Prospects for the Development of Halal Culinary MSMEs in Encouraging Sustainable Business
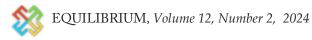
Sufyati HS[1], Anggi Angga Resti[2], Nurhafifah Matondang[3], Muhamad Ridwansyah[4], Muhammad Randhika Priyatna[5]

Abstract

Sustainable business refers to business practices that consider social and environmental impacts aside from financial gain. This research was conducted in Depok City, West Java, a satellite city of DKI Jakarta. In this research, the factors of halal culinary development include halal certification, compliance with halal practices, green marketing, and performance of halal culinary MSMEs. Halal culinary MSMEs ensure that all processes and materials comply with halal principles according to Islamic sharia. The research aims to determine the performance of culinary MSMEs as measured by halal certification, compliance with halal practices, and green marketing. The research method used is a quantitative descriptive approach, with data collection techniques using questionnaires to culinary MSMEs in the Depok Region. Data analysis techniques use the SmartPLS application. The research results show that halal certification and green marketing have a positive and significant effect on the performance of culinary MSMEs in the Depok Region, while compliance with halal practices has a positive but insignificant effect. The recommendations of this research include improving access and the halal certification process, education on compliance with halal practices, and effective green marketing strategies to create an ecosystem that supports the sustainable development of halal culinary delights.

Keywords: Green Marketing; Halal Practice Compliance; Halal Culinary; Halal Certification; MSME Performance.

[1] Universitas Pembangunan Nasional (UPN) "Veteran" Jakarta, Indonesia
[2] Universitas Pembangunan Nasional (UPN) "Veteran" Jakarta, Indonesia
[3] Universitas Pembangunan Nasional (UPN) "Veteran" Jakarta, Indonesia
[4] Universitas Pembangunan Nasional (UPN) "Veteran" Jakarta, Indonesia
[5] Universitas Pembangunan Nasional (UPN) "Veteran" Jakarta, Indonesia
Email: sufyati@upnvj.ac.id

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) play an important role in the Indonesian economy. They constitute 99.99% of the total business entities in Indonesia, totaling 56.54 million units. MSMEs have been able to prove their existence in the Indonesian economy (www.bi.go.id,2015). They are essential in the culinary sector, where halal culinary MSMEs are among the most promising sectors, given that Indonesia has the largest Muslim population in the world. The demand for certified halal products is increasing, thus providing a great opportunity for the development of halal culinary MSMEs. In addition, adopting sustainable business practices has become crucial in the face of global challenges such as climate change and environmental sustainability.

Food and beverage business opportunities are attractive because of the large market share, especially for the MSME sector. The Ministry of Finance data shows that MSMEs contributed IDR9.8 trillion, or 61%, to the Gross Domestic Product (GDP) (Khoirun et al., 2023). MSMEs have a direct impact on the country's economic sector because they are directly related to the community (Abdillah et al., 2019). Currently, rapidly expanding MSMEs are engaged in the food and beverage industry sector, which has the highest potential for contributing to national income. The culinary sector, which includes snacks, staple foods, and beverages, represents a type of business that will always be in demand as it fulfills a basic human need (Kevin & Puspitowati, 2020).

Indonesia faces a major challenge in terms of halal certification for micro, small, and medium enterprises (MSMEs). Based on a report by the Ministry of Finance (2021), Indonesia has 65 million MSMEs, but only 1%, or around 650,000, are halal certified. This low percentage is due to a lack of awareness among MSMEs about the importance of halal certification and insufficient socialization and understanding of the certification process. This reality is evident in the field, where MSME actors face several challenges: 1) a lack of information about the importance and the impact of halal certification on products; (2) a weak commitment to ensuring halal product assurance; (3) limited knowledge of how to apply for halal certification; (4) a disregard for environmental aspects in the production and post-production processes.

The significant role of MSMEs in the Indonesian economy is further emphasized by their ability to create jobs and preserve diverse local traditions.

MSMEs greatly contribute to reducing unemployment rates and provide a source of income for millions of families nationwide. Therefore, ensuring that MSME-produced food products meet Islamic halal standards is crucial. In order to support the sustainability of MSMEs, businesses must understand and comply with halal labeling requirements, ensuring their products adhere to these standards. This step is expected to increase consumer confidence in MSME food products and guarantee that Sharia principles are upheld throughout the production and distribution processes (Khoirun et al., 2023).
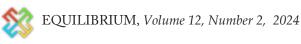
Adherence to Sharia principles involves all stages, from selecting raw materials and managing the production process to distributing products to consumers. Thus, MSME products not only meet quality and food safety standards but also align with religious values respected by Muslim consumers. Support from the government, certification bodies, and related organizations is crucial to providing the necessary technical assistance and information for MSME players.

