

The Transformation of the Meaning of Halal Certification from the Perspective of MSME Owners Following the Implementation of the Mandatory Halal Policy in 2026

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Abstract

The implementation of the mandatory halal policy in 2026 has brought significant changes to the management practices of Micro, Small, and Medium Enterprises (MSMEs). However, studies examining how MSME owners interpret the meaning of halal certification following the implementation of this policy remain relatively limited. This study aims to explore the transformation of the meaning of halal certification from the perspective of MSME owners after the implementation of the 2026 mandatory halal policy. The research employed a qualitative approach using a transcendental phenomenological design. Data were collected through in depth interviews, field observations, and documentation involving MSME owners who had obtained halal certification. The data were analyzed using phenomenological reduction and thematic analysis. The findings reveal that halal certification is no longer perceived merely as a means of complying with regulatory requirements; rather, it has evolved into a business identity, a mechanism for building consumer trust, a business development strategy, and a factor supporting business sustainability. These findings highlight that halal certification serves a broader function as a strategic asset for enhancing the competitiveness of MSMEs. The novelty of this study lies in its exploration of the lived experiences of MSME owners in constructing the meaning of halal certification through a transcendental phenomenological approach, thereby providing a conceptual contribution to the development of halal certification studies in Indonesia, by explaining how the meaning of halal certification is socially constructed beyond regulatory compliance through the lived experiences of MSME owners.

Keywords: Halal Certification, Mandatory Halal Policy, MSMEs, Transcendental Phenomenology.

1. Introduction

The concept of a halal lifestyle involves the application of Sharia values across various aspects of life, not only in the consumption of food and drink, but also encompassing the use of products, services, financial activities and consumption patterns based on the principles of *halal*, *tayyib* and the public good. Growing awareness amongst the Muslim community regarding the halal lifestyle is driving the growth of the halal industry across various sectors, such as food, cosmetics, pharmaceuticals, Muslim fashion, Muslim-friendly tourism, halal logistics, and Sharia finance (Andriani, 2023). This growth is influenced by the rising Muslim population, shifting consumer preferences towards halal, safe and high-quality products, and increasing consumer concern including among non-Muslims regarding product hygiene, safety and sustainability (Herianti et al., 2023).



Indonesia has significant potential to become a global hub for the halal industry, supported by its large Muslim population, the dominance of SMEs, and the government's commitment to developing a halal ecosystem (Fauzan & Sudrajat, 2025). These efforts are being realized through the strengthening of the implementation of the Halal Product Guarantee (JPH), the development of the halal value chain, and collaboration among various stakeholders (Syahidin et al., 2024). Through Law No. 33 of 2014, halal certification has gradually shifted from being voluntary to mandatory. This policy aims to provide legal certainty, protect consumers, enhance business competitiveness, and strengthen the national halal ecosystem, including through a self-declaration scheme for SMEs (Amin & Muthiadin, 2024).

Although research on halal certification has expanded, the majority still focuses on policy implementation, business compliance, and the economic impact of halal certification. Studies exploring how SME operators interpret halal certification based on their experiences following the implementation of the mandatory halal policy remain limited. Yet, this interpretation is crucial for understanding halal certification as a business identity, a business development strategy, a builder of consumer trust, and a factor in business sustainability.

MSMEs play a vital role in the Indonesian economy through their contribution to economic growth, job creation, and income equality. The flexibility of MSMEs, coupled with digital transformation, is further enhancing their productivity and competitiveness (Wati et al., 2024). The integration of MSMEs into the halal industry ecosystem also opens up opportunities to expand market access through improved product quality and the assurance of halal certification (Shanti & Mangifera, 2026). However, the implementation of the Halal Product Guarantee (JPH) still faces challenges, including a lack of understanding among business operators regarding certification requirements, the implementation of the Halal Product Assurance System (SJPH), the consistency of raw materials, and the completeness of documentation (Amin & Muthiadin, 2024). Furthermore, limitations in guidance, administrative readiness and managerial capacity also pose challenges (Ariska et al., 2024).

