finding is significant because it establishes that incomplete certification does not universally indicate unpreparedness; some delays stem from program constraints rather than internal deficiencies.

Table 3. Synthesis of MSME Readiness Analysis Results

Main Findings	SME Readiness Condition	Impact on Certification	Implications
Understanding and procedures	Not evenly distributed	Some SMEs require assistance	Strengthening education and mentoring
Administration/NIB	Not fully prepared	Application process is hindered	Assistance with legality and administration
Financial resources/capital	Some SMEs have limited capital	The process is not continued	Financing/facilitation support
Raw materials and supply chain	Need to be strengthened	Compliance with Halal requirements needs attention	Strengthening understanding, verification and documentation of materials
Program quota	Limited to certain periods	Some applications are discontinued	Increasing access and program continuity
Overall	Readiness is not evenly distributed	30 out of 60 SMEs successfully obtained certification	Strengthening internal capacity and external support

As shown in Table 3, Halal certification readiness is determined by multiple interrelated factors. Readiness represents a combination of internal capacity and external program conditions. Areas including understanding, administration, finance, materials, and procedures point toward internal strengthening needs, whereas quota limitations highlight external influences on certification outcomes.

Qualitative Interpretation of the Informants

The qualitative discussion in this study draws on in-depth interviews with two MSME actors, Mrs. Sopiah and Mrs. Lilis. These interviews were not intended to statistically represent all 60 MSMEs involved in the study. Instead, the two informants were used as illustrative cases to provide contextual explanations of the constraints and experiences identified through the broader questionnaire, observation, and documentation data. Therefore, the experiences described below are interpreted as contextual evidence that complements the broader findings rather than as a basis for generalizing the experiences of the two informants to all MSMEs. The two cases illustrate different dimensions of the challenges encountered during the Halal certification process. Mrs. Sopiah experienced difficulties related to capital, NIB/OSS access, and raw material verification, while Mrs. Lilis encountered barriers related to Halal supervisor requirements, procedural knowledge, cost, documentation, and technology limitations. Although these experiences cannot be generalized to all MSMEs, they provide contextual illustrations of several constraints identified in the broader research data. In both cases, limited information and resources were associated with difficulties in progressing through the certification

process. Following seminar participation, both informants also reported improved understanding of available solutions and support mechanisms.

Overall, analysis confirms that MSME readiness remains suboptimal and inconsistent across enterprises. Internal barriers relate primarily to knowledge gaps, administrative preparation, and financial capacity, while external constraints center on program availability. These qualitative cases help contextualize the quantitative findings from the broader group of 60 participating MSMEs, in which 30 MSMEs, representing 50%, successfully obtained Halal certification. The interview evidence provides examples of how financial, administrative, procedural, human-resource, and information-related constraints may affect the certification process, while the broader questionnaire, observation, and documentation data provide the basis for interpreting these patterns across the research subjects.

Importantly, the post-seminar experiences of the two informants indicate that some of the identified constraints may be alleviated through appropriate information and guidance. In these cases, the seminar helped participants understand administrative solutions, identify available financial support, access training information, and adopt simpler documentation approaches. However, these educational interventions did not automatically resolve all underlying challenges.

These findings reinforce the necessity of external support throughout the certification process. Research by Kusuma et al. (2026) identifies government assistance and procedural simplification as critical drivers of adoption. This study further specifies that effective support may be delivered through seminars, administrative guidance, financial information, training programs, and documentation assistance.

Therefore, strategies to improve certification outcomes must be comprehensive. Providing free certification alone is insufficient; businesses must simultaneously possess administrative readiness, procedural knowledge, documentation capacity, access to verified Halal inputs, competent personnel, and ongoing informational support. This holistic approach aims to narrow the gap between application volume and successful certification issuance.

Halal Certification as a Strategy to Enhance MSME Competitiveness

Research findings indicate that Halal certification extends beyond regulatory compliance to actively strengthen the competitive positioning of food and beverage MSMEs. Possession of a Halal certificate enhances business credibility by formally verifying compliance with established Halal standards. For MSMEs, this serves as a valuable differentiator that builds consumer confidence in their products.

This perspective was clearly reflected in Mrs. Sopiah's post-seminar feedback. She came to view certification not merely as an administrative obligation but as an investment in consumer trust and business growth. This attitudinal shift demonstrates that communicating certification benefits is an effective motivator for completing the certification process.

These outcomes align with research by Yandrizal et al. (2025), who establish that Halal certification enhances credibility, builds consumer trust, strengthens brand image, and expands market access. Accordingly, certification should be viewed not only as compliance but also as a strategic competitive instrument.

However, benefits remain unevenly realized. Of 60 participating MSMEs, only 30 (50%) obtained certification. Others remain constrained by capital, administration, knowledge, human resources, and program limitations. This demonstrates that certification does not automatically confer competitive advantage; realization depends entirely on successful certification and strategic utilization.