In addition, in the face of intense business competition, adopting effective marketing strategies is crucial for achieving customer satisfaction and loyalty. With the proper assistance, MSME players can meet halal certification standards and develop effective marketing strategies. Terms such as "Sustainable Marketing" and "Environmentally Sound Marketing" have become important considerations for marketers striving to maintain sustainable business practices. Considering the market is full of diversity, marketers in this modern era face various challenges to maintain a strong position in the market (Fataron, 2022).

Table 1 *Number of MSME in Depok 2018-2022*

Years	Total
2018	19.892
2019	14.516
2020	14.716
2021	13.916
2022	11.429

Source: (Widyastuti & Parianom, 2022)

Based on Table 1, the number of MSME actors has decreased year by year. In 2018, the number of MSME players in Depok City reached 19,892. However, in 2019, this number dropped to 14,516. This decline was slightly restrained in 2020, with a total of 14,716 MSME players. However, the downward trend continued in 2021 and 2022, with 13,916 and 11,429 respectively. This decline in the number of MSME players can be attributed to various factors, including economic challenges, policy changes, and the impact of global situations such as the COVID-19 pandemic, which affected overall economic activity.

Regarding the development of halal culinary MSMEs in Depok City, in 2020, 97 business actors obtained halal certificates from the Indonesian Ulema Council (MUI) of West Java Province. Halal certification is one of the key factors that can support the sustainability and growth of culinary MSMEs because halal products have a strong appeal among local and international consumers. Additionally, to empower MSMEs in Depok City, several micros, small, and medium enterprises have chosen digital marketing and halal certification to develop their businesses, and the significant growth potential of culinary MSMEs in Depok City allows MSMEs to further develop in the city (Widyastuti & Parianom, 2022). This shows business actors' high level of awareness and commitment to meet established halal standards, increasing consumer confidence and expanding their market reach.

Based on this, this study focuses on halal culinary development factors, namely halal certification, halal practice compliance, and green marketing, while the performance of MSMEs measures sustainable business practices. The research objective is to determine the performance of MSMEs as measured by compliance with halal practices, halal certification, and green marketing.

LITERATURE REVIEW

MSME Performance

MSME performance refers to a series of results achieved by MSME actors over a specific period, using a defined scale or measure and adjusted according to the objectives and roles of MSMEs (Pramestiningrum & Iramani, 2019). According to Aribawa (2016), MSME performance criteria encompass various values, including the value of financial performance and non-financial performance.

The impact of sustainable MSME performance on economic growth is enormous. First, by encouraging business growth and innovation, MSMEs can create added value and improve competitiveness, contributing to overall economic growth. Second, well-performing MSMEs can increase their contribution to tax revenue, supporting the financing of development programs and strengthening the economy. Finally, by generating employment opportunities, MSMEs can boost people's incomes and demand for goods and services, further supporting economic growth (Supriatna et al., 2023).

According to Siswanti (2020), the indicators of MSME performance are as follows:

1. Sales growth: This indicates an increase in the number of products or services sold by MSMEs over time, reflecting more active business performance.

2. Customer growth: This represents an increase in the number of new customers or a high retention rate, reflecting the attractiveness of MSME products or services and customer satisfaction.

3. Profit growth: This represents the profit or profit margin growth from MSME business operations, reflecting operational efficiency and prudent financial management.

Halal Certification

Halal certification, as described in Law No. 33, Article 4 of the Halal Product Guarantee Act of 2014, refers to recognizing a product's halal status granted by the Halal Product Guarantee Agency (BPJPH, *Badan Penyelenggara Jaminan Produk Halal*). This recognition is based on a written halal fatwa issued by the Indonesian Ulema Council (MUI). According to Kalbarini and Anggraini (2022), Halal certification is an organized testing procedure aimed at verifying the compliance of a company's products with halal standards. This process includes assessments from the preparation stage, slaughtering, cleaning, production processes, treatment, and germicidal to the product distribution stage. Halal certification promotes transparency in the production process and is essential for the success of halal businesses. An efficient halal certification system should assist consumers in selecting products that meet halal standards (Khan et al., 2019).