Various studies indicate that halal certification benefits SMEs through the implementation of the SJPH, which promotes the management of raw materials, production processes and quality assurance (Amin & Muthiadin, 2024). Halal certification also boosts business owners' confidence, enhances consumer trust, and opens up broader market opportunities, although it does not always have a direct impact on increased turnover (Donna et al., 2025). Indeed, halal certification is now regarded as a strategic asset that supports business competitiveness and sustainability (Amin & Muthiadin, 2024). However, the subjective aspects regarding how MSME operators construct the meaning of halal certification have not yet been extensively studied.

Given this situation, this study adopts a transcendental phenomenological perspective to uncover the lived experiences of MSME operators in interpreting halal certification following the implementation of the mandatory halal policy in 2026. This approach aims to explain how halal certification is constructed as a business identity, a business development strategy, a driver of consumer trust, and a factor supporting business sustainability. This study is expected to enrich the literature on halal certification from the perspective of the subjective experiences of SME operators, whilst also providing input for the government, the BPJPH, halal product process facilitators, and other stakeholders in strengthening the implementation of the JPH policy in a more effective and sustainable manner.

2. Literature Review

2.1. Halal Certification and Implementation of the Halal Product Assurance (JPH) Policy

Halal certification is a key instrument in the implementation of Halal Product Assurance (JPH), aiming to guarantee legal certainty regarding the halal status of products while simultaneously enhancing consumer protection and trust. From an Islamic economic perspective, halal certification represents not only compliance with Sharia principles but also serves as a value-added factor that supports product quality, competitiveness, and credibility. In Indonesia, the implementation of JPH is governed by Law Number 33 of 2014, which mandates a phased transition of the halal certification system from a voluntary to a mandatory basis. This implementation is carried out through both regular and “self-declare” schemes for Micro and Small Enterprises (MSEs), serving as an effort to expand access to halal certification and strengthen the national halal industry ecosystem (Law Number 33 of 2014; Amin & Muthiadin, 2024).

The policy context serves as a key foundation for understanding how MSME operators perceive halal certification following the implementation of the mandatory halal policy. Consequently, this study views halal certification not only as a regulatory instrument, but also as an experience that shapes the way MSME operators understand the role of halal certification in their business activities.

2.2. The Role of Halal Certification in the Development and Competitiveness of MSMEs

Micro, Small, and Medium Enterprises (MSMEs) are key drivers of the national economy, contributing to job creation, increased public income, and the strengthening of economic activity. In the development of the halal industry, halal certification serves as a strategic instrument that not only ensures compliance with Sharia principles but also enhances product reputation, builds consumer trust, and strengthens the competitive position of MSMEs in the market. Holding a halal certificate also opens up greater opportunities for business owners to expand their market reach to both national and international levels. However, maximizing these benefits remains challenging due to obstacles such as limited halal literacy, resource constraints, and the administrative readiness of business owners to meet certification requirements. Thus, halal certification can be viewed as a strategic tool that supports both the competitiveness and the sustainability of MSMEs within the halal industry ecosystem (Donna et al., 2025; Syari et al., 2025).

Overall, previous research suggests that halal certification contributes to improved performance among MSMEs by strengthening consumer trust, product credibility, market access and business legitimacy (Donna et al., 2025; Syari et al., 2025). However, these studies have primarily examined halal certification from an economic and policy perspective, whilst attention paid to how MSME owners subjectively interpret the meaning of such certification after undergoing the certification process remains limited. It is this gap that forms the basis of this study.

2.3. The Transformation of the Meaning of Halal Certification from the Perspective of Transcendental Phenomenology

Transcendental phenomenology, as developed by Edmund Husserl, views meaning as a construct of individual consciousness derived from directly lived experience. This approach emphasizes the process of *epoché* (bracketing) an effort to suspend the researcher’s assumptions, judgments, and prior knowledge to ensure the phenomenon is understood based

on the participants' authentic experiences. Subsequent phenomenological analysis involves understanding the relationship between *noema* (the object or phenomenon as perceived by the individual) and *noesis* (the conscious process of interpreting that experience through the principle of intentionality).

Although previous studies have demonstrated the economic and managerial benefits of halal certification, these studies have paid little attention to how MSME owners interpret the meaning of halal certification through their lived experiences following the implementation of mandatory halal policies. As each individual may attribute different meanings to the same policy based on their own experiences and business context, understanding these subjective interpretations is crucial to explaining the broader implications of halal certification beyond mere regulatory compliance.

