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## Research Article

### Model of Strengthening Halal Branding as an Implementation of Wellness Economy for MSMEs in Jember Regency

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## ABSTRACT

The new lifestyle of the people that emerged as a result of the Covid-19 Pandemic which emphasizes the importance of a healthy lifestyle also influences economic and social activities in implementing the wellness economy. Healthy food can be traced from raw materials, processes, finished products and physical presentation to hygiene and in the concept of sharia it is called halal food which legally has a halal certificate. The purpose of this study was to identify MSMEs that already have halal certificates, analyze challenges and opportunities, analyze the effect of halal branding on sales, and formulate a model for strengthening MSME halal branding in Jember Regency. The method used is the Mix Method, beginning with a qualitative descriptive with secondary data collection, observation, and Focus Group Discussion (FGD). The results obtained are about 8, There are 764 MSMEs in Jember Regency and only 5% are halal certified. The minimum number of MSMEs that have halal certificates is because there are obstacles such as a lack of understanding of registration procedures, too many registration requirements, small businesses, time constraints.

**Keywords:** Halal Branding, Model, MSMEs, Wellness Economy

## Introduction

The G-20 forum in 2022 is still discussing the effects of climate change on the world's population and how the momentum to accelerate sustainable development is carried out together by combining economic (profit), social (people) and environmental (planetary) aspects. Development of new sources of

economic growth that are sustainable and environmentally friendly to support the acceleration of national economic recovery through the development of a green economy. The G20 Presidency carries the theme "Recover Together, Recover Stronger", Indonesia invites the whole world to work together to achieve a stronger and more sustainable recovery

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(KEMLU,2022). Currently the world is entering the Era of the Covid 19 Pandemic where people have realized the importance of a healthy lifestyle, maintaining immunity, and maintaining environmental balance. This habit has become a new normal (new normal) and encourages a healthy and pleasant lifestyle trend back to nature (wellness economy). This lifestyle will affect the economic and social activities of the community, they prefer things related to healthy food that occupy the second position after body and beauty care. Healthy food can be traced from raw materials, processes, finished products and physical presentation to hygiene and according to the sharia concept meets the requirements to be called halal food and must have a halal certificate.

Consumption of Indonesian halal products in 2019 reached US\$144 billion, making Indonesia the largest consumer in this sector (Aprionis and Sulistiyyanda,2022). The contribution of the halal industry to the national economy has also increased as seen from the increase in the market share of the halal sector to GDP in 2016 of 24.3% to 24.86% in 2020. The culinary industry has made a large contribution to the GDP of the Creative Economy, the Culinary Sub Sector has contributed as much as 41 percent from the Tourism Sector with a transaction value of IDR 410 trillion (Bank Indonesia, 2019). In order to support the halal industry, the government has also implemented a halal certification policy through Minister of Finance Regulation Number 57 of 2021 concerning Service Fees for Public Service Agency Halal Product Assurance Organizing Agency (BPJPH) of the Ministry of Religion (Kementerian Keuangan, 2021). The government also launched a halal certification fee waiver program, especially for MSMEs. This policy is expected to increase the efficiency and competitiveness of micro and small industries so as to be able to expand access to the halal industry.

### **Competitive Strategy Theory**

The generic competitive strategies model formulated by Porter consists of two dimensions, namely a strategy that emphasizes competitive advantage and a strategy that emphasizes market advantage (competitive scope). Advantage strategy in this context is divided

into two types, namely product differentiation and low cost. Meanwhile, targeting includes regional or geographic targeting, customer segments served and types of products provided by the government. Gupta, V. (2022) offers the most rigid concept of differentiation, in that every production process must contain product value, so that the product can be said to be differentiated. Furthermore, Kelvin Lancaster built a consumer theory or it can be called industrial behavior.

In the concept of Islamic trade, it prioritizes the ethics of the traffickers, because if the traffickers commit violations that are not in accordance with the established ethics, then the trading process is flawed and can tyrannize one of the trading parties (consumers or producers) (Chaudry, 2012: 116).

### **Halal Branding**

The concept of halal is the foundation of Islamic branding which is often called halal branding. Al-Jurjani put forward 2 definitions of halal and its relation to syara' law. First, halal which means permissible or free to use any object in relation to fulfilling physical needs, such as food, drink and medicine. Second, halal which relates to the permissibility of using, eating, drinking, and doing something that has been regulated by the text (Rachman, A.,2020). Halal is something that is permissible in Islam and applies to all areas of life (Nurhayati, T., & Hendar, H., 2020). Halal is also part of the belief system and moral code of ethics in Islam

In marketing management there are also important things, namely branding which is a tangible value or value combination of a logo/symbol, design, name or sign given to customers to differentiate a company's product from its competitors (Fadly and Sutama: 2020). If the concept of halal and branding is linked, it can be concluded that halal branding is a product value that is based on Islamic ethics and values. In Indonesia, the embodiment of this halal branding is the inclusion of a halal label on products. There are 2 types of halal labels that are still used in society, namely:

1. Inclusion of the halal label "Indonesian Halal" stipulated by the Ministry of Religion's Halal Product Assurance Organizing Agency (BPJPH) since the Decree of the

Head of BPJPH Number 40 of 2022 concerning Determination of Halal Labels as the implementation of the mandate of Article 37 Law Number 33 of 2014.