From a political economy perspective, BPJPH ensures the availability of halal products for the Muslim community, fulfilling the state's obligation to protect the religious ideology of its citizens (Nurdin & Rahman, 2021). In other words, the government has facilitated business actors to carry out halal certification for the sustainability of their business.

Halal certification is very important in increasing the sales of Muslim fashion products, alongside factors such as price and quality. Approval from the relevant government authority is required to add a halal label to the product packaging to obtain an MUI halal certificate (Muslimah, 2019). Halal labeling covers several aspects involving Islamic Sharia principles, applicable standards and regulations, and certification procedures applied by the authorized institution. The Sharia principle is the context of halal and haram in every single manufacturing product. In this case, the production process must be free from haram (forbidden) contamination and unclean materials. Regulatory standards must meet both national and international standards. In Indonesia, these standards and regulations are governed by MUI, which provides the standardization of halal products. Businesses seeking halal certification can apply to an authorized institution to undergo the certification process. Halal certification increases Muslim consumers' confidence in the products, as they trust these products meet the requirements stipulated in Islam. Halal certification is very important in ensuring that products consumed or used by Muslims comply with Islamic law principles.

Product halalness certificates, according to the Halal Product Guarantee Law (HPG), must be obtained through procedures that align with Islamic law and applicable legal provisions, as stipulated in Law Number 33 of 2014 concerning Halal Product Guarantee, promulgated in the State Gazette of the Republic of Indonesia in 2014, Number 295. The law is further elaborated in the Republic of Indonesia State Gazette, Number 5604 (Faridah, 2019).

The indicators of halal certification, according to Alfarizi (2023b), are as follows:

1. Certainty of halalness: it verifies whether the product or service complies with the halal rules set by Islamic authorities.

2. Assurance of cleanliness: it guarantees that the product or service is produced under required hygiene standards, including a clean and sterile production process.

3. Assurance of health: it ensures that the product or service is safe for use or consumption in accordance with applicable health principles.

4. Legal compliance: it guarantees that the production and distribution process of the product or service complies with applicable law, both in terms of religion and positive law.

Based on research conducted by Yuliani (2023), several factors drive MSME actors to seek halal certification. These include 1) mandatory attributes, 2) meeting market demand, 3) self-branding, 4) social influence, 5) halal awareness, and 6) halal lifestyle. These factors encourage MSME actors to apply for halal certification to advance their businesses. The halal certification, represented by the halal logo, enhances the marketability of each product.

Halal Practice Compliance

Halal practice compliance refers to the extent to which products or services, both in their production and provision processes, comply with the principles of halalness in Islam (Khoirun et al., 2023). Halal practices involve various aspects, including raw materials, production processes, treatment of products, and related documents (Alfarizi, 2023b).

All MSMEs or business units can implement Halal Standard Operating Practice (HSOP), as this concept significantly affects product quality. In the culinary field, maintaining product standards for sound quality is essential (Giyanti et al., 2021). Food intake must meet consumer needs for energy to carry out daily activities (Pauzi et al., 2019). Therefore, food must be produced by prioritizing halal and hygiene aspects so that the products produced are beneficial for health and serve as energy sources for consumers.

Halal practice compliance in MSMEs refers to the extent to which small and medium-sized businesses comply with the standards and regulations set out in Islamic Sharia law in all aspects of their operations. This includes selecting

raw materials, production processes, storage, distribution, and marketing, and ensuring products are free from haram (forbidden) and impure ingredients. Halal certification from a recognized institution proves that a product or service complies with established halal practices (Rahayuningsih & Ghozali, 2021).

Optimizing compliance with Sharia practices by updating halal labels for MSMEs is a strategic step to expand market reach and strengthen consumer confidence in the products offered. This has a good impact on MSME players, giving them a competitive edge in the market while promoting growth and sustainability. Compliance with halal practices is a smart strategy for sustained growth and success in the culinary business. Compliance with halal practices is an essential aspect of MSME operations, especially for those operating in markets with a majority of Muslim consumers. Although there are obstacles to implementation, the advantages of adhering to halal practices, including expanded market access and enhanced consumer confidence, are substantial. MSMEs can capitalize on these opportunities to enhance their competitiveness in the global market and achieve sustainable development through effective implementation.

Green Marketing

Green marketing is a strategy that MSME players can use to attract customers and generate profits. While the Islamic approach emphasizes the value of societal well-being over the pursuit of profit alone, green marketing offers a viable solution (Mahfuzah, 2023).