In this study, transcendental phenomenology is employed to reveal the essence of how MSME actors perceive halal certification following the implementation of the 2026 mandatory halal policy. This approach is expected to elucidate the transformation of the meaning of halal certification; it is no longer viewed merely as a form of regulatory compliance but also as a representation of business identity, a business development strategy, a means to bolster consumer trust, and a factor supporting business sustainability (Astuti et al., 2023).

3. Methods

This study employs a qualitative approach using a transcendental phenomenological design to understand the meaning of halal certification based on the experiences of Micro, Small and Medium Enterprises (MSMEs) following the implementation of the mandatory halal policy in 2026. Informants were selected using purposive sampling, based on the following criteria: (1) MSME operators who already hold a halal certificate, (2) those directly involved in the halal certification process, and (3) those willing to participate in the study. A total of 12 informants were interviewed in depth, with each interview lasting between 45 and 60 minutes. The number of informants was determined based on the principle of data saturation, i.e. the point at which the data collection process has reached a stage where further interviews no longer yield new information or themes relevant to the research focus.

Data collection was carried out through in-depth interviews, field observations and documentation to obtain comprehensive information regarding the experiences of SME operators in interpreting halal certification. The interviews were conducted in a semi-structured manner using a pre-prepared interview guide, allowing informants the freedom to explain their experiences and views in depth. Observations were carried out to understand the actual conditions of halal certification implementation in business activities, whilst documentation included halal certificates, supporting documents, and regulations relating to the implementation of the mandatory halal policy.

Data analysis was carried out in stages through a process of data reduction, coding, identification of key themes, interpretation of the meaning of the informants' experiences, and drawing conclusions regarding the essence of the phenomenon under study. Data validity was ensured through source triangulation and member checking to guarantee the credibility and consistency of the researcher's interpretations with the experiences reported by the informants.

4. Results and Discussion

4.1. Research Results

4.1.1. Research Informant Profile

This study involved 12 Micro, Small, and Medium Enterprise (MSME) operators who had obtained halal certification following the implementation of the 2026 mandatory halal policy. Informants were selected using purposive sampling, based on their involvement in the halal certification process and their willingness to share their experiences during the study. Representing a variety of business sectors such as processed foods, beverages, culinary services, bakery products, catering, and snacks these informants provided diverse perspectives on the meaning of halal certification.

During the interview process, each informant was assigned a code to ensure the confidentiality of their identity. This coding also facilitated the presentation of interview excerpts in the research findings section. Given their diverse business characteristics and experiences, the informants provided a comprehensive overview of how their interpretation of halal certification shifted following the implementation of the 2026 mandatory halal policy.

Table 1. Informant Profile

No	Gender	Age	Type of business	Duration	Halal Certificate Year	Scheme (Regular/Self-Declare)
1.	Female	33	Food	4 years	2026	Regular / Self-Declare
2.	Male	32	Drink	3 years	2026	Regular / Self-Declare
3.	Female	27	Food	2 years	2026	Regular / Self-Declare
4.	Female	34	Drink	3 years	2026	Regular / Self-Declare
5.	Male	36	Food	3 years	2026	Regular / Self-Declare
6.	Male	40	Food	5 years	2026	Regular / Self-Declare
7.	Female	48	Drink	6 years	2026	Regular / Self-Declare
8.	Female	37	Drink	4 years	2026	Regular / Self-Declare
9.	Female	39	Food	4 years	2026	Regular / Self-Declare
10.	Male	30	Drink	3 years	2026	Regular / Self-Declare
11.	Female	46	Food	4 years	2026	Regular / Self-Declare
12.	Male	35	Drink	3 years	2026	Regular / Self-Declare

Source: Primary data, 2026

The findings revealed a transformation in the meaning of halal certification among MSMEs owners following the implementation of the 2026 mandatory halal policy. Four major themes emerged from the phenomenological analysis: initial perceptions of halal certification, business identity, consumer trust, and business development and sustainability. These themes represent the evolving meanings constructed through the lived experiences of the participants.

4.1.2. Initial Perceptions of MSME Operators Regarding Halal Certification

Interview results indicate that the initial perspectives of Micro, Small, and Medium Enterprise (MSME) operators regarding halal certification can be categorized into four key aspects: the reasons for seeking certification, perceptions prior to obtaining the certificate, experiences during the certification process, and reactions to the implementation of the mandatory halal policy for 2026. Most informants stated that the decision to pursue halal certification was initially driven by the need to comply with government regulations. However, some informants also viewed halal certification as an opportunity to boost consumer trust and expand their market reach.