2. Inclusion of the halal label stipulated by the MUI before the decision was stipulated and still has a label validity period.

### **Halal Awareness**

Consciousness is an ability to understand, feel and be aware of what events and objects are taken. Consciousness has been hypothesized as one of the factors in determining the intention to choose. Awareness of halal principles and halal food products is determined by a positive attitude in accordance with the theory of planned behavior (Tairas, D. R., & Destiana, A. R., 2021) where consumers have a positive attitude that is approved and trusted by other individuals related to this behavior. According to Setyaningsih, E. D., & Marwansyah, S. (2019) there are two kinds of halal awareness, namely:

1. Intrinsic Halal Awareness

Individuals with intrinsic awareness will ensure that what they wear and use is truly halal. Individuals with intrinsic awareness have the belief that halal products are permitted to be used or used, they are willing to take the time to understand the concept of halal according to Islamic standards. Where when using a product, they don't just see visually like the halal logo but also see the composition, packaging, storage and so on.

2. Extrinsic Halal Awareness

Individuals with extrinsic awareness tend to see according to what they see or simply by looking at the halal logo they are sure that the product they choose is truly halal.

### **Halal Certificate**

Halal industry trends make individuals raise awareness of the importance of halal certification. Halal certification consists of several systematic evaluation processes (Sulaiman, et al. 2018). Halal certification refers to official recognition of the regularity of processes that have been prepared, slaughtered, cleaned, handled, management practices and so on which are still related to the production process by

the relevant institutions such as the Halal Product Assurance Agency (BPJPH) in Indonesia. Halal certification describes the value of a product that is valuable, nutritious and has consumer rights protection that guarantees product compliance with Islamic dietary laws and halal standards and provides guarantees for elements that are permissible for consumption by Muslims, so that food can be certified halal (Setyaningsih, E. D., & Marwansyah, S., 2019).

Halal certification provides instructions to show consumers that products are produced according to halal methods that comply with the requirements of halal certification. Halal certification benefits many sectors which can be seen as a new source of economic growth (Jannah, S. M., & Al-Banna, H., 2021). There are many aspects that are used as evaluation material, especially aspects of hygiene, quality and safety of certain products, goods and food. Evaluation criteria include preparation, handling and processing in production, raw materials and tools, packaging, storage and so on. Halal certification is considered an Islamic version of the security guarantee system which is now a major part of the needs of Muslim consumers. The flow of the halal certification process in accordance with the Halal Product Guarantee Agency (BPJPH, 2022) is as follows:

1. Business actors apply for halal certification accompanied by documents such as data on business actors, names and types of products, lists of products and materials used, product processing, documents on halal product guarantee systems.
2. BPJPH checks the completeness of the documents and determines the halal inspection agency with a period of 2 working days.
3. Check and/or test product halalness within 15 working days.
4. MUI determines the halalness of products through a halal fatwa meeting with a period of 3 working days.
5. BPJPH issues halal certificates with a period of 1 working day.

With a total of 21 days of the entire certification process. Documents that need to be prepared by business actors are as follows:

1. Business actor data:
  - a. Business Identification Number (NIB) if you don't have an NIB can be proven by other permits (NPWP, SIUP, IUMK, IUI, NKV etc.).
  - b. The Halal Supervisor attaches a copy of the KTP, curriculum vitae, copy of the Halal Supervisor Certificate, copy of the decision to determine the halal supervisor.
2. The name and type of product must match the name and type of product to be certified as halal.
3. List of products and materials used (raw materials, additives and auxiliary materials).
4. The product processing process, starting with the activities of purchasing, receiving, storing the materials used, processing, packaging, storage of finished product distribution.
5. The halal assurance system document is a management system compiled, implemented and maintained by companies holding halal certificates to maintain the continuity of the halal production process.

### **Wellness Economy**

Wellness is defined as the active pursuit of all activities, choices and lifestyle towards a holistic state of health; not only physical but also mental, spiritual, emotional, social and environmental (Global Wellness Institute; 2021a). The Wellness Economy includes industries that enable consumers to incorporate health and lifestyle activities into their daily lives. The Wellness Economy includes eleven sectors (Global Wellness Institute; 2021b) as follows:

1. Mental wellness, mental health which includes consumer spending on activities, products, and services whose primary purpose is to assist consumers in their pursuit of mental health growth and nutrition.
2. Physical activity, physical activity which includes consumer spending associated with intentional physical activity performed during leisure and recreation.
3. Wellness real estate includes expenses for the construction of residential and commercial/institutional properties.