According to Ariani (2017), green marketing evolves by considering consumers' decisions, needs, desires, and understanding their relationship with environmental preservation and sustainability. Tiwik and Darma (2018) explain that green marketing is a concept developed for ethical marketing and has been evolving for a long time. Green marketing originated with the establishment of Corporate Social Responsibility (CSR) Reports, which assess corporations' environmental, social, and financial impacts on society (Fuchs, 2020). Dimyati et al. (2018) define green marketing as a tool to meet consumer needs while aiming to reduce the environmental damage caused by business activities. The indicators of Green Marketing include green products, green promotion, green prices, and green places. Each indicator can be defined as follows:

1. Green Product

According to Febriani (2019), green products are ones that are safe for humans and the environment, do not waste resources, do not produce excessive waste, and do not involve cruelty to animals. These products are designed and processed in such a way as to minimize negative environmental impacts during production, distribution, and consumption. From this definition, it can be concluded that green products are environmentally safe, resource-efficient, waste-minimizing, and cruelty-free.

Shaputra (as cited in Widodo, 2021) defines green products as environmentally friendly products designed and processed to minimize pollution during production, distribution, and consumption. Green packaging is easily recyclable or made from materials that can be reused without causing waste or environmental pollution. Green products are essential for maintaining environmental sustainability. Despite the challenges, their benefits to both the environment and businesses are significant.

2. Green Promotion

According to Febriani (2019), promotions serve to provide information, influence consumer decisions, and remind consumers. Informing can include introducing a new product, suggesting new uses, explaining available services, announcing price changes, demonstrating how to use a product, and building the company's image. Influencing consumer decisions means encouraging consumers to buy a product and convincing them of its superiority over competitors' products. Therefore, green promotion is a promotional strategy that emphasizes environmental issues.

Green promotion is a key element of green marketing, meaning it must convey messages about environmental conservation. In promotions, it is also important to convey to consumers that the products or services offered are not involved in exploitation or environmental damage (Siregar & Widodo, 2021). Green promotion is an aspect that explains how marketers convey environmental messages to influence purchasing decisions. With green promotion, it is hoped that consumers will consider environmental factors when making purchasing decisions, especially when choosing environmentally friendly products (Widodo, 2021).

3. Green Price

According to Febriani (2019), price is one of the important elements in the green marketing mix. Most consumers only pay more if they perceive added value in the product, such as improved performance, functionality, design, visual appeal, or taste. Therefore, green marketing should consider all these aspects when determining the price premium. Many consumers assume that green products are usually more expensive than conventional products. Although this may be accurate, Peattie (cited in Febriani, 2019) contends that the prices of environmentally friendly products are not excessively high. Conventional products appear cheaper because they do not consider the social and environmental costs of their production, use, and disposal.

Based on this definition, it can be concluded that the "green price" in this study refers to the price of products that include the cost of maintaining and preserving the environment, thus making the product price more expensive than other conventional products.

4. Green Place

A "green place" refers to a company's distribution choices that minimize environmental damage while making products available to consumers in a way that significantly impacts their purchasing decisions. The choice of time and place for product or service provision can greatly influence consumers, who often prefer proximity when buying green products (Thoibah et al., 2022).

According to Febriani (2019), product distribution can significantly impact the environment if not done in an eco-friendly manner. The distribution process involves transportation, which typically relies on vehicles that negatively affect the environment. However, companies can minimize their environmental impact by adopting modified eco-friendly vehicles, contributing greatly to sustainability efforts. Therefore, a "green place" involves distribution channels and activities that aim to make products easily accessible and available to target markets (Al Amin et al., 2023).

Research Model Framework

Based on the results of previous research searches and theoretical studies, the conceptual framework for this research is as follows:
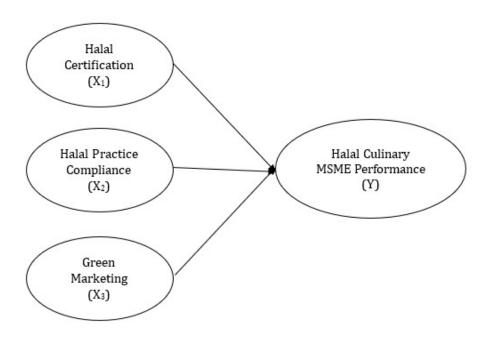