Informant I1 stated: *“Initially, I pursued halal certification because it was a government requirement. I was concerned that without it, my business would struggle to grow in the future.”*

This statement indicates that, in the early stages, halal certification was primarily viewed as a form of compliance with existing regulations. A different perspective was offered by another informant, who linked halal certification to increased consumer trust.

Informant I4 stated: *“I observe that consumers now pay more attention to the halal logo. Since obtaining the certification, I feel that buyers have greater confidence in the products we sell.”*

These findings indicate that halal certification is increasingly perceived as a tool for enhancing business credibility. During the certification process, some informants reported gaining new insights into the importance of maintaining consistency in raw materials, production processes, and business documentation. However, some informants also noted that the administrative process still requires time and adequate guidance.

Informant I7 explained: *“The process was actually quite helpful because there was a facilitator. The challenging part was preparing the documents and ensuring that all the materials used complied with halal requirements”*

In general, the informants responded positively to the implementation of the mandatory halal certification policy. They believe the policy can enhance business quality, although further efforts regarding outreach and guidance are still needed to help MSME players better understand the certification process.

4.1.3. The Transformation of the Meaning of Halal Certification as a Business Identity

Interview findings reveal a shift in how Micro, Small, and Medium Enterprise (MSME) operators perceive halal certification following the introduction of the 2026 mandatory halal policy. Initially, most informants viewed halal certification merely as a means to fulfill regulatory requirements. However, upon completing the certification process, this understanding evolved into a recognition of halal certification as a business identity one that signifies a commitment to product quality, consumer trust, and the application of Sharia principles in business operations.

Informant I2 stated: *“Initially, I pursued halal certification to comply with applicable regulations. Once the certificate was issued, I felt our business gained a stronger identity, and consumers became more confident in the products we offer.”*

The findings indicate that halal certification is no longer viewed merely as proof of regulatory compliance, but has become a symbol that strengthens a business’s character and image in the eyes of consumers.

Interview results also indicate that obtaining Halal certification encourages MSME operators to adopt better business management practices. Informants revealed that they have become more meticulous in selecting raw materials, maintaining production process consistency, and ensuring their business administration complies with the requirements of the Halal Product Assurance System (SJPH). This reflects a growing awareness among business operators regarding the importance of professionalism in conducting business activities.

Informant I6 revealed: *“Since obtaining Halal certification, we have become more meticulous in selecting ingredients, documenting production processes, and ensuring that every stage complies with established standards. This has resulted in more organized business management.”*

The findings indicate that halal certification serves not only as a legal document but also fosters improvements in management quality and the professionalism of MSME operators. Furthermore, the majority of informants stated that holding a halal certificate fosters a sense of pride and boosts confidence in running their businesses. Official recognition of a product’s halal status is viewed as an added value that strengthens the business’s image, enhances consumer confidence, and opens up opportunities for collaboration with a wider range of business partners.

Informant I9 stated: *“We feel more confident after obtaining the halal certification. Consumers are more assured, and we are also more optimistic when offering our products to potential partners or participating in various promotional activities.”*

Overall, these findings indicate that halal certification has undergone a shift in meaning evolving from a mere instrument for regulatory compliance into a representation of business identity, a driver of professionalism, and a source of pride that supports the development and sustainability of MSMEs. These findings are consistent with those of Ramadhan et al. (2024), who argue that halal certification has evolved beyond regulatory compliance to become a strategic instrument that strengthens business governance and professionalism amongst MSMEs. Similarly, Syari et al. (2025) explain that halal certification enhances business legitimacy and differentiates MSMEs in an increasingly competitive market. However, this study expands upon these findings by demonstrating that SME owners perceive halal certification not merely as a formal business attribute, but also as an integral part of their business identity, shaped by their lived experiences following the implementation of mandatory halal policies.

4.1.4. The Transformation of the Meaning of Halal Certification as a Driver of Consumer Trust

Based on interview findings, obtaining halal certification has altered how Micro, Small, and Medium Enterprise (MSME) operators perceive the relationship between their businesses and consumers. Prior to obtaining halal certification, most informants believed that product quality, taste, and service were the primary factors driving consumer purchase interest. However, after their products received halal certification, the informants felt that the certification provided an additional guarantee, thereby boosting consumer confidence in the products offered.

