EXAMINING THE EFFECTS OF REGULATION, HALAL AWARENESS, AND BELIEF ON MSME INTENTIONS IN MEDAN CITY TO OBTAIN HALAL CERTIFICATION

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Abstract

Research aims: This study examines how regulation, halal awareness, and belief influence the intention of Micro, Small, and Medium Enterprises (MSMEs) in Medan City to register for halal certification. Although mandated by Law No. 33 of 2014, many MSMEs continue to delay certification due to limited understanding, perceived financial burdens, and assumptions that their products are inherently halal

Design/Methodology/Approach: A quantitative approach using multiple linear regression was applied. Data were collected from 91 MSMEs in East Medan District through a structured questionnaire, supported by validity, reliability, and classical assumption testing.

Research findings: The results show that regulation, halal awareness, and belief significantly shape MSME intentions, explaining 90.4% of the variation. Although MSMEs recognize the importance of certification for legality and consumer trust, challenges related to procedures and limited knowledge remain.

Theoretical Contribution/Originality: This study enriches the literature by illustrating how regulatory and cognitive—religious factors influence MSME certification decisions.

Practical/Policy Implications: Stronger government support, wider socialization, and simpler procedures are needed to increase MSME participation.

Research Limitations/Implications: The findings are limited to East Medan District and a quantitative approach; future studies should compare regions or use mixed methods for deeper insights.

Keywords: Awareness, Confidence, Certificate, MSMEs, Regulation

Introduction

The halal industry in Medan has significant growth potential, particularly with the implementation of legislation on halal product assurance in Indonesia (Imsar et al., 2023). The Medan City Government has launched various initiatives to support Micro, Small, and Medium Enterprises (MSMEs) in obtaining halal certification, particularly in anticipation of the mandatory certification requirement effective on October 17, 2024, although a delay has been granted for micro and small businesses until 2026 (Fai, 2024). The obligation to possess halal certification has become increasingly urgent following the introduction of



new regulations mandating that all food and beverage products must be halal-certified (Sugianto et al., 2020).

The current regulatory framework, including Government Regulation No. 39 of 2021 concerning the Implementation of Halal Product Assurance, emphasizes the importance of legality and certification for business actors. This aims to provide consumers with assurance regarding the halal status of the products they consume (Nurbaiti et al., 2023). However, despite the existence of these regulations, many MSMEs remain hesitant to register for certification due to various reasons, including financial constraints, limited understanding, and a lack of interest in undergoing the halal certification process (Batubara & Harahap, 2022).

In recent years, halal certification has become an important issue for Micro, Small, and Medium Enterprises (MSMEs) in Indonesia, particularly in the city of Medan. The segmentation of MSME sectors in Medan shows that the majority operate in the culinary sector (Syahbudi et al., 2023). In 2022, there were 1,717 MSME business types recorded in Medan, of which 984 belonged to the culinary sector (Fadlan et al., 2023). With a significant Muslim population, the demand for halal products continues to increase. However, data indicate that approximately 80% of MSME actors in North Sumatra still do not possess halal certification, posing a major challenge in meeting market standards (Salman et al., 2023). This situation may affect the growth and development of MSMEs in Medan if they fail to obtain halal certification. This is evidenced by the growing trend of the halal lifestyle among the Muslim community in Medan, which has shown a relatively high percentage (Sahira et al., 2024).

The interest of MSMEs in registering their products for halal certification is influenced by several factors. The first key factor is the knowledge and understanding of business owners regarding the process and benefits of halal certification. MSMEs with a higher level of knowledge tend to show greater interest in obtaining certification (Rahmanita et al., 2023; Rudianto et al., 2024). In addition, halal awareness—namely, the awareness of the importance of halal products for Muslim consumers—also serves as a major driving force (Fatmawati et al., 2023). Another influential factor is the cost of certification, which is often perceived as a barrier, particularly for micro-level MSME actors with limited financial capacity (Harbit & Syafrida, 2022; Larasati & Yasin, 2024). On the other hand, a lack of external support and inadequate socialization from relevant institutions contribute to the low interest in registration, as many MSME owners feel uncertain about the procedures they must follow (Siswanto & Lestari, 2023; Yuliani, 2022).