Figure 1 *Research Model Framework*

Source: Processed data by the authors

Research hypothesis:

H_1: Halal certification affects the performance of Halal Culinary   MSMEs

H_2: Compliance with halal practices affects the performance of Halal Culinary MSMEs

H_3: Green marketing affects the performance of Halal Culinary MSMEs

RESEARCH METHOD

This study uses a quantitative descriptive approach utilizing both primary and secondary data sources. The population targeted in this research consists of culinary MSME (Micro, Small, and Medium Enterprise) actors in the Depok area. A purposive sampling technique is used to select the sample based on specific criteria. Data is collected through questionnaires. The data analysis is conducted using the Partial Least Squares (PLS) method with SmartPLS software. The measurement models used in this study include the outer model (for validity and reliability tests), the inner model (for R-square and Q-square tests), and hypothesis testing (using t-tests).

RESULTS AND DISCUSSION
RESULTS

Respondent Profile

The respondents in this study were selected based on specific characteristics outlined in the respondent profile. A total of 101 respondents were chosen to ensure adequate representation across various categories measured in the study. These categories include gender, age, education level, marital status, length of establishment of MSMEs, type of culinary field, number of employees, source of business capital, and monthly profit.

Among the respondents, 59.4% (41) were men, and 38.6% (39) were aged between 38 and 40. Regarding education, 44.6% (45) held an S1/D4 level degree. The majority, 73.3% (74), were married. Regarding the duration of MSME establishment, 55.4% had been in business for 1-3 years, and 42.6% operated in the food and beverage sector. A significant portion, 91.3%, had 1-3 employees, while 84.2% used personal capital to run their business. For monthly profits, 31.7% reported earnings between 1-3 million rupiah, with 30.7% falling within the 1-3 million range.

Convergent Validity

The test results were based on the coefficient value of the latent variable with reflective indicators, where the measurement can be seen using the loading factor. The loading factor value is said to be valid if> 0.7 (Ghozali, 2014).

Table 2 *Outer Loading*

	MSME Performance (Y)	Halal Certification (X$_1$)	Halal Practice Compliance (X$_2$)	Green Marketing (X$_3$)
SH.1		0.784		
SH.2		0.816		
SH.3		0.765		
SH.4		0.720		
SH.5		0.798		
SH.6		0.786		
SH.7		0.853		
SH.8		0.806		
KPH.1			0.903	
KPH.2			0.895	
KPH.3			0.853	
KPH.4			0.867	
KPH.5			0.897	
KPH.6			0.896	
KPH.7			0.909	
GM.1				0.894
GM.2				0.849
GM.3				0.849
GM.4				0.844
GM.5				0.857
GM.6				0.864
GM.7				0.864
GM.8				0.851
KU.1	0.766			
KU.2	0.786			
KU.3	0.823			
KU.4	0.837			
KU.5	0.779			

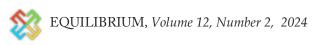*Source: Processed data by the authors*

Table 2 explains all the statements submitted and declared valid because they have an outer loading value above 0.5. The statement with the highest outer loading value on the MSME performance variable is KU.4, reaching 0.837, while the lowest value is KU.1, with a value of 0.766. In the halal certification variable, the statement with the highest outer loading is SH.7, 0.853, and the lowest is SH.4, with a value of 0.720. For the halal practice compliance variable, the highest outer loading is KPH.7 of 0.909, while the lowest is KPH.3 with a value of 0.853. The outer loading statement on the green marketing variable with the highest value is GM.1 of 0.894, and the lowest is GM.4 of 0.844. Adjustments to the model are made as follows.
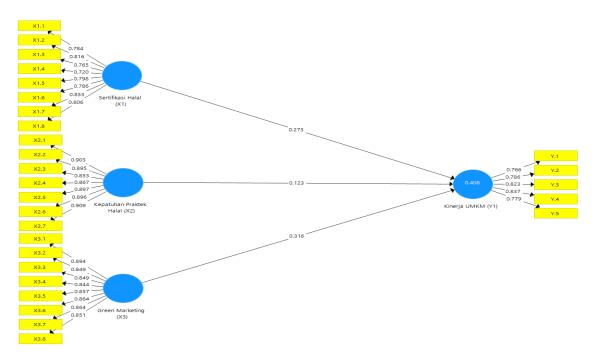

Figure 2 *Outer Model*

Source: Processed data by the authors

Discriminant Validity

The discriminant validity test is obtained from the AVE value results on the study variables. The provisions in this test state that if the test value <0.5, it can be said that the validity value of the test is not good.