4. Workplace wellness is health in the workplace which includes spending on programs, services, activities and equipment by employers aimed at improving the health and well-being of their employees.
5. Wellness tourism is health tourism which is an aggregation of all expenditures made by health tourists, international and domestic.
6. The spa economy is the spa economy that includes spa facility revenues and the group of related sectors that support and enable business.
7. Thermal/mineral springs are hot/mineral springs which include the company's revenue related to the use of water for health, recreation, and therapeutics.
8. Healthy eating, nutrition and weight loss is the activity of healthy eating, nutrition and weight loss also includes consumer spending on vitamins and supplements.
9. Personal care and beauty are personal care and beauty activities also including consumer spending on beauty and salon services (excluding spas).
10. Preventive and personalized medicine and public health is preventive and personal medicine and public health which includes spending on medical services that focus on treating "good" people, preventing disease, or detecting risk factors.
11. Traditional and complementary medicine is traditional and complementary medicine which includes spending on a variety of medical, health care, holistic, and mental or spiritual-based systems, services and products that are not generally considered part of conventional medicine.

### **Objectives**

This study aims to 1) identify MSMEs that have implemented halal branding in Jember Regency; 2) analyzing challenges and opportunities to strengthen halal branding as an implementation of the wellness economy; 3) analyze the effect of halal branding on MSME product sales; and 4) formulating a model of strengthening halal branding as an implementation of the wellness economy for MSMEs in Jember Regency. The method used is Mix Method, starting with descriptive qualitative with secondary

data collection, observation, and in-depth interviews (deep interviews). Then it was followed by FGDs with MSME actors (in the food sector, especially Jember souvenir products), academics, government, professional organizations.

## Methods

### A. Types of research

This type of research is descriptive qualitative-quantitative, which has the nature of exploring and deepening a particular phenomenon (phenomenon) (Hunter, D., McCallum, J., & Howes, D., 2019). This study began with a quantitative descriptive with secondary data and field observations, then continued with a qualitative descriptive with digging, in-depth interviews (deep interviews). Then from the data/information collected and followed by a Focus Group Discussion (FGD) with MSME actors (in the food sector, especially Jember souvenir products), academics, government, professional organizations (ISEI, IAEI and MES), and community organizations (NU, Muhammadiyah and party activists). After the FGD was carried out, at the final stage of the research a Quantitative Descriptive analysis was carried out as verification of the data/numbers obtained from the previous analysis.

### B. Research sites

Statistics Office, Bank Indonesia Jember Representative Office, Jember University, Professional and Community Organization Offices, MSME business locations in Kaliwates, Sumbersari and Patrang Districts, Jember Regency.

### C. Data Types and Sources

Primary data were obtained from direct and in-depth interviews with key informants and the study population sample. Meanwhile, secondary data was extracted from available data from the Statistics Office, Bank Indonesia Representative Office in Jember, UNEJ Campus, Professional and Community Organization Branch Offices, business locations according to their competence. The key informants and sample of this research are all MSMEs in Jember Regency. The method of determining the sample using purposive sampling, with the following criteria:

- Culinary MSMEs registered with the Office of Cooperatives and Micro Enterprises, the Office of Trade and Industry of Jember Regency.
- MSMEs that produce food, restaurants, cafes and Jember Regency products

### D. Data analysis

The analytical techniques used for research activities are:

1. To identify MSMEs that have implemented halal branding, it is carried out by digging up secondary data, observing and interviewing MSME food, restaurants, cafes and products from Jember Regency. This analysis was carried out based on the phenomena that occur in MSMEs in Jember Regency.
2. Analysis of challenges and opportunities to strengthen halal branding as an implementation of the wellness economy, was carried out using EFAS and IFAS analysis used to explore various external factors (opportunities and threats) and internal factors (strengths and weaknesses) in MSMEs that have implemented halal branding in Jember Regency. This analysis was carried out based on the descriptive analysis that was carried out in the previous stage. The addition of strengths, weaknesses, opportunities and threats was deepened through the results of interviews with MSME actors who had implemented halal branding in Jember Regency, with FGDs for MSME actors and members of community organizations and academics as well as managers of Higher Education Halal Centers.
3. Analysis of the effect of halal branding on sales of MSME products in Jember Regency was obtained by comparing sales of MSME products before and after implementing halal branding certification.
4. Formulate a model of strengthening halal branding as an implementation of the wellness economy for MSMEs that have implemented halal branding in Jember Regency using Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis.

## Result and Discussion

### 1. Identification of MSMEs that have implemented halal branding in Jember Regency

The government is currently trying to complete two major tasks by 2024, namely 1. The obligation to certify all halal food and beverage products, and at the same time 2. Realizing Indonesia's vision as the center of the world's halal product industry. Therefore, public awareness to consume halal-certified products should be increased. Halal certification has a significant positive relationship with consumer intentions to buy halal products which is implied by recognition and quality assurance to Muslim and non-Muslim consumers when they show a willingness to buy in the future.