Religious aspects or faith-based motivation also play a role in encouraging business owners to ensure that their products comply with Islamic law (Fatmawati et al., 2023; Harbit & Syafrida, 2022). Furthermore, market demand from both direct consumers and business partners acts as a strong incentive to obtain halal certification as a sign of consumer trust (Yuliani, 2022). Finally, the perception that the registration procedure is complicated and confusing serves as an inhibiting factor that reduces MSMEs' interest in pursuing certification (Rahmanita et al., 2023; Suraiyya et al., 2024). Therefore, these factors must be taken into account in efforts to increase the number of halal-certified MSMEs in Indonesia.

Regulation is a set of rules established to help govern a group, institution, organization, or society in order to achieve specific goals within communal and social life (Mufti et al., 2025). The purpose of creating regulations or laws is to control human or societal behavior within certain boundaries, and such regulations are applied across various social institutions—both for public interests and for business purposes (Silalahi, 2020). Halal certification regulations for Micro, Small, and Medium Enterprises (MSMEs) are governed by Law No. 33 of 2014 concerning Halal Product Assurance (JPH) and its derivative regulations, including Government Regulation No. 39 of 2021 and Government Regulation No. 42 of 2024. In general, halal certification for food, beverages, slaughtered products, and slaughtering services is mandatory for business actors, including MSMEs, with a transition period ending on October 17, 2024. However, a special postponement has been granted for MSMEs, extending the obligation until 2026 (BPJPH, 2024).

Halal awareness refers to a Muslim's understanding of the concept of halal, the halal process, and the belief that consuming halal food is essential to their personal and spiritual well-being. Muslim awareness is also characterized by knowledge of how food should be slaughtered, packaged, and maintained in cleanliness in accordance with Islamic law. Halal awareness represents the degree to which a Muslim comprehends all matters related to what is permissible (halal). From an industrial perspective, halal awareness is defined as the awareness of consuming products that are free from alcohol, pork, and their derivatives. In the context of halal, awareness means knowing what is good and permissible for consumption, as well as understanding what is bad or prohibited according to religious principles. Therefore, halal awareness reflects the level of understanding among Muslims regarding issues related to the concept of halal (Sri Ernawati & Iwan Koerniawan, 2023).



Belief is an attitude that reflects a person's sense of certainty and conviction in what they perceive as right. However, belief does not always correspond to truth and cannot serve as a guarantee of correctness. One of the factors contributing to the low interest in obtaining halal certification is the belief among business owners that the products they produce are already halal. This conviction leads MSMEs to assume that their products are inherently halal and therefore do not require formal certification. The attitude of MSME owners who hold such a belief that their products are already compliant with halal standards is what ultimately reduces their perceived need for halal certification (Harbit & Syafrida, 2022). This study aims to analyze the influence of regulation, halal awareness, and belief on the interest of MSMEs in Medan City to register for halal certification. The findings of this research are expected to provide valuable input, particularly for policymakers in Medan, in developing halal culinary MSMEs, as well as to serve as a theoretical framework for future research.

Literature Review

1. Regulation

In the Great Dictionary of the Indonesian Language, regulation is defined as a rule; more specifically, it is a means of controlling people or society through laws or other forms of restriction. This definition explains that regulation refers to rules established as an effort to govern human or social behavior (Supriyadi & Asih, 2020). In academic discourse globally, the concept of regulation has evolved far beyond the meaning commonly used in Indonesia. In Indonesia, regulation is generally equated with "legislation." The National Development Planning Agency (Bappenas) also considers regulation as equivalent to statutory law (Al'afghani, 2021).

From these definitions, regulation can be understood as a set of rules used to control individuals or society through specific restrictions or mechanisms. More broadly, regulation refers to an organizing framework aimed at guiding or controlling individual and collective behavior within a society. Based on theoretical concepts, previous studies, and existing provisions (Christina Dewi W et al., 2023), regulation can be explained through four dimensions:

- a. Regulation formulation process: Availability of regulations, involvement in the process, dissemination, and understanding.
- b. Implementation of regulations: Consistency of enforcement, ease of implementation, and response to regulations.



c. Interconnection between regulations: Availability of local government support for national regulations and the interrelationship among regulatory frameworks.

2. Halal Awareness

According to Ambali (2014), knowledge in the context of halal refers to a process of informing Muslims to raise their awareness in Islam regarding what is permissible in the consumption of food and beverages in daily life (Safitri & Nurdin, 2021). Aziz (2013) defines awareness as the ability to understand, perceive, and become conscious of events or objects. Awareness is one of the key concepts that denotes the comprehension of a phenomenon or experience. Halal understanding, therefore, refers to the degree to which a Muslim possesses knowledge of what is halal, including proper and lawful slaughtering practices and the importance of consuming halal food (Nopita Sari et al., 2021).

