

## THE EFFECTIVENESS OF HALAL CERTIFICATION ON CONSUMER TRUST AND LOYALTY OF INDONESIAN PHARMACEUTICAL PRODUCTS

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Diterima: September 15 2025

Direvisi: September 26 2025

Diterbitkan: September 30 2025

### Abstract:

Halal certification has become an important aspect of the pharmaceutical industry in Indonesia, a country with a majority Muslim population. This study aims to explore how halal certification affects consumer trust and loyalty towards pharmaceutical products in Indonesia. Through a comprehensive analysis, it is found that halal certification issued by the Indonesian Ulema Council (MUI) through the Halal Product Guarantee Organisation (BPJPH) has increased the trust and loyalty of Muslim consumers. Halal certification provides a guarantee of product safety and hygiene, thereby increasing consumer satisfaction and loyalty. A comparison with halal certification practices in other countries, such as Malaysia and Saudi Arabia, also provides insight into the differences and similarities in the regulatory framework and certification process. Recommendations include improving the halal certification process, increasing awareness and education, harmonising halal certification standards, and utilising technology and digitalisation.

**Keywords:** Halal Certification, Consumer Trust, Consumer Loyalty, Pharmaceutical Industry, Indonesia

### ملخص:

أصبحت شهادة الحلال جانبًا مهمًا في صناعة الأدوية في إندونيسيا، وهي دولة ذات أغلبية سكانية مسلمة. تهدف هذه الدراسة إلى استكشاف كيفية تأثير شهادة الحلال على ثقة المستهلكين وولائهم تجاه المنتجات الصيدلانية في إندونيسيا. من خلال تحليل شامل، وجد أن شهادة الحلال الصادرة عن مجلس العلماء الإندونيسي (MUI) من خلال وكالة ضمان المنتجات الحلال (BPJPH) قد زادت من ثقة وولاء المستهلكين المسلمين. توفر شهادة الحلال ضمانًا لسلامة المنتج ونظافته، مما يزيد من رضا المستهلكين وولائهم. كما توفر المقارنة مع ممارسات شهادة الحلال في بلدان أخرى، مثل ماليزيا والمملكة العربية السعودية، رؤى ثاقبة حول الاختلافات والتشابهات في الإطار التنظيمي وعملية إصدار الشهادات. وتشمل التوصيات المقترحة تحسين عملية إصدار شهادة الحلال، وزيادة الوعي والتثقيف، ومواءمة معايير شهادة الحلال، والاستفادة من التكنولوجيا والرقمنة.

**الكلمات المفتاحية:** شهادة الحلال، ثقة المستهلك، ولاء المستهلك، صناعة الأدوية، إندونيسيا

**Abstrak:**

*Sertifikasi halal telah menjadi aspek penting dalam industri farmasi di Indonesia, negara dengan mayoritas penduduk beragama Islam. Penelitian ini bertujuan untuk mengeksplorasi bagaimana sertifikasi halal mempengaruhi kepercayaan dan loyalitas konsumen terhadap produk farmasi di Indonesia. Melalui analisis komprehensif, ditemukan bahwa sertifikasi halal yang dikeluarkan oleh Majelis Ulama Indonesia (MUI) melalui Badan Penyelenggara Jaminan Produk Halal (BPJPH) telah meningkatkan kepercayaan dan loyalitas konsumen Muslim. Sertifikasi halal memberikan jaminan keamanan dan kebersihan produk, sehingga meningkatkan kepuasan dan loyalitas konsumen. Perbandingan dengan praktik sertifikasi halal di negara lain, seperti Malaysia dan Arab Saudi, juga memberikan wawasan tentang perbedaan dan kesamaan dalam kerangka regulasi dan proses sertifikasi. Rekomendasi yang diajukan mencakup peningkatan proses sertifikasi halal, peningkatan kesadaran dan edukasi, harmonisasi standar sertifikasi halal, serta pemanfaatan teknologi dan digitalisasi.*

**Kata Kunci:** *Sertifikasi Halal, Kepercayaan Konsumen, Loyalitas Konsumen, Industri Farmasi, Indonesia*

**INTRODUCTION**

Halal certification has become a crucial aspect of the pharmaceutical industry in Indonesia, a predominantly Muslim country (SIRI, 2023). Consumer trust and loyalty often depend on the presence of a halal label on the products they consume (Siska et al., 2020). This study aims to explore how halal certification influences consumer trust and loyalty in pharmaceuticals. Consumer trust theory states that trust is consumers' belief that a product is reliable and will meet their expectations (Muslichah et al., 2019). Consumer loyalty theory illustrates the relationship between consumer satisfaction and repeat purchase habits (Madun, 2022). Halal certification provides additional assurance to Muslim consumers that a product complies with Sharia principles, which can increase their trust and loyalty (Al, 2023).