Halal Branding is a necessity in accordance with the Mandate of Law Number 33 of 2014 products that enter, circulate, and trade in the territory of Indonesia must be halal certified. Likewise, in line with the lifestyle of the world

community which leads to a wellness economy, namely all activities, choices and lifestyles towards a holistic health condition.

The majority of the types of UMKM businesses in Jember Regency are trade and food and beverage production. Culinary business is a business that is most in demand by the community. The forms of culinary business that are often found in Jember Regency are stalls, food courts, restaurants, souvenir centers and cafes. Culinary is the choice of business because it has market potential and business networks are still open and broad and have large profit margins. According to data from the Small and Medium Enterprises of Food Processing in Jember Regency, there are 474 of them, which is 5.4% of the total registered MSMEs. processing industry. consisting of various products produced such as various types of shredded, crackers, and chips spread across the District are presented in Figure 1.

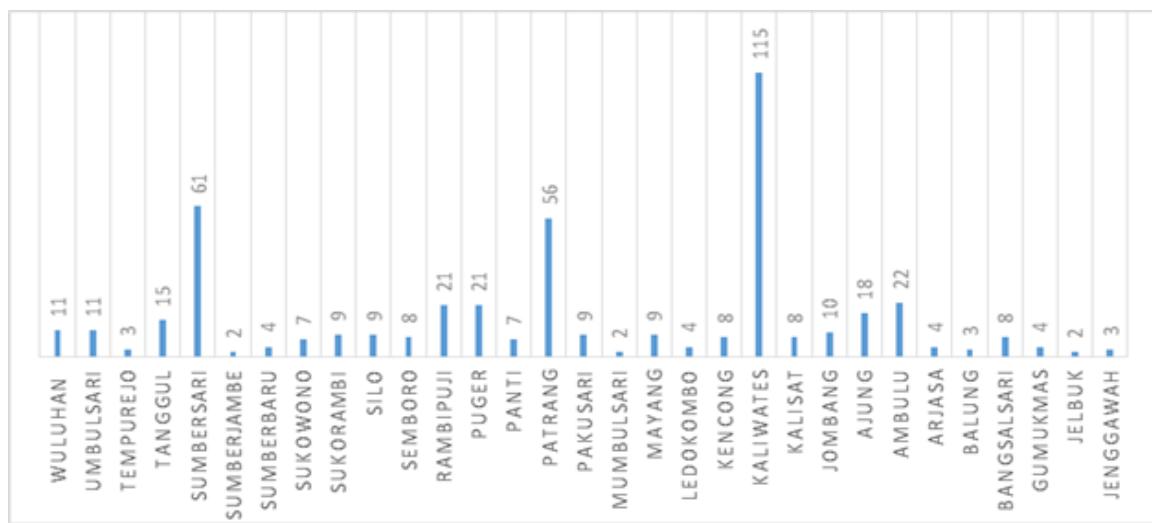


Figure 1. Graph of Mapping of IKM Processed Food in Jember District Year 2021

Source: Office of Cooperatives and Micro Enterprises, 2022

From Figure 1 is the distribution of food processing IKM in Jember Regency, it can be seen that the most small and micro food processing industries are located in Kaliwates District with a total of 115 IKM. Culinary

businesses that produce a lot are sweet bread, suwar-shredded and prol tape. Then followed by Sumbersari District with a total of 61 IKM, and then followed by Patrang District with 56 IKM.



*Figure 2. Map of Jember Regency by District*

Source: Website ([pinhome.id/blog/kecamatan-di-jember/](http://pinhome.id/blog/kecamatan-di-jember/))

Meanwhile, the sub-districts that have the fewest number of SMIs are the Sumberjambe, Mumbulsari and Jelbuk sub-districts where these sub-districts are located on the slopes of Mount Raung, with many small hills (gumuk) and forest areas far from the city (Figure 2).

An overview of MSMEs spread across 226 villages in Jember Regency, with a total of approximately 6,500 MSMEs that have been registered with the Office of Cooperatives and Micro Enterprises and the Office of Industry and

Trade of Jember Regency in 2021 (Appendix 1). As for the latest data, according to On Line System data (based on the results of FGDs for MSME actors and the UIN KHAS Halal Center, 2022) there are around 8,764 MSMEs, but only 5% of them already have halal certificates or around 440 MSMEs. After conducting a survey of 100 MSMEs in the culinary field, only 38 were able to provide complete information (Figure 3).