Based on these two theoretical perspectives, halal awareness can be understood as comprehensive knowledge and understanding of halal principles, including the proper slaughtering process as prescribed by Islamic law, and the necessity for Muslims to choose food that complies with their religious teachings. Scholars explain that Muslim knowledge and awareness of halal include the following aspects:

- a. Understanding what *halal* means everything permitted under Islamic law; halal food refers to any food that can be consumed and is allowed according to Islamic teachings.
- b. Understanding the halal production process in accordance with Islamic standards a series of activities aimed at producing goods that align with Islamic principles and benefit consumers, particularly Muslims.
- c. Ensuring that all raw materials used in production bear a halal logo or certification

3. Belief

According to Bandura (1986), belief serves as the best indicator of the decisions individuals make in their daily activities (Sudirman et al., 2022). From the perspective of Islamic *Aqidah* values, belief refers to the conviction in one's heart regarding Allah as the only God worthy of worship, expressed through verbal testimony (*shahada*) and manifested in righteous deeds (Syaukani et al., 2021).

From these explanations, belief in this context encompasses not only understanding and faith in God but also influences individual decisions



and actions in daily life. According to Christina Dewi W et al (2023), the belief variable consists of four indicators:

- a. Reliability: the consistency of a company's performance over time.
- b. Honesty: how companies or marketers offer products or services in accordance with the information they provide to consumers.
- c. Credibility: the quality or strength of a company or marketer in building consumer trust.

4. MSMEs

According to Law No. 20 of 2008 (Ariyanto et al., 2021), MSMEs are trade enterprises operated by individuals that meet legal requirements as productive economic business entities. Inayah (2019) (Hastuti et al., 2021) adds that MSMEs are business entities capable of expanding employment opportunities and providing economic services to the community on a large scale. Moreover, MSMEs contribute to income distribution, economic growth, and play a vital role in national development.

From these theories, MSMEs can be defined as trade businesses run by individuals as productive economic entities that enhance employment, provide large-scale economic services, promote income equality, stimulate economic growth, and support national development (Marliyah & Nawawi M. Zuhrinal, 2022). According to Murtado (2023), interest is a motivational drive that causes individuals to engage with specific objects, such as jobs or business activities. The emergence of interest among MSME owners depends on their physical condition, social environment, and personal experiences. This interest is characterized by enthusiasm and a positive attitude toward activities related to their business (Denny Riyanto et al., 2024).

Based on these definitions, the interest of MSMEs refers to the attraction, desire, or inclination of individuals to initiate, operate, or engage in micro, small, and medium-scale business activities. Such interest is typically driven by various factors, including business opportunities, economic needs, profit potential, and the desire to contribute to local economic development.

5. Halal Certification

According to Try Astuti & Ruqiah (2020), halal certification represents part of a business owner's responsibility to provide the best service to consumers (Rafianti et al., 2022). Based on LPPOM MUI (2008), halal certification is also considered an essential component of business responsibility in delivering quality assurance to consumers (Warto &



Samsuri, 2020). Halal certification is a formal acknowledgment of a product's halal status, issued by the Halal Product Assurance Organizing Agency (BPJPH) based on a written halal fatwa by the Indonesian Ulema Council (MUI). Halal certification is crucial as it helps Muslim consumers easily identify products that comply with their religious beliefs (Noviah, Y.M., & Marliyah, 2023).

Furthermore, this certification provides business owners with a sense of security and confidence to market their products more widely without fear of suspicion regarding ingredients or production processes (Legalitas, 2024). From the above theories, it can be concluded that halal certification represents the business owner's responsibility to ensure the highest standard of consumer service. It serves as an official acknowledgment of a product's halal status issued by BPJPH based on MUI's fatwa, thereby helping Muslim consumers select products in accordance with Islamic law and providing business owners with greater confidence in marketing their products. According to Abdul Aziz and Vui (as cited in Pratiwi & Falahi, 2023), the indicators of halal certification are as follows:

- a. The use of the halal logo is a crucial aspect in product selection
- b. Consumers remain cautious when choosing products bearing the halal logo
- c. Awareness of the difference between genuine and counterfeit halal logos