From the consumer perspective, Halal certification provides transparent assurance regarding product status. This information influences purchasing decisions and builds preference for certified products over uncertified alternatives. Systematic review evidence confirms that Halal certification correlates positively with consumer purchasing interest and market competitiveness.

Certification also reinforces business reputation and integrity. Pursuit of certification signals commitment to quality and standards. Research conducted in West Java confirms that Halal certification and quality assurance practices positively influence competitive advantage. This supports the conclusion that Halal certification represents a viable foundation for competitive differentiation.

Furthermore, certification facilitates market expansion by qualifying products for Halal-conscious market segments. Studies examining MSME performance in Indonesia confirm a positive relationship between Halal certification and both operational and financial outcomes.

Nevertheless, these benefits remain partially inaccessible due to persistent barriers. Cost, administration, knowledge, and quota limitations prevent half the cohort from participating. Competitive advantage is not automatic—it depends on product quality, marketing, distribution, and institutional support.

In summary, Halal certification serves as a strategic instrument for enhancing MSME competitiveness through improved trust, product value, reputation, and market access. This study does not conclude that certification directly increases revenue or sales—such metrics were not measured. Rather, findings indicate that certification creates competitive potential through improved market acceptance and consumer confidence

CONCLUSION

The findings of this study indicate that the readiness of food and beverage MSMEs in Serang City to fulfill Halal certification requirements remains uneven and suboptimal. Of the 60 MSMEs involved in the certification process, only 30 MSMEs, or 50%, successfully obtained Halal certification. The remaining MSMEs encountered various internal and external barriers that prevented them from completing the certification process.

The main internal barriers include limited understanding of Halal certification procedures, incomplete administrative requirements such as the Business Identification Number (NIB), limited financial capacity, difficulties in verifying the Halal status of raw materials, inadequate documentation, and limited availability of competent Halal personnel. Meanwhile, external barriers include limitations in certification program quotas and the availability of certification assistance. These findings demonstrate that Halal certification readiness depends not only on the willingness of MSME owners but also on their administrative, financial, technical, and human resource capacities.

The study also shows that education, seminars, and targeted assistance can improve MSME understanding and readiness. Following the provision of information and guidance, MSME owners demonstrated better awareness of certification procedures, available subsidies, administrative solutions, training opportunities, and simplified documentation practices. However, education alone is insufficient to overcome all barriers, particularly those related to financial resources, raw material verification, human resources, and program availability.

Therefore, improving Halal certification outcomes requires an integrated support mechanism involving continuous education, administrative assistance, affordable Halal supervisor training, financial facilitation, support for raw material verification and documentation, and improved access to certification programs. For local stakeholders, particularly the Dinas Koperasi and UMKM and institutions providing Halal certification assistance, these findings suggest the need for pre-application administrative guidance, practical assistance in preparing documentation and verifying raw materials, information on available financial and training support, and follow-up mentoring for MSMEs that have not completed the certification process. Halal certification should not be viewed solely as a regulatory obligation but also as a strategic instrument that can strengthen consumer trust, business credibility, product value, and market access. Nevertheless, this study does not conclude that certification directly increases sales or revenue, as these indicators were not specifically measured.

ACKNOWLEDGMENT

The author would like to express sincere gratitude and appreciation to the Directorate of Research and Community Service (DPPM), Directorate General of Research and Development, Ministry of Higher Education, Science, and Technology of the Republic of Indonesia (Kemdiktisaintek RI), for providing research funding and support through the Beginner Lecturer Research Program (PDP). This research was funded based on Contract Number 283/C3/DT.05.00/PL-BARU/2026, dated January 30, 2026. The author would also like to express sincere appreciation to the Higher Education Service Institution (LLDIKTI) Region IV for its support and contribution to the implementation of this research based on Contract Number 1631/LL4/PG/2026, dated April 21, 2026. Furthermore, the author gratefully acknowledges the Institute for Research and Community Service (LPPM) of Primagraha University for providing institutional support, coordination, and facilitation throughout the research process based on Contract Number 1920/HK.3.4/01-UPG/V/2026, dated May 8, 2026.

The author also extends sincere appreciation to all parties who contributed to the implementation of this research, particularly the MSME actors who participated as research respondents and provided valuable information, insights, and assistance during the data collection process. Their cooperation and contribution were essential to the successful completion of this study. Finally, the author expresses sincere gratitude to all individuals and institutions who provided support, encouragement, and assistance throughout the research activities. The author hopes that the results of this research will contribute to the development of knowledge and provide practical benefits for improving the readiness and competitiveness of food and beverage MSMEs in fulfilling Halal certification requirements.

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