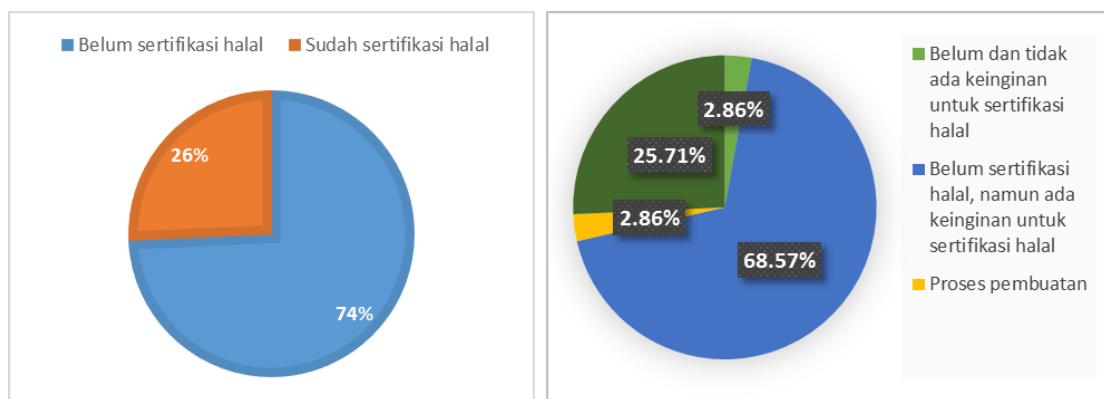


Figure 3. Status and Interest in Halal Certification for culinary SMEs in Jember Regency

Source: Primary Data, 2022

Figure 3 shows the survey results obtained, namely 74% of respondents still did not have halal certification and only 26% of respondents had halal certification. Among the respondents who already have a halal certificate, stated that

the products being traded should have a halal certificate, especially for MSMEs whose target consumers are the Muslim community so that they are "safe" for consumption and the market network is getting wider. On the other hand,

from 74% of respondents who did not have halal certification, in fact they already had a desire to obtain halal certification for 68.57% of respondents, but they stated several obstacles as follows:

1. Business owners do not know how to register halal certification.
2. Business owners still do not understand the benefits of halal branding.
3. Business actors consider the requirements for halal certification to be very difficult and require too many procedures.
4. Business owners think that the business they have set up is still very small and does not need to be registered as halal.
5. Business owners do not need a halal logo because they know that their products are guaranteed halal and think that the products they sell contain ingredients that are prohibited by religion such as pork, liquor, drugs and so on.
6. Business owners have not had time to register their products for halal certification, they are still very busy with their business.
7. Business owners act passively, waiting for the certification assistant to make a visit, they don't even want to visit the "Halal Center" clinic.
8. The data owned by the business owner is incomplete, including the Business Identification Number (NIB), although it can be accessed online.

Even among those who already have halal certification, they are not fully willing to sacrifice to finance the certification process themselves. They still rely on free certification programs from the government or from Bank Indonesia. On the other hand, those who wish to certify halal really hope for a limited quota from the free halal certification program for 25,000 MSMEs. Independently managing halal certification is still expensive, while the business capital owned is limited. Business actors must build a place of business and lay-out their production to meet work standards from the aspect of Hygiene, Health and Safety (K-3). In the end, the high cost and length of the halal certification process made many MSMEs stop in the middle of the submission process.

## **2. Challenges and opportunities for halal branding as an implementation of the wellness economy**

The government's program to improve the halal industry in Indonesia has been intensified since 2016, but there are still many obstacles that hinder the progress of the halal industry, such as the level of awareness and urgency of halal products in society, both business people and consumers, is still very low. This low public awareness arises as a result of low awareness of the halal status of a product that is deemed halal-only for consumption because the majority of Indonesian people are Muslims and understand the process of slaughtering, processing, packaging and so on which is carried out according to sharia. Producers who have the goal of maximizing profits will use any means to achieve that goal. Halal raw materials will turn out to be haram if the processing and packaging are not in accordance with sharia. These incidents are often ignored and receive little attention from business actors. For example bottled mineral water, when viewed from the raw material, mineral water is guaranteed to be halal, but in the process of packaging mineral water there is a filter process using activated carbon, activated carbon can be made from vegetable materials or their derivatives and animal materials, mostly from animal bones. If the bones used are haram (for example pork bones) then the status of this mineral water becomes haram according to Islam even though the raw material is guaranteed to be halal. Activated carbon can be made from vegetable materials or their derivatives and animal materials, mostly from animal bones. If the bones used are haram (for example pork bones) then the status of this mineral water becomes haram according to Islam even though the raw material is guaranteed to be halal. Activated carbon can be made from vegetable materials or their derivatives and animal materials, mostly from animal bones. If the bones used are haram (for example pork bones) then the status of this mineral water becomes haram according to Islam even though the raw material is guaranteed to be halal.

Another obstacle arises (Table.1) from an institutional technical perspective where the service for submitting halal certification in the

self-declare category is still handled by the central government. So when MSMEs in the Regency register their products it takes a very long time, so the whole certification process takes more than 21 days. In reality, the registration of halal certification can take up to 3 months because the documents stop at the province and have not been submitted to the central government. If on average the registration of self-declared halal certification by MSMEs in the district takes 30 working days. In addition, the halal inspection agency (LPH)

which conducts inspection and/or testing of product halalness also influences the duration of the MUI fatwa hearing. If the product is inspected and tested by LPPOM, it is possible that the MUI fatwa trial can be held immediately, different from the product inspected and tested by LPH Sucofindo and LPH Surveyors, which must take more time. Registration for halal certification through the regular route is in accordance with the estimated time in the procedure because MUI fatwa sessions can be held in the provinces.