Research Methodology

In this study, the researcher employed a quantitative approach using an associative research method. Quantitative research is a technique based on data analysis expressed in numerical form and interpreted through statistical procedures (Latifah et al., 22 C.E.). The quantitative method assumes that science is characterized by empirical investigation, where phenomena can be reduced to measurable empirical indicators that represent truth (Firmansyah et al., 2021). To obtain data for this quantitative study, multiple linear regression analysis was used, involving two types of variables: independent and dependent variables. The independent variables in this research are the influence of regulation, halal awareness, and belief, while the dependent variable is the intention to register for halal certification. The population of this study consists of Micro, Small, and Medium Enterprises (UMKM) located in the city of Medan, with sampling focused on the East Medan District.

The sampling technique used in this study was probability sampling, a method in which every member of the population has an equal chance of



being selected as part of the sample. In applying this technique, the researcher used Slovin's formula (Syahbudi et al., 2023), which is one of the most widely recognized sampling theories in quantitative research (Tunru et al., 2023). Using Slovin's formula with a 10% margin of error and a total population of 984 MSME actors, the calculated sample size was 90.77, which was rounded up to 91 respondents. Data were collected through questionnaires designed using a five-point Likert scale (1–5), representing respondents' levels of agreement with each statement. The questionnaires were distributed directly to MSME participants in the East Medan District.

Results and Discussions

This study examines the registration of halal certification carried out by Micro, Small, and Medium Enterprises (MSMEs) in Medan City. The total number of MSMEs observed in this research is 984, with the variables tested being regulation, halal awareness, and belief toward halal certification registration. In this study, the classification of respondents is based on type of business, age, and business location, which are described as follows:

Table 1
Respondent Information

Description	Number	Percentage
Type of Business:		
1. Food	75	75%
2. Beverage	16	16%
Age		
1. 20- 25 years	18	18%
2. 26- 30 years	39	39%
3. 31- 45 years	22	22%
4. >45 years	12	12%
Income		
1. IDR 2.500.000-3.000.00	2	2%
2. IDR 3.000.000-3.500.000	7	7%
3. IDR 3.500.000-4.000.000	33	33%
4. IDR >4.000.000	49	49%

Source: Data Processed (2025)

Table 1 above shows a total of 91 MSMEs that were studied. The age group of 20–25 years consists of 18 respondents (18%), followed by the 26–30 years age group with 39 respondents (39%), and the 31–45 years age group with 22 respondents (22%). Finally, the age group of over 45 years includes 12 respondents (12%).



Research Instrument Test

Research that follows the stages established by scientific principles is considered to be of high quality. Testing research instruments that utilize primary data is a crucial stage in academic inquiry. The validity and reliability tests provide an overview of the quality and consistency of this research experiment.

1. Validity Test

Table 2 Validity Test Results

Variabel	Item	Pearson Correlation	Conclusion
Regulation (X ₁)	1	0,807	Valid
	2	0,846	Valid
	3	0,744	Valid
Halal Awareness (X ₂)	1	0,864	Valid
	2	0,892	Valid
	3	0,710	Valid
Belief (X ₃)	1	0,718	Valid
	2	0,769	Valid
	3	0,814	Valid
	4	0,752	Valid
Registration for Halal	1	0,806	Valid
Certification (Y)	2	0,827	Valid
	3	0,700	Valid
	4	0,756	Valid

Source: Data Processed (2025)

Table 2 above presents the results of the validity test, showing that the variables are valid because the calculated r-value (r-count) is greater than the r-table value of 0.204, which indicates that the questionnaire items are suitable for further analysis.

2. Reliability Test

Table 3
Results of the Reliability Test

No.	Variable Cronbach's		Conclusion
		Alpha	
1	Regulation (X ₁)	0,714	Reliable
2	Halal Awareness (X ₂)	0,762	Reliable
3	Belief (X ₃)	0,756	Reliable
4	Registration for Halal Certification (Y)	0,675	Reliable

Source: Data Processed (2025)



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The results of the previous reliability assessment indicate that each variable used in this study, as included in the questionnaire items, is suitable for further analysis because the Cronbach's Alpha value is greater than 0.6, thus confirming that the results are reliable and can be justified

3. Classical Assumption Test

Before conducting data analysis to develop the regression model, several classical assumption tests were performed. The three types of classical assumption tests used in this study are normality, multicollinearity, and heteroscedasticity tests.

a. Normality Test

The normality test examines whether the residuals in the regression model are normally distributed. It was conducted using the Kolmogorov–Smirnov test, where a Sig. value above 0.05 indicates normal distribution, while a value of 0.05 or below indicates non-normal distribution.