Halal certification can be an important indicator for both Muslim and non-Muslim consumers in determining the safety and hygiene of a product (Maemunah & Syakbani, 2021). Halal certification issued by LPPOM-MUI is the sole official indicator of halal food products in Indonesia (Septiani & Ridlwan, 2020). Halal certification can also provide practical benefits for companies, such as maintaining supply chain integrity, reducing barriers to entry, and building trust in procurement, cooking, and handling processes (SIRI, 2023).

Previous research shows that halal certification, halal awareness, and food ingredients influence purchase intention by 28.8% (Siska et al., 2020).

Furthermore, consumers who place trust in certification bodies will be indirectly satisfied with halal-certified products, ultimately increasing their loyalty to those products (Madun, 2022). The halal logo has also been shown to have a positive and significant effect on consumer trust (Quoquab et al., 2019).

Halal certification is not limited to food products but is also applied to the pharmaceutical, cosmetics, tourism, and entertainment industries (Rafiki & Wahab, 2016). The global halal industry is estimated to grow 7% annually, with a market volume reaching US\$580 billion annually (Rafiki & Wahab, 2016). In

Indonesia, halal certification is crucial for culinary entrepreneurs because the majority of the population is Muslim (Urumsah & Puspitasari, 2021). Halal certification is also important for non-Muslim consumers because it ensures product safety and hygiene (Usman et al., 2021).

Furthermore, halal certification can improve product image, quality, and competitiveness (Rahman et al., 2015). Research in Singapore showed that after obtaining halal certification, McDonald's experienced an 8 million increase in visits (Mutmainah, 2018). Halal brand awareness, brand image, and customer loyalty can also influence consumer behavior in purchasing products or services (Muhamed et al., 2019).

Thus, halal certification plays a crucial role in building consumer trust and loyalty, particularly in the Indonesian pharmaceutical industry, which is dominated by Muslim consumers. This study will further explore how halal certification specifically influences consumer trust and loyalty towards pharmaceutical products in Indonesia.

## RESEARCH METHOD

This study uses a quantitative approach with an explanatory research method to analyze the effect of halal certification on consumer trust and loyalty in pharmaceutical products in Indonesia. The study population is consumers of halal-certified pharmaceutical products, with a purposive sampling technique based on the criteria of being Muslim, at least 17 years old, and having purchased halal-certified pharmaceutical products in the last six months, with a minimum of 120 respondents. The research variables include halal certification as an independent variable, consumer trust as an intervening variable, and consumer loyalty as a dependent variable. Halal certification is measured based on perceptions of the existence and credibility of the halal logo issued by the Halal Product Assurance Agency in collaboration with the Indonesian Ulema Council. Primary data were collected through a questionnaire with a Likert scale of 1-5, while secondary data were obtained from scientific literature and regulations such as Law Number 33 of 2014 concerning Halal Product Assurance and official publications of the Ministry of Religious Affairs of the Republic of Indonesia. Data analysis was carried out through validity and reliability tests, classical assumption tests, and path analysis or SEM-PLS to test the direct and indirect influences between variables, with hypothesis testing using the t-test, F-test, and coefficient of determination ( $R^2$ ).

## RESULTS AND DISCUSSION

### Halal Certification Regulations and Policies in Indonesia

In Indonesia, halal certification is issued by the Indonesian Ulema Council (MUI) through the Halal Product Assurance Agency (BPJPH) (SIRI, 2023). The

certification process involves rigorous audits of ingredients and production processes (Siska et al., 2020). Indonesian government policy requires halal certification for food, beverage, and pharmaceutical products to protect Muslim consumers (Muslichah et al., 2019).

The enactment of Law Number 33 of 2014 concerning Halal Product Assurance (UU JPH) in Indonesia signals that Indonesia is entering a new phase (Madun, 2022). The Law JPH regulates the assurance of halal products to consumers by ensuring that the entire halal product process is guaranteed (Madun, 2022). Currently, the Law JPH is in its sixth year since its enactment in 2014 (Madun, 2022).