Table 1. Challenges of Halal Inspection Problems

No.	Demand Side (Applicant)	Supply Side (Auditor)
1.	Applicant availability	Time consuming process
2.	Check readiness	Environmental factor
3.	Miscommunication (Language factor)	Incomplete information
4.	Halal status is not clear	Unforeseen problem
5.	Bad company management	Evidence of non-compliance

Source: (Sulaiman, et al 2018)

After conducting the survey and continuing with the FGD, several opportunities and threats were found to strengthen the halal branding model as an implementation of the wellness economy for MSMEs in Jember Regency. The opportunities for implementing halal branding products are as follows:

1. Indonesia's population, which is predominantly Muslim (86.7%), is a business opportunity, confirmed by 7 respondents who stated that 6 people strongly agreed and 1 person agreed.
2. Increased awareness of the world's population including Indonesia on the importance of a healthy lifestyle (wellness economy) as a business opportunity, confirmed by 7 respondents who stated that 5 people strongly agreed and 2 people agreed
3. The central government is increasingly incessant to develop the halal industry into business opportunities, confirmed by 7 respondents who stated, 3 people strongly agreed and 4 people agreed.
4. The government's desire to become the center of world halal producers in 2024 is a business opportunity, confirmed by 7 respondents who stated, 3 people strongly agreed, 3 people agreed and 1 person quite agreed.
5. The growing development of digital marketing tools (shopee, lazada, tokopedia, etc.) helps the smooth running of business, confirmed by 7 respondents who stated, 3 people strongly agreed, 2 people agreed and 2 people quite agreed.
6. The opening of global market opportunities for products with halal certification, was confirmed by 7 respondents who stated, 5 people strongly agreed and 2 people agreed
7. Increasing international confidence in the economy and industry. The Indonesian economy has experienced relatively high and stable growth so that with this halal branding it can further increase world and investor confidence in the Indonesian industry.
8. Improvement of technology and information. With the development of technology and information, especially the internet, any information related to halal MSMEs can be known and disseminated through the media without knowing the boundaries of space and time. Information technology will also open up online marketing space (Market Place) through various social media and other platforms.

9. Development of financial technology. Financial technology, which is always developing along with the times, has made financial transactions easier, cheaper and faster, including financing for MSMEs and purchasing halal products.

On the other hand, the challenges of implementing halal branding for MSMEs in the Jember area based on survey results and followed by FGDs are as follows:

1. There are some people who do not care about a healthy lifestyle, confirmed by 7 respondents who stated, 1 person strongly agreed, 4 people agreed and 2 people quite agreed.
2. Limitations on requests for assistance (Halal Supervisor) to obtain halal certification, confirmed by 7 respondents who stated, 1 person strongly agreed, 5 people agreed and 1 person quite agreed
3. There is asymmetric information between the central government and local governments (bottom absorption) to follow up on the halal industry, confirmed by 7 respondents who stated, 2 people strongly agreed, 4 people agreed and 1 person quite agreed.
4. The lack of dissemination of the benefits of halal-certified products from the local government, was confirmed by 7 respondents who stated, 2 people strongly agreed, 4 people agreed and 1 person quite agreed.
5. Business actors or MSMEs have low knowledge and awareness of halal certification, thus closing the opportunity for great benefits and advantages of halal product certification.
6. There is a lot of documentation that must be provided before the halal certification process.
7. The Halal Product Certification Kit consisting of the Halal Examination Agency (LPH), Provincial Indonesian Ulema Council (MUI) Fatwa and Halal Product Assurance Organizing Agency (BPJPH) according to the flow of halal product certification is no later than 21 days.
8. Examiners or auditors who take a long time, the limited existence of LPH is not in every district for East Java, only in Surabaya, Malang, Jember and Tulungagung;

requirements and incomplete information impede the next process.

9. The community's awareness of halal is still low due to low awareness of the halal status of the physical and food processes starting from slaughtering, processing, packaging and so on which are carried out according to sharia.

### **3. Effect of halal branding on product sales**

The effect of halal branding on sales of MSME products in Jember Regency can be shown by quantitative data and qualitative data. Quantitative data is in the form of an increase in sales turnover and market share which can be measured in absolute numbers or percentages. Meanwhile, an increase in sales turnover can be done qualitatively in the form of statements from MSME actors regarding what they feel after their products are certified halal. From the results of in-depth interviews and FGDs on the Model of Strengthening Halal Branding as an Implementation of the Wellness Economy for MSMEs in Jember Regency, especially when discussing the effect of halal branding on increasing product sales, it was conveyed by MSME actors.