Table 4
Normality Test Result

		Unstandardized Residual
N		91
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.26170978
Most Extreme Differences	Absolute	.059
	Positive	.035
	Negative	059
Test Statistic		.059
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Source: Data Processed (2025)

The data are normally distributed according to the results of the normality test, with an Asymp. Sig. (2-tailed) value of 0.200 > 0.05, as shown in Table 4 above.

b. Multicollinearity Test

According to Umar (2019), the multicollinearity test is used to assess the degree of correlation among independent variables in a multiple linear regression model. In this study, the presence of multicollinearity was examined using the Variance Inflation Factor (VIF). The commonly accepted cutoff values are a tolerance value of 0.10, which corresponds to a VIF value of 10.



Table 5
Results of the Multicollinearity Test

Variable	Tolerance	VIF	Conclusion
Regulation (X ₁)	0,163	6,142	There is no indication of
			multicollinearity.
Halal Awareness (X ₂)	0,122	8,173	There is no indication of
			multicollinearity.
Belief (X ₃)	0,214	4,674	There is no indication of
			multicollinearity.

Source: Data Processed (2025)

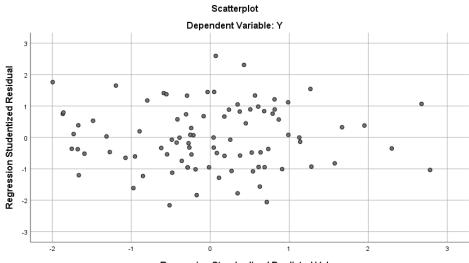
Based on Table 5, the results of the Variance Inflation Factor (VIF) test in the coefficients table show that each independent variable has a VIF score of less than 10, namely the regulation variable at 6.142, the halal awareness variable at 8.173, and the belief variable at 4.674. Therefore, it can be observed that no multicollinearity occurs. Meanwhile, the tolerance values are all greater than 0.10, indicating that there is no multicollinearity in this multiple linear regression model between the dependent and independent variables, and thus the model is suitable for use in this study.

c. Heteroscedasticity Test

The heteroscedasticity test aims to examine whether in the regression model there is an inequality of variance in the residuals across observations. If the variance of the residuals from one observation to another remains constant, it is referred to as homoscedasticity; if it varies, it is referred to as heteroscedasticity (Martono, 2012).



Figure 1 Heteroscedasticity Test



Regression Standardized Predicted Value

Source: Data Processed (2025)

The results of the heteroscedasticity test conducted by the author show that the scatterplot points are randomly distributed and do not form a clear pattern. Therefore, this study can be said to show no indication of heteroscedasticity.

4. Hypothesis Testing

One of the decision-making techniques based on data analysis is hypothesis testing. The hypothesis tests conducted include the R-square test, t-test, and F-test, as shown in Tables 6, 7, and 8.

a. R-Square Test

Table 6 R-Square Test Result

Model Summary ^b							
Model R R Adjusted R Std. Error							
Square Square the Estimate							
1	,952ª	,907	,904	1,71884			
a. Predictors: (Constant), X3, X1, X2							
b Dependent Variable: Y							

Source: Data Processed (2025)



The results of the R-Square test show a value of 0.904 or 90.4%. This indicates that the interest of MSMEs in registering for halal certification is explained by the variables of regulation, halal awareness, and belief, while the remaining 9.6% is influenced by other factors not included in this study. This, of course, presents a challenge for future researchers.

b. t-Test

Table 7 t-Test Result

	Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients			
		В	Std. Error	Beta	t	Sig.	
1	(Constant)	2,208	,581		3,800	,000	
	Regulation (X ₁)	,197	,049	,326	4,020	,000	
	Halal	,140	,050	,261	2,792	,006	
	Awareness (X ₂)						
	Belief (X ₃)	,360	,063	,408	5,761	,000	
a.	a. Dependent Variable: Y						

Source: Data Processed (2025)

With a significance threshold of 0.05 and a t-table value of 1.991, the results of the t-test shown in Table 7 can be explained as follows:

- 1. Regulation (X1) has a positive and significant effect on the registration for halal certification, with a significance level of 0.000 < 0.05 and t-count and t-table values of 4.020 > 1.991.
- 2. Halal Awareness (X2) has a positive and significant effect on the registration for halal certification, with a significance level of 0.006 < 0.05 and t-count and t-table values of 2.792 > 1.991
- 3. Belief (X3) also has a positive and significant effect, with a significance level of 0.000 < 0.05 and t-count and t-table values of 5.761 > 1.991. Therefore, it can be concluded that MSME belief significantly influences their decision to register for halal certification.



c. F-Test

Table 8
F-Test Result

1 100011000						
ANOVA ^a						
Model Sum of Mean						
		Squares	df	Square	F	Sig.
1	Regression	2502.985	3	834.328	282.402	.000 ^b
	Residual	257.033	87	2.954		
	Total	2760.019	90			
a. Dependent Variable: Y						
b. Predictors: (Constant), X3, X1, X2						

Source: Data Processed (2025)

Based on the research findings, it can be concluded that the independent variables have a significant simultaneous (collective) effect on the dependent variable, as shown by the SPSS results in Table 8, where the significance value is 0.000 (< 0.05)

5. Regression Model Test

To determine whether an independent variable has a positive, negative, or no effect on the dependent variable, multiple regression analysis was used. The following are the SPSS results obtained for this study.

Table 9
Regression Model Test Result

Variable Unstandardized Coefficients B		Sig
Constant	2,208	0,000
Regulation (X ₁)	0,197	0,000
Halal Awareness (X ₂)	0,140	0,006
Belief (X ₃)	0,360	0,000

Source: Data Processed (2025)

The following formula, based on the test results in Table 6 above, can be used to represent the multiple linear regression equation:

$$Y = 2.208 + 0.197 + 0.140 + 0.360 + e$$

The explanation of this regression equation is as follows: The value of Registering for a Halal Certificate (Y) is 2.208, as the constant value (α) = 2.208 when the variables Regulation (X_1), Halal Awareness (X_2), and Belief (X_3) are all zero (0), indicating that they are not influenced by the independent variables. Registering for a Halal Certificate will increase by 19.7% or 0.197 if the Regulation variable (X_1) increases by 1%. Additionally, the coefficient of the Halal Awareness variable (X_2) of 0.140



indicates that registration for a halal certificate will increase by 14% or 0.140 for every 1% increase in Halal Awareness. Finally, registration for a halal certificate will increase by 36% or 0.360 if the Belief variable increases by 1%.

Based on the hypothesis results processed using SPSS, the discussion can be presented as follows:

1. The influence of regulation on registering for halal certificates

This study found a significant influence between regulation and business owners' decision to register for halal certification in Medan City. The regulations implemented by the government, both through the Halal Product Assurance Law and its derivative policies, have provided both pressure and motivation for MSME actors to take concrete steps toward halal certification.

These findings are consistent with the research conducted by Jefri et al. (2024), which stated that government regulations play an essential role in encouraging business owners to register for halal certification. Further support comes from Kusumaningtyas et al. (2024), who revealed that regulation is one of the main driving factors for MSMEs in managing the legality of their halal products. This is closely related to the growing consumer awareness of the importance of halal-certified products, which also exerts market pressure on producers.

Moreover, the existing regulations are not only legally binding but also create a conducive ecosystem for the growth of the local halal industry. Local governments play a strategic role in socializing the regulations and providing facilitation in the form of mentoring and certification fee subsidies for business owners. Such policies are key factors that encourage MSMEs to align with national halal standards, ultimately leading to greater consumer trust and enhanced competitiveness of products in both domestic and global markets.

Therefore, the presence of strong and implementable regulations signals that halal legality is no longer an option but an urgent necessity in running a sustainable and integrity-based business. Consequently, the more extensive implementation of halal regulations will directly correlate with the increasing number of halal certification registrations, particularly in areas with high concentrations of MSME actors such as Medan City.



2. The Influence of Halal Awareness on Registering for a Halal Certificate

This study also reveals that halal awareness has a significant influence on MSME actors' decisions to register for halal certification in Medan City. Awareness of the importance of halal certification not only reflects an understanding of religious obligations but also demonstrates a proactive attitude in maintaining product quality and consumer trust. In this context, MSME owners with a high level of awareness regarding the importance of halal labeling are more likely to take formal steps to obtain certification.