Informant I3 revealed: *“Previously, customers purchased our products because they were already familiar with them. Once the products obtained halal certification, many new customers stated that they felt more confident, as there was official proof guaranteeing the products’ halal status”*

The findings indicate that halal certification serves not only as proof of compliance with applicable regulations but also as a means to strengthen consumer confidence in the quality and halal status of products.

Interview findings also reveal that rising consumer confidence fosters closer relationships between businesses and their customers. Informants believe that halal certification provides consumers with a sense of security, thereby encouraging repeat

purchases and product recommendations to others. This dynamic strengthens the business's positive image while simultaneously enhancing customer loyalty.

Informant I7 stated: *"Since our products obtained Halal certification, customers have become more confident. Many return to purchase them and even recommend our products to family or friends because they feel greater peace of mind."*

The findings indicate that halal certification plays a crucial role in building enduring trust and strengthening long-term relationships between businesses and their consumers. In addition to influencing consumer behavior, holding a halal certificate boosts the confidence of MSME owners in expanding their businesses. Informants reported feeling more optimistic about promoting their products, reaching broader markets, and establishing partnerships with various parties, as they now possess official proof of their products' halal status.

Informant I10 explained: *"After obtaining the halal certification, we feel more confident when offering our products to modern retail outlets and potential business partners. The halal certification serves as an added value that makes our products more readily accepted"*.

Overall, the study's findings indicate that the significance of halal certification has undergone a significant shift. Halal certification is no longer viewed merely as a means of meeting regulatory requirements; instead, it has evolved into a strategic instrument that strengthens consumer trust, enhances customer loyalty, and instills confidence in MSMEs to develop their businesses sustainably. These findings are consistent with research conducted by Donna et al. (2025), who reported that halal certification strengthens consumer trust and positively influences purchasing decisions. Similarly, Ramadhan et al. (2024) found that halal-certified MSMEs enjoy greater consumer trust because such certification provides assurance regarding product quality and compliance with halal principles. Unlike previous studies, which primarily examined trust from the consumer's perspective, this study reveals how MSME owners themselves experience and interpret consumer trust as a valuable outcome of halal certification.

4.1.5. The Transformation of the Meaning of Halal Certification as a Strategy for Business Development and Sustainability

Based on interview findings, the perspective of Micro, Small, and Medium Enterprise (MSME) operators regarding halal certification evolved following the implementation of the mandatory halal certification policy. Initially, most informants viewed halal certification merely as a regulatory compliance requirement. However, once they obtained the certification, their perception shifted; halal certification came to be seen as a source of competitive advantage that could be leveraged to strengthen marketing strategies, enhance business image, and create added value for their products.

Informant I5 stated: *"Initially, our goal was simply to comply with regulations. However, once the product obtained Halal certification, we found it easier to assure consumers of its quality, which made our promotional efforts more effective"*.

The statement illustrates that halal certification is no longer viewed merely as an administrative obligation; rather, it has evolved into a marketing tool capable of enhancing both consumer trust and product appeal in the market.

Interview results also indicate that holding a halal certificate enables MSMEs to access broader markets. Several informants explained that halal certification is a key requirement for establishing partnerships with other businesses, participating in development programs and

exhibitions, and entering modern marketing networks. This situation creates opportunities for MSMEs to expand their market reach and enhance their business competitiveness.

Informant I8 revealed: *“Once we obtained the halal certification, we had greater flexibility in offering our products to various outlets. Several business partners also requested proof of halal certification before agreeing to collaborate.”*

The findings indicate that halal certification serves as a supporting factor that expands market access while strengthening the competitive position of MSMEs amidst business competition. Beyond marketing benefits, the informants also view halal certification as an investment that supports long-term business sustainability. Halal certification encourages business operators to maintain product quality, enhance production process consistency, and build a stronger reputation among consumers. According to the informants, these benefits extend beyond increased sales to the establishment of enduring trust in the business.