Mrs. Sulastri, the owner of the business "Faoladi" stated that the impact felt after her product succeeded in obtaining halal certification had a significant impact, where the products she produced were upgraded, the level of consumer confidence to buy her products increased, the opportunity to export or go-international increased. because it has fulfilled the requirements, the network of relations is getting wider.

Mrs. Fitria Handayani, the owner of the Safia Egg Nuts business, also confirmed this, because she sells premium quality egg nuts, so this halal certification is very necessary to guarantee the premium quality of her product. After passing the product halal test and obtaining a halal logo, his products can enter a wider market network and have started exporting their products to Malaysia with an increasing level of consumer confidence.

This is also evidenced by the distribution of questionnaires conducted to 38 MSMEs, both halal-certified and non-halal-certified, showing that business actors who do not yet have halal

certificates tend to have lower turnover compared to business actors who are already halal-certified. There are 28 business actors who do not yet have a halal certificate (74%) whose average turnover is IDR 15,654,000, while 26% or 7 business actors who already have halal certificates have an average turnover of IDR 32,666,667. From the existing data it shows that there is a difference in the average turnover of business actors who do not have and who already have halal certificates, so it can be concluded that there is an influence of halal branding on product sales.

The effect of halal branding on increasing sales of MSME products can be seen from several journals. Possession of halal certification can increase consumer trust and interest in buying, the ability to enter a wider market and participate in various programs provided by the government to promote products (Syaifudin & Fahma. 2022). In line with the results of this study, Wulandari, et al (2018) stated that the halal certification program had a positive and significant impact on increasing turnover and the factors influencing the increase in MSME turnover were capital, number of workers, dummy ownership of halal certification and promotion dummy.

## Discussion

After conducting in-depth interviews and FGDs on the Model of Strengthening Halal Branding as an Implementation of Wellness Economy for MSMEs in Jember Regency, problems with the implementation of halal certificates for business actors were found, where they are still reluctant to have halal certificates (willingness), many of them think their products can accepted by consumers even though they do not have a halal certificate. The existence of many registration document requirements, the testing of the production process or supply chain, as well as the waiting period of about 2 months also reduces the desire to have a halal certificate for its products. Therefore socialization, education and assistance are needed to strengthen halal branding for MSMEs according to Figure 4 with the following steps:

1. Collaborating with all government agencies, Bank Indonesia, community social institutions and universities related to MSME Empowerment to increase awareness of business owners regarding the importance of halal certificates for products to promote a wider market. This socialization includes MSME actors in villages in 31 sub-districts in Jember Regency through youth organizations, PKK or BUM Desa or village or sub-district activities. In the socialization of roadshows and assistance in sub-districts and in collaboration with BUMDES and PKK to gather business actors in each sub-district.
2. From this socialization, selected MSMEs need to be educated and fostered intensively to help obtain information and complete the documents to obtain a halal certificate. The selected SMEs are business partners who wish to obtain halal certificates. This education can be carried out continuously by forming a "halal product" UMKM community forum to facilitate communication and consultation between participants and assistants. To reach the MSME target area, consultations with companions are carried out at the Halal Center Clinic at the Jember Regional Coordinating Board (Bakorwil) V Office every Monday and Wednesday from 10.00 to 17.00. The Bakorwil office oversees 5 Sekar Kijang districts, 1 district and 1 city of Probolinggo.
3. Furthermore, assistance was carried out to prepare documents required for registration of halal certificates, resolving existing obstacles in fulfilling the requirements for registration of halal certificates, even taking further arrangements and participating in registering and submitting documents for registration of halal certificates to BPJPH, Ministry of Religion of the Republic of Indonesia. This assistance is carried out intensively when the documents are complete and monitoring the existence of the files until the halal certificate is issued by the halal center clinic manager at Bakorwil V Jember Office. Currently, the manager has registered himself as a Halal Inspection Agency (LPH). With this LPH, the speed of halal testing using the self-declare method,

especially for MSME products, can be executed more quickly where field verification personnel are already in Bakorwil V Jember.

4. The halal certificate registration file is received by the Halal Product Assurance Organizing Agency (BPJPH) which is then communicated, sent and tested to the Halal Inspection Agency (LPH) for MSME products using the self-declared method. For medium-large companies with critical points and large product variants, they must use the regular method of testing

their products through LPPOM or Sucofindo.

5. After passing the field verification or halal test, the Provincial Council of Indonesian Ulema (MUI) holds a meeting to issue a fatwa.
6. From the results of the MUI Fatwa, this will be used as the basis for establishing halal certificates for MSMEs that apply for halal certificates, in accordance with the 21-day to 2-month flow of halal product certification.