These findings are consistent with the study by Cupian et al. (2023), which emphasized that MSME actors with higher levels of halal awareness are more inclined to take concrete actions to acquire halal certification. Similarly, Hamdani et al. (2021) reinforced this argument by stating that halal awareness is one of the most decisive internal factors in the decision-making process for halal certification.

Halal awareness encompasses several aspects, including understanding the permissibility of raw materials, adherence to Islamic law in production processes, and a commitment to transparency in product labeling. MSMEs that internalize these principles recognize that halal certification is not merely a form of compliance but also a strategic business advantage that can enhance competitiveness in markets where most consumers are Muslim. On a broader scale, this awareness also opens access to modern retail networks, halal markets, and even export opportunities.

As business owners' knowledge and awareness of halal values increase, the certification process is no longer seen as an administrative burden but rather as a long-term investment that enhances reputation, customer trust, and business growth potential. Therefore, it is crucial for the government and relevant institutions to continue educating and facilitating MSMEs to become more aware and prepared to meet national halal standards

In conclusion, halal awareness plays a vital role in motivating UMKM owners to pursue halal certification. The higher the level of awareness entrepreneurs have regarding the sanctity and importance of halal products, the greater their willingness to register for halal certification as part of a sustainable business development strategy.

3. The Influence of Belief on Registering for a Halal Certificate

This study shows that the beliefs of MSME (Micro, Small, and Medium Enterprise) actors have a significant influence on their decision to register for halal certification in Medan City. In this context, belief does not only refer to personal religious conviction about the importance of halal products but also includes confidence in the economic benefits, legal legitimacy, and competitive advantage that come with obtaining halal certification. Strong belief encourages MSME owners to be more consistent in following certification procedures and fulfilling the required standards.

These findings are consistent with the study conducted by Putri (2023), which found that public belief in halal labeling is directly related to consumer interest in purchasing certified products. From the consumer's perspective, products with halal certification are perceived as safer, more trustworthy, and more aligned with their values particularly in predominantly Muslim areas such as Medan City. Therefore, instilling such belief among MSME actors is essential to make them aware of the importance of meeting consumer expectations through halal legality

Furthermore, research by Ernawati and Koerniawan (2023) revealed that the belief held by MSME actors serves as one of the main driving forces in the process of applying for halal certification. When MSMEs are fully convinced that the halal certification process will positively impact their business development, their willingness to register increases significantly. This demonstrates that psychological factors such as belief play a major role in business decision-making, especially concerning official certification.

Based on the explanation above, the belief of MSME actors in the importance of halal certification is a highly influential internal factor. Such belief not only fosters commitment but also motivates business owners to become part of a more competitive and sustainable halal industry. Therefore, efforts to strengthen belief and provide education about the strategic value of halal certification should become a key focus in future MSME development policies.

Conclusion

Based on the results and discussion presented earlier, it can be concluded that the variables of regulation, halal awareness, and belief simultaneously and collectively have a significant influence on the interest of MSME (Micro, Small, and Medium Enterprise) actors in Medan City to register for halal certification. These three variables are interrelated and form an essential foundation in encouraging business owners to comply



with the halal certification process established by the government. The findings indicate that internal awareness and belief, when reinforced by external regulatory support, can drive changes in the attitudes and behaviors of MSME actors regarding the importance of halal legality in running their businesses. Quantitative results show that regulation, halal awareness, and belief together explain 90.6% of the variation in MSMEs' interest in obtaining halal certification, indicating that these variables account for the majority of the influencing factors. The remaining 9.4% may stem from other factors not yet examined, such as economic conditions, education level, access to information, or the use of digital technology in the registration process.

Based on these conclusions, several recommendations can be made. First, for MSME actors, it is expected that they will further enhance their awareness and belief in the importance of obtaining halal certification, as it not only ensures legal compliance but also contributes to improving product quality, consumer trust, and market expansion. MSME owners should recognize that halal certification can serve as added value in building a professional and competitive business image, particularly in the domestic market, where the majority of consumers are Muslim. Second, for academics and future researchers, it is recommended to expand the scope of study by exploring other determinants that may influence MSME preferences and decisions in registering for halal certification. Future research could consider additional variables such as the level of halal literacy, local government support, the presence of certification facilitators or mentors, and the role of digital platforms in accelerating and simplifying the registration process.

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