Informant I12 stated: *“In my view, halal certification is not merely about complying with regulations; it serves as an asset that ensures our business retains consumer trust and has the opportunity to grow in the long term.”*

Overall, the research findings indicate a transformation in the meaning of halal certification from the perspective of MSME operators. Halal certification is no longer viewed merely as an administrative legal requirement; instead, it has evolved into a business development strategy that supports marketing activities, expands market access, enhances competitiveness, and serves as a crucial investment for future business sustainability.

These findings are consistent with those of Syari et al. (2025), who emphasise that halal certification contributes to enhancing the competitiveness of MSMEs by expanding market access and strengthening product credibility. Similarly, Shanti and Mangifera (2025) argue that certified MSMEs have greater opportunities to participate in broader business networks and achieve sustainable business growth. This study enriches the existing literature by demonstrating that SME owners view halal certification not merely as a legal requirement, but as a long-term strategic asset that supports business resilience and sustainability through better management practices and a stronger market position.

4.2. Discussion

In the transcendental phenomenology approach, the transformation of the meaning of halal certification is understood through the lived experiences of MSME operators during the process of obtaining and implementing the certification. These experiences are interpreted through the interplay between noema the phenomenon of halal certification as experienced by the informants and noesis the conscious process of assigning meaning to that experience. The relationship between the two reflects intentionality: the direction of the informants' consciousness regarding halal certification, which evolved from being perceived merely as the fulfillment of a regulatory obligation into a representation of business identity, a means to build consumer trust, a strategy to strengthen competitiveness, and a factor supporting business sustainability. Consequently, the essence of the informants' experience reveals a shift in the meaning of halal certification from a mere administrative instrument to a strategic asset that adds value to the management and development of MSME businesses.

Research findings indicate a significant shift in the meaning of halal certification within the context of MSME development. Halal certification is no longer viewed merely as a means to fulfill regulatory obligations; instead, it has become a representation of business identity, demonstrating the commitment of MSME operators to applying halal principles, ensuring product quality, and adopting more professional business management practices.

Furthermore, halal certification is regarded as a component of business development strategy, as it strengthens product image, supports marketing activities, and creates greater opportunities for expanding market networks and business partnerships.

Overall, these findings reinforce previous studies highlighting the economic and managerial benefits of halal certification, whilst offering a new phenomenological perspective. Previous research has largely focused on policy implementation, regulatory compliance, or business performance (Amin & Muthiadin, 2024; Donna et al., 2025; Syari et al., 2025). In contrast, this study demonstrates that the transformation of halal certification originates from the subjective experiences of MSME owners, revealing how regulatory compliance evolves into business identity, consumer trust, strategic competitiveness and long-term sustainability. This perspective provides a richer conceptual understanding of halal certification within the context of Indonesia's mandatory halal policy.

Furthermore, holding a halal certificate positively influences consumer trust by providing assurance regarding product halal status and quality. This trust serves as a crucial asset in building customer loyalty while enhancing the competitiveness of MSMEs amidst an increasingly competitive business landscape. Consequently, halal certification goes beyond merely serving an administrative function as proof of regulatory compliance; it has evolved into a strategic asset that adds value, fostering competitiveness, growth, and long-term business sustainability.

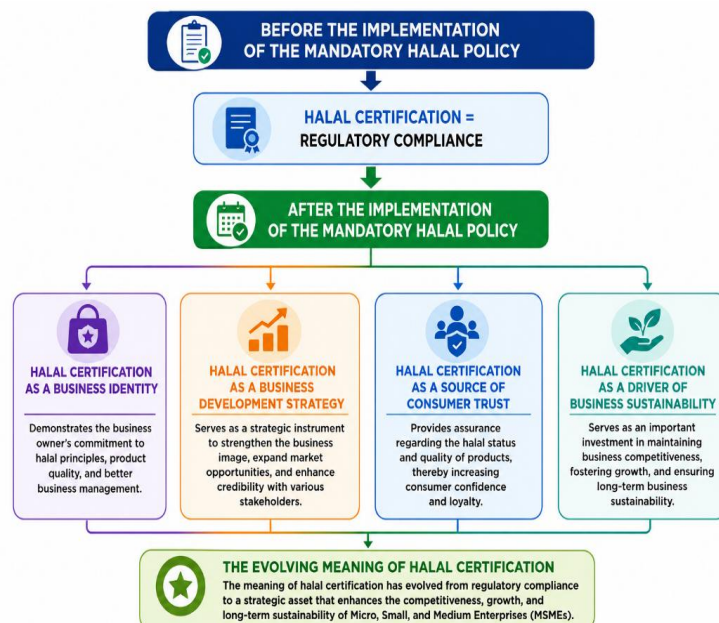


Figure 1. Transformation of the Meaning of Halal Certification Following the Implementation of the 2026 Mandatory Halal Policy