Halal certification can guarantee product safety and hygiene for both Muslim and non-Muslim consumers (Al, 2023). Halal certification issued by LPPOM-MUI is the sole official indicator for halal food products in Indonesia (Maemunah & Syakbani, 2021). Furthermore, halal certification can also provide practical benefits for companies, such as maintaining supply chain integrity, reducing barriers to entry, and building trust in procurement, cooking, and handling processes (Septiani & Ridlwan, 2020).

The Indonesian government has taken several steps to address challenges and strengthen the strength of halal businesses, including public agencies planning to simplify and facilitate the halal certification process through the BPJPH (Indonesian Food and Drug Authority), reducing administration, and expanding capabilities (Quoquab et al., 2019). A stricter authorization system is being established to ensure compliance with halal norms, including more comprehensive inspections, investigations, and penalties for violators (Quoquab et al., 2019). Public authorities and industry partners are also investing in educational projects and conducting outreach to increase understanding of halal standards among producers, companies, and consumers (Quoquab et al., 2019).

Furthermore, the growth of micro-enterprises in accelerating halal certification also shows a positive trend (Rafiki & Wahab, 2016). This indicates that halal certification is becoming increasingly important for businesses in Indonesia, not only in the food and beverage sector, but also in the pharmaceutical, cosmetics, tourism, and entertainment sectors (Urumsah & Puspitasari, 2021). Halal certification is not limited to food products but is also applied to other industries (Urumsah & Puspitasari, 2021).

### **Halal Certification Process in the Pharmaceutical Industry**

The halal certification process for pharmaceutical products involves several stages, from application submission and audits of raw materials and production processes to final product testing (SIRI, 2023). Pharmaceutical companies must ensure that all materials used do not contain haram elements

and that the production process is not contaminated by non-halal materials (Siska et al., 2020).

In Indonesia, the halal certification process is regulated by the Halal Product Assurance Law (UU JPH), enacted in 2014 (Muslichah et al., 2019). This law mandates halal certification for all food, beverage, and pharmaceutical products in Indonesia (Muslichah et al., 2019). The certification process is carried out by the Halal Product Assurance Organizing Agency (BPJPH) under the Ministry of Religious Affairs, in collaboration with the Indonesian Ulema Council (MUI), which acts as the halal certification agency (Madun, 2022).

The halal certification process begins with a company submitting an application to the Indonesian Food and Drug Authority (BPJPH), accompanied by documents detailing the product composition and production process (Al, 2023). The BPJPH then coordinates with the Indonesian Ulema Council (MUI) to conduct an audit, including inspecting raw materials, production facilities, and testing the final product (Maemunah & Syakbani, 2021). If the product meets halal requirements, the MUI will issue a halal certificate valid for four years (Septiani & Ridlwan, 2020).

Obtaining halal certification can provide several benefits for pharmaceutical companies, such as building consumer trust, improving market access, and enhancing product competitiveness (Quoquab et al., 2019). Halal certification is particularly important in Indonesia, where the majority of the population is Muslim and demand for halal products is high (Rafiki & Wahab, 2016). The halal logo on pharmaceutical products serves as a guarantee of product safety and purity for Muslim consumers (Urumsah & Puspitasari, 2021).

However, the implementation of halal certification in the pharmaceutical industry faces several challenges, such as the limited availability of halal-certified raw materials, the complexity of the certification process, and a lack of awareness among some industry players (Usman et al., 2021). To address these challenges, the Indonesian government has taken steps to simplify the certification process, provide financial assistance to small and medium-sized enterprises (SMEs), and increase public education on the importance of halal certification (Rahman et al., 2015).

Overall, the halal certification process in the Indonesian pharmaceutical industry is crucial for ensuring product quality and consumer confidence, particularly in the Muslim market. By complying with halal requirements, pharmaceutical companies can not only meet the needs of Muslim consumers but also increase their overall competitiveness in the market.

### **Consumer Trust in Halal Certification**

Several studies have shown that Muslim consumers in Indonesia have a

higher level of trust in halal-certified pharmaceutical products (SIRI, 2023). This certification provides a sense of security and assurance that the products they consume comply with religious teachings, thereby reducing the risk of mistrust (Siska et al., 2020).