Table 3 *Average Variance Extracted (AVE)*

MSME Performance	0.638
Halal Certification	0.627
Compliance with Halal Practices	0.790
Green Marketing	0.738

Source: Processed data by the authors

The data listed in the table explains that the independent variable and the dependent variable have AVE values that exceed 0.5. The halal practice compliance variable reaches the highest AVE value of 0.790, while the halal certification variable has the lowest AVE value of 0.627. This finding confirms conformity with the existing outer loading explanation, implies that all variables meet the validity criteria, and indicates that all indicators can be considered valid.

Reliability Test

The reliability test has a limit value of ≥ 0.7. If the value obtained = 0.7, then it is still declared reliable.

Table 4 *Reliability Test*

	Cronbach's Alpha	Composite Reliability
MSME Performance	0.858	0.898
Halal Certification	0.915	0.931
Compliance with Halal Practices	0.956	0.963
Green Marketing	0.949	0.957

Source: Processed data by the authors

The data in the table above shows that each variable has a composite reliability value exceeding 0.7. The halal practice compliance variable reaches the highest value, 0.963, while the MSME performance variable has the lowest value, 0.898. These results indicate that the reliability test can be considered reliable. Based on Cronbach's Alpha value, it can be said that the MSME performance variable has a value of 0.858, placing it in the category of a very high level of reliability. The halal certification variable is 0.915, which means very high reliability. The halal practice compliance variable has a value of 0.956, corresponding to a very high level of reliability. The reliability value of the green marketing variable is 0.949, stating that the variable has an outstanding level of reliability. So, the conclusion is that the reliability test in this study is very reliable.

Inner Model Evaluation

The R-Square value obtained of 0.408 can be categorized as a moderate model, indicating a moderate relationship. This statement explains that the independent variables, namely green marketing, halal certification, and halal practice compliance, are able to explain the dependent variable in this study, namely the performance of halal culinary MSMEs by 40.8%, and the remaining 59.2% is explained by other variables not included in this study.

Hypothesis testing is carried out to interpret the level of significance of each independent variable on the performance of halal culinary MSMEs.

Table 5 *T-Stats Measurement*

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values
Halal Certification -> MSME Performance	0.273	3.094	0.002
Compliance with Halal Practices -> MSME Performance	0.123	0.905	0.366
Green Marketing -> MSME Performance	0.316	2.065	0.039

Source: Processed data by the authors

The data in the table shows that each variable has a composite reliability value exceeding 0.7. The halal practice compliance variable reaches the highest value, 0.963, while the MSME performance variable has the lowest value, 0.898. These results indicate that the reliability test can be considered reliable. Based on Cronbach's Alpha value, it can be said that the MSME performance variable has a value of 0.858, placing it in the category of a very high level of reliability. The halal certification variable has a value of 0.915, which means very high reliability. The halal practice compliance variable has a value of 0.956, corresponding to a very high level of reliability. The reliability value of the green marketing variable is 0.949, stating that the variable has a very good level of reliability. So, the conclusion is that the reliability test in this study is very reliable.

DISCUSSION

The Effect of Halal Certification on the Performance of Halal Culinary MSMEs

The results of the hypothesis testing indicate that the halal certification variable has a positive and significant impact on the performance of MSMEs. This conclusion is supported by the t-statistic and p-value results. The t-statistic value for this variable is 3.094, which exceeds the critical t-table value of 1.985. Furthermore, the p-value is 0.002, below the significance level of 0.05. These findings are consistent with Alfarizi's (2023b) and Bakhri's (2020) studies, demonstrating that halal certification significantly affects MSME performance. However, these results differ from those of Nawi et al. (2023) and Supian et al. (2019), who argue that halal certification alone does not necessarily impact business performance; instead, the commitment of the business owner to consistently implement halal operational procedures is more crucial.

Halal certification is a means to meet market demand and serves as an essential instrument for business actors. Additionally, halal certification acts as a form of self-branding for MSMEs, as consumers increasingly recognize the importance of halal labels on products. Halal certification has become a trend and even a lifestyle in Indonesian society, representing a shift towards a halal lifestyle. For many business actors, halal certification is prioritized over product taste, with the most important aspect being that the MSME products marketed have halal certification that complies with government standards.