Based on the figure 1, the novelty of this study lies in revealing the shifting meaning of halal certification as perceived through the lived experiences of Micro, Small, and Medium Enterprise (MSME) operators following the implementation of the 2026 mandatory halal policy using a transcendental phenomenological approach. Unlike previous studies that primarily examined aspects of implementation, compliance, and economic impact, this research demonstrates that halal certification has evolved from mere regulatory compliance into a form of business identity, a business development strategy, a driver of consumer trust, and a source of competitive advantage that supports MSME sustainability. These findings offer

a conceptual contribution by enriching the literature on halal certification from the perspective of the subjective experiences of business operators.

The shift in meaning revealed in this study, from mere administrative compliance towards the representation of business identity, can be examined in greater depth through the lens of institutional legitimacy theory. Suchman distinguishes three forms of organisational legitimacy: pragmatic, moral and cognitive, each of which represents a different basis for the acceptance of an entity by its social environment (Suchman, 1995). Within the noema-noesis framework of this study's informants, halal certification was initially understood as merely fulfilling a pragmatic legitimacy, that is, compliance driven by the interest in avoiding regulatory sanctions. However, the essence of the experience that emerged through the process of phenomenological reduction shows that this noema underwent a transformation into moral legitimacy when certification was interpreted as a representation of business operators' ethical commitment to halal principles, and even into cognitive legitimacy, when halal status came to be taken for granted as an integral part of business identity. This interpretation expands upon previous research, which tended to view institutional legitimacy as a structural variable measured instrumentally (Naisabur & Putra, 2024). Meanwhile, this study shows that legitimacy is in fact constructed subjectively through the intentional awareness of the MSME operators themselves.

The finding that halal certification serves to build consumer trust is consistent with the basic propositions of signaling theory, which explains how formal signals are used to reduce information asymmetry between those who possess information (business operators) and those who do not (consumers) (Spence, 1973). Recent quantitative studies have statistically confirmed this role; for example, the finding that halal certification acts as a credible signal of quality and religious compliance, which significantly enhances consumer confidence in the food sector (Purwaningsih et al., 2025). However, quantitative research of the 'signalling' variety is only able to demonstrate that such signals have a statistical effect, without being able to explain how they are actually experienced and interpreted by the business operators who issue them. The transcendental phenomenological approach in this study, on the other hand, reveals the noetic aspect of such signalling: for the informants, the act of sending a signal is not merely an instrumental marketing strategy, but an inner process through which business actors experience themselves as 'trustworthy' parties. Thus, this study enriches signalling theory by adding a phenomenological dimension that has hitherto been absent from survey-based or SEM literature, whilst also explaining why the effects of certification signals on business performance are often inconsistent because the true strength of the signal depends on the depth to which business operators have internalised the meaning, rather than merely on the existence of the certificate itself (Ichsan, 2024; Juliana et al., 2024).

The essence of the informants' experiences, which position halal certification as a 'strategic asset that provides added value', resonates strongly with the Resource-Based View (RBV) framework, which asserts that sustainable competitive advantage stems from resources that are valuable, rare, inimitable and non-substitutable (Barney, 1991). In the context of MSMEs, the halal certificate itself can formally be obtained by competitors and thus appears easy to replicate; however, what makes it an intangible strategic asset is not the document itself, but rather the internal capabilities relating to process standardisation, traceability of raw materials, and hygiene standards established during the certification process (Fathoni et al., 2024; Khoirotunnisa et al., 2025; Marta et al., 2025; Riana, 2024). It is this point that distinguishes the contribution of this research from previous quantitative RBV studies; whilst earlier research verified the relationship between certification and competitive advantage through statistical mediation modelling of operational capabilities, this phenomenological

study reveals the subjective processes underlying the formation of these capabilities namely, how informants experienced themselves as ‘learning to become more professional’ throughout the certification process. In other words, RBV explains what makes certification strategically valuable, whilst transcendental phenomenology explains how that strategic value is formed within the consciousness of business practitioners; two levels of explanation that complement, rather than replace, one another.