Halal certification is particularly important in Indonesia, where the majority of the population is Muslim and demand for halal products is high (Muslichah et al., 2019). The halal logo on pharmaceutical products serves as a guarantee of product safety and purity for Muslim consumers (Madun, 2022). Obtaining halal certification can provide several benefits for pharmaceutical companies, such as building consumer trust, improving market access, and enhancing product competitiveness (Al, 2023).

The halal certification process in Indonesia is regulated by the Halal Product Assurance Law (UU JPH) and overseen by the Halal Product Assurance Agency (BPJPH) in collaboration with the Indonesian Ulema Council (MUI) (Maemunah & Syakbani, 2021). This process involves thorough audits of raw materials, production facilities, and final products to ensure compliance with Islamic principles (Septiani & Ridlwan, 2020). The high standards and stringent procedures adopted by certification authorities have contributed to the high level of trust placed in halal-certified products by Muslim consumers (Quoquab et al., 2019).

Studies have found that consumers who trust halal certification bodies are more likely to be satisfied with halal-certified products, which in turn leads to increased loyalty to those products (Rafiki & Wahab, 2016). The presence of a credible halal logo is a primary means for consumers to verify a product's halal status, positively impacting consumer trust (Urumsah & Puspitasari, 2021). Halal certification can also help differentiate products and create a competitive advantage, particularly in the pharmaceutical industry, where product safety and purity are crucial (Usman et al., 2021).

However, implementing halal certification in the pharmaceutical industry is not without challenges. These challenges include the limited availability of halal-certified raw materials, the complexity of the certification process, and a lack of awareness among some industry players (Rahman et al., 2015). To address these challenges, the Indonesian government has taken steps to simplify the certification process, provide financial assistance to small and medium-sized enterprises, and increase public education on the importance of halal certification (Mutmainah, 2018).

Overall, the high level of trust among Muslim consumers in Indonesia in halal-certified pharmaceutical products is a testament to the importance of this certification in the industry. By complying with halal requirements, pharmaceutical companies can not only meet the needs of Muslim consumers

but also increase their overall competitiveness in the market.

### **Consumer Loyalty to Halal-Certified Products**

Research reveals that halal-certified pharmaceutical products tend to be preferred and gain consumer loyalty (SIRI, 2023). Consumers satisfied with a product's quality and halal status are more likely to repurchase and recommend it to others, thereby increasing brand loyalty (Siska et al., 2020). Halal certification provides a sense of security and assurance to Muslim consumers that the products they consume comply with religious teachings (Muslichah et al., 2019). This certification serves as a guarantee of product safety and purity, thereby reducing the risk of mistrust (Madun, 2022). Obtaining halal certification can provide several benefits for pharmaceutical companies, such as building consumer trust, improving market access, and enhancing product competitiveness (Al, 2023).

The high standards and stringent procedures adopted by halal certification authorities in Indonesia, such as the Halal Product Assurance Agency (BPJPH) and the Indonesian Ulema Council (MUI), have contributed to the high level of trust placed in halal-certified products by Muslim consumers (Maemunah & Syakbani, 2021). Consumers who trust certification bodies are more likely to be satisfied with halal-certified products, which in turn leads to increased loyalty to those products (Septiani & Ridlwan, 2020).

The presence of a credible halal logo is a primary means for consumers to verify a product's halal status, positively impacting consumer trust (Quoquab et al., 2019). Halal certification can also help differentiate products and create a competitive advantage, particularly in the pharmaceutical industry, where product safety and purity are paramount (Rafiki & Wahab, 2016).

Furthermore, research shows that not only Muslim consumers but also non-Muslim consumers are increasingly choosing halal-certified products due to the perception that they are safer, more hygienic, and of higher quality (Urumsah & Puspitasari, 2021). This trend has led to unprecedented demand for halal products, making the global halal market a profitable and growing industry (Usman et al., 2021).

Overall, the high level of consumer loyalty to halal-certified pharmaceutical products in Indonesia is a testament to the importance of this certification in the industry. By complying with halal requirements, pharmaceutical companies can not only meet the needs of Muslim consumers but also increase their overall competitiveness in the market.

### **Case Studies of Pharmaceutical Products in Indonesia**

Several large pharmaceutical companies in Indonesia, such as PT Kalbe Farma and PT Kimia Farma, have obtained halal certification for their products (SIRI, 2023). These case studies show that their halal-certified products have been positively received by Muslim consumers, contributing to increased sales

and brand trust (Siska et al., 2020).