Based on this statement, it can be concluded that halal certification plays a crucial role in enhancing operational performance, particularly in building trust and improving the reputation of MSME culinary businesses. At a macro level, MSMEs contribute significantly to the growth of the national economy within the halal industry. The increase in business performance following halal certification reflects the success of BPJPH RI in sustainably strengthening Indonesia's halal ecosystem (Alfarizi, 2023a).

The Effect of Compliance with Halal Practices on the Performance of Halal Culinary MSMEs

The results of the hypothesis testing indicate that the halal practice compliance variable has a positive but insignificant effect on MSME performance. This conclusion is based on the t-statistic and p-value results. The t-statistic value for this variable is 0.905, which is below the critical t-table value of 1.985. Additionally, the p-value is 0.366, greater than the significance level of 0.05. Research by Alfarizi (2023b) suggests that consumers have become more selective in choosing daily food and beverages, with increasing awareness of halal products. Halal food is believed to affect individuals' physical and spiritual health (Latif, 2020). Furthermore, consumers are becoming more conscious of the need for proper halal product manufacturing, including the requirement to separate halal from non-halal products to prevent contamination. This also implies that equipment and distribution processes must be carefully managed to maintain the halal status of a product.

The foundation of Islamic law in Halal Standard Operating Practices (HSOP), as derived from the Quran in Surah Al-Baqarah (2:168) and Al-Maidah (5:88), emphasizes that Muslims should consume food that is "Halalan Thayyiban" (Wardhana & Soepranianondo, 2019). "Halalan Thayyiban" refers to food that is permitted under Islamic law and beneficial to consumer health. This concept is understood to mean that food must not only be composed of permissible ingredients but must also be acquired and processed correctly. According to Islamic law, "Halalan" involves avoiding prohibited substances, such as carrion, blood, pork, and venomous animals. Meanwhile, "Thayyiban" implies that food must be pure, safe, and uncontaminated by prohibited substances, necessitating appropriate raw materials and proper food processing methods.

Based on the statement, it can be concluded that adhering to halal compliance significantly enhances trust and the image of products in the culinary business of MSMEs. For MSMEs to achieve optimal performance, it is essential to meet halal certification requirements and ensure that their products and services are produced and delivered in strict accordance with halal principles (Kurniawati & Savitri, 2020).

The Effect of Green Marketing on the Performance of Halal Culinary MSMEs

The results of the hypothesis testing indicate that the green marketing variable has a significant effect on the performance of culinary MSMEs. This conclusion is supported by the t-statistic and p-value tests: the t-statistic value for this variable is 2.065, which exceeds the critical t-table value of 1.985, and the p-value is 0.039, below the significance level of 0.05. These findings align with research by Yuliana et al. (2023) and Primadhita et al. (2023), demonstrating that green marketing positively impacts MSME performance. However, this contrasts with studies by Usada and Murni (2019) and Biby et al. (2023), which found no effect of green marketing on MSME performance.

Additional research supports the notion that elements of the green marketing mix—such as green products, pricing, distribution, and promotion—significantly influence consumer purchasing decisions. Consumers increasingly prefer environmentally friendly products, which boosts sales and performance for culinary MSMEs (Suryawan et al., 2022). Implementing green marketing strategies enhances competitiveness and fosters a positive company image. Suryawan et al. (2022) confirm that the green marketing mix is crucial for increasing consumer purchases. Despite some studies showing varying results, most empirical evidence supports the view that green marketing positively impacts the performance of halal culinary MSMEs.

CONCLUSION

Based on the study's results, halal certification significantly influences the performance of culinary MSMEs. It enhances operational performance, boosts trust and strengthens the reputation of these businesses. On a macro level, MSMEs contribute substantially to the national economy within the halal industry. While

compliance with halal practices positively influences the performance of halal culinary MSMEs, this impact is not statistically significant. This suggests that while compliance is important, it may not drive significant performance improvements without additional supporting factors, such as effective marketing strategies.

In contrast, green marketing has a positive and significant effect on the performance of halal culinary MSMEs. Strategies emphasizing sustainability and environmental friendliness enhance the company's image and attract environmentally conscious consumers, thereby improving MSME performance.

Future research could investigate additional variables influencing MSME sustainability, such as product innovation, digitalization, and partnerships with third parties. Comparative studies between MSMEs that have adopted halal certification and green marketing versus those that have not could provide deeper insights into the effectiveness of these strategies.

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