Theoretically, this study expands the development of transcendental phenomenology in the study of halal certification by demonstrating that the transformation of the meaning of halal certification is not only influenced by regulatory changes but is also shaped through the lived experiences of MSME actors whilst undergoing the certification process (Aslikhah & Syu’aibi, 2023; Astuti et al., 2023; Bima et al., 2025). Through the relationship between noema, noesis and intentionality, this study demonstrates that the meaning of halal certification has evolved gradually from a mere administrative obligation into a business identity, a source of legitimacy and a strategic asset that underpins business sustainability. Thus, this study complements previous literature, which generally explains the benefits of halal certification from the perspectives of compliance, consumer behaviour, or business performance, by introducing the dimension of subjective experience as a mechanism that explains how the strategic value of halal certification is formed in the consciousness of business actors.

From a practical standpoint, the findings of this study indicate that the success of halal certification programmes is not solely determined by the ease of administrative procedures or an increase in the number of certificates issued. Rather, it depends on a support process capable of fostering an understanding and internalisation of halal values among MSME operators. Therefore, halal mentors, the Halal Product Process Mentoring Agency (LP3H), the Halal Product Guarantee Agency (BPJPH), and local governments need to develop a mentoring model that is not only focused on completing certification documentation but also encourages the establishment of more professional business governance, consistency in maintaining halal standards, and the ability to utilise certification as an instrument for long-term business development.

From a public policy perspective, these findings indicate that the success of implementing mandatory halal policies should not be measured solely by the number of halal certificates issued or the level of administrative compliance among business operators. The success of the policy must also be evaluated in terms of the extent to which halal certification can drive organisational behavioural change, enhance consumer confidence, strengthen business competitiveness, and foster business sustainability for SMEs. Consequently, indicators for evaluating the implementation of the national halal policy need to encompass qualitative aspects, such as the internalisation of halal values, changes in business management practices, and improvements in organisational capacity following the attainment of halal certification.

Although the majority of informants perceived halal certification as an experience that provided positive benefits, this study also shows that the process of transforming this perception does not occur instantly. In the early stages, some SME operators still viewed halal certification as an administrative burden due to the complexity of the requirements, documentation needs, resource constraints, and the need to adapt to the standards that must be met. However, this perception changed once they experienced tangible benefits in the form of increased consumer trust, improvements to business management systems, access to broader markets, and enhanced business credibility in the eyes of business partners. These

findings indicate that the shift in the meaning of halal certification is a dynamic process shaped by the direct experiences of business operators throughout the entire certification process.

From the perspective of *maqāṣid al-syarī'ah*, the transformation of the meaning of halal certification in this study also reflects the fulfilment of broader Sharia objectives. Halal certification is not only an instrument for maintaining compliance with religious provisions (*ḥifẓ al-dīn*), but also contributes to safeguarding life (*ḥifẓ al-naḥs*) through guarantees of product safety and quality, as well as safeguarding wealth (*ḥifẓ al-māl*) through enhanced competitiveness, consumer trust and business sustainability (Hashim et al., 2022; Wahab & Mahdiya, 2026; Warty et al., 2025). Consequently, the benefits of halal certification are not merely economic in nature, but also reflect the implementation of Sharia values integrated into modern business practices, thereby bringing benefits to both business operators and the public as consumers.

5. Conclusion

Research findings indicate that the implementation of the 2026 mandatory halal certification policy has shifted how Micro, Small, and Medium Enterprises (MSMEs) perceive halal certification. Based on the informants' experiences, halal certification is no longer viewed merely as a regulatory compliance requirement; instead, it has evolved into a business identity reflecting a commitment to halal principles, product quality, and improved business management. Furthermore, halal certification is seen as a means to boost consumer trust, strengthen business image, and foster professionalism in business operations.

Research findings indicate that halal certification plays a broader role as a strategic instrument in the development of MSMEs. Beyond supporting expanded market access and enhanced competitiveness, halal certification also serves as a factor that fosters business sustainability. Therefore, optimizing the implementation of the mandatory halal policy requires support in the form of increased halal literacy, continuous assistance, and strengthened collaboration among stakeholders to create a more inclusive and sustainable halal ecosystem.

6. References

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