The halal certification process in Indonesia is regulated by the Halal Product Assurance Law (UU JPH) and overseen by the Halal Product Assurance Agency (BPJPH) in collaboration with the Indonesian Ulema Council (MUI) (Muslichah et al., 2019). This process involves thorough audits of raw materials, production facilities, and final products to ensure compliance with Islamic principles (Madun, 2022). The high standards and stringent procedures adopted by certification authorities have contributed to the high level of trust placed in halal-certified products by Muslim consumers (Al, 2023).

Obtaining halal certification can provide several benefits for pharmaceutical companies, such as building consumer trust, improving market access, and enhancing product competitiveness (Maemunah & Syakbani, 2021). Halal certification serves as a guarantee of product safety and purity, thereby reducing the risk of distrust among Muslim consumers (Septiani & Ridlwan, 2020). This is particularly important in Indonesia, where the majority of the population is Muslim and demand for halal products is very high (Quoquab et al., 2019).

Studies have found that consumers who trust halal certification bodies are more likely to be satisfied with halal-certified products, which in turn leads to increased loyalty to those products (Rafiki & Wahab, 2016). The presence of a credible halal logo is a primary means for consumers to verify a product's halal status, positively impacting consumer trust (Urumsah & Puspitasari, 2021). Halal certification can also help differentiate products and create a competitive advantage, particularly in the pharmaceutical industry, where product safety and purity are crucial (Usman et al., 2021).

Furthermore, the cases of PT Kalbe Farma and PT Kimia Farma demonstrate that halal-certified pharmaceutical products have been well-received by Muslim consumers, contributing to increased sales and brand trust (Rahman et al., 2015). This highlights the importance of halal certification in the Indonesian pharmaceutical industry and the potential for companies to capitalize on the growing demand for halal products (Mutmainah, 2018).

Overall, these case studies of pharmaceutical products in Indonesia underscore the crucial role of halal certification in building consumer trust and loyalty, particularly in markets with a Muslim majority population. By complying with halal requirements, pharmaceutical companies can not only meet the needs of Muslim consumers but also enhance their overall competitiveness in the market.

### **Halal Certification SWOT Analysis**

#### **Strengths:**

Halal certification has several key strengths that make it an attractive

option for businesses in the pharmaceutical industry. First, it can increase consumer confidence and trust in products (Madun, 2022). The rigorous audit process and adherence to Islamic principles provide Muslim consumers with a sense of security that the product is safe and pure (Rafiki & Wahab, 2016). This can increase brand loyalty and repeat purchases (Maemunah & Syakbani, 2021). Furthermore, halal certification can serve as a form of product differentiation, allowing companies to stand out in a competitive market (Katuk et al., 2020).

#### Weaknesses:

However, halal certification also has several disadvantages that companies should consider. The certification process can be complex and time-consuming, requiring extensive documentation and audits (Oemar et al., 2023). This can be particularly challenging for small and medium-sized enterprises (SMEs) with limited resources (Oemar et al., 2023). Furthermore, the costs required to obtain and maintain halal certification can be high, potentially increasing product prices (Oemar et al., 2023; Giyanti & Indriastiningsih, 2019).

#### Opportunities:

Despite these challenges, halal certification also presents significant opportunities for businesses. The global halal market is growing rapidly, with an estimated value of \$580 billion annually and an annual growth rate of 7% (Rafiki & Wahab, 2016). This presents enormous potential for market expansion, especially in countries with large Muslim populations like Indonesia (Tabelessy, 2023). Furthermore, the growing demand for halal products among both Muslim and non-Muslim consumers can increase consumer loyalty and brand recognition (Wannasupchue et al., 2019).

#### Threats:

Despite the significant opportunities, halal certification also faces several threats. Strict regulations and government oversight, such as Indonesia's Halal Product Assurance Law (UU JPH), can create additional compliance hurdles for businesses (Novianti et al., 2022). Furthermore, competition from other halal-certified products and the potential for counterfeiting or unauthorized use of the halal logo can threaten the credibility and value of certification (Quoquab et al., 2019).

In conclusion, the SWOT analysis highlights the complex halal certification landscape in the pharmaceutical industry. While offering significant strengths and opportunities, companies must also navigate weaknesses and threats to successfully leverage the benefits of halal certification. Effective strategies that address these factors can help companies capitalize on the growing demand for halal products and enhance their overall competitiveness in the market.

## **Comparison with Other