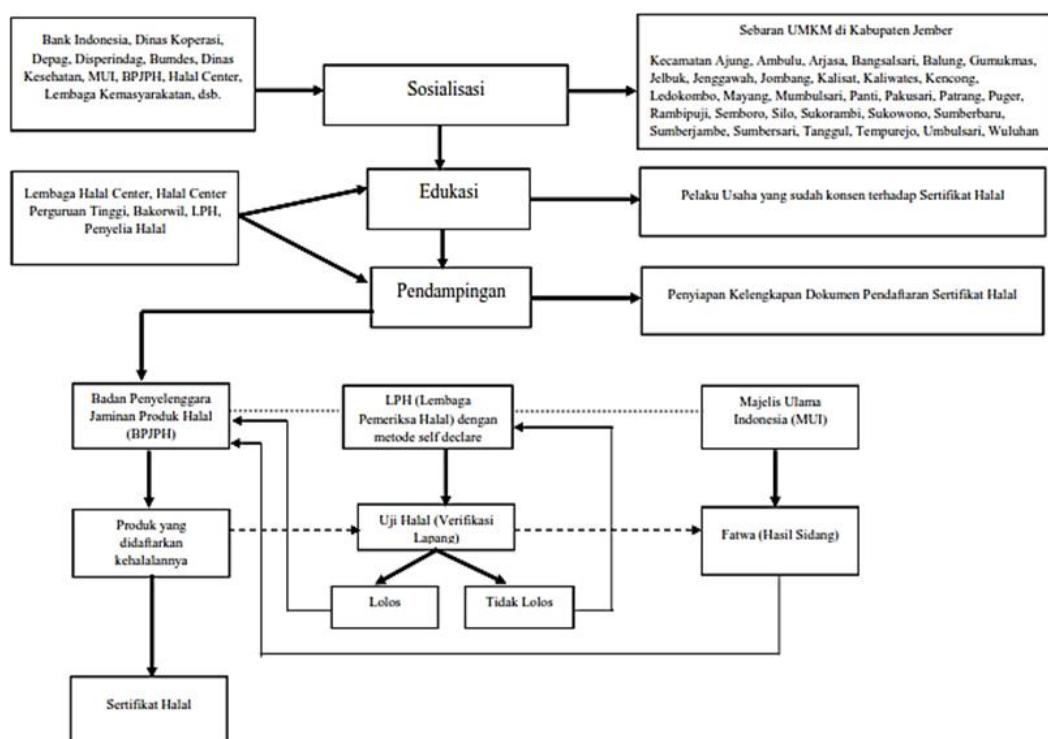


Figure 4. Model of Strengthening MSME Halal Branding in Jember Regency

Source: Primary Data, 2022.

With Law Number 33 of 2014, products that enter, circulate and trade in the territory of Indonesia must be halal certified. Therefore there is a need for "coercion" from the government to have a halal logo on every product that is traded. So that business actors inevitably have to register their products to have halal certification so they can enter the market legally and more broadly. Thus, halal branding as an implementation of the wellness economy for MSMEs in Jember Regency is a necessity of

being mandated by a law that is "mandatory" and no longer "voluntary" in that you are allowed to choose based on your wishes.

## Conclusion

Identification There are only 5% or around 440 culinary business actors who already have halal certificates from 8,764 MSMEs even though there is already a desire to get halal certification by 68.57% of respondents. The challenge of implementing halal branding for

MSMEs in Jember Regency is that there are some people who do not care about a healthy lifestyle and their low awareness of halal status; limited socialization, knowledge and awareness of halal certification; the number of documents on the certification process for the limitations of assistance (Halal Center); there is asymmetric information between the central government and local governments. While the probability is the number of Muslim population (86.7%); development of information technology, digital marketing and financial technology; healthy lifestyle (wellness economy) as a global market opportunity and international trust; the government's determination to become the center of the world's halal industry or producer in 2024.

The effect of halal branding on sales of MSME products in Jember Regency was stated by Sulastri, the owner of the "Faoladi" business and Mrs. Fitri, the owner of the egg-nut business "Safia". Survey results and several studies also show differences in the turnover of business actors who do not have and who already have halal certificates. The model for strengthening halal branding as an implementation of the Wellness Economy for MSMEs in Jember Regency starts from socialization, education and assistance to strengthen halal branding until halal certificates are obtained by MSMEs in Jember Regency.

#### **Policy Advice**

1. It is necessary to socialize halal awareness for the community, so that it also has an impact on the products they consume or use.
2. It is necessary to enforce the mandate of Law No. 33 of 2014 where halal certificates are a necessity "mandatory" and no longer "voluntary" which are still allowed to choose based on desire alone;
3. Expanded institutional apparatus that has the authority to process halal certificates. In addition to the activeness of the Ministry of Religion's BPJPH in outreach, "pick up the ball" for halal certification at production centers that are directly related to halal certificates; also needed upgrade:
  - a. Authority of Regency/ City MUI to recommend Halal MUI Fatwa;

- b. Education and training as well as recruitment of Halal Product Inspectors;
- c. The existence of a Halal Inspection Agency (LPH) in every district/city

This should state clearly the main conclusions of the research and give a clear explanation of their importance and relevance. Summary illustrations may be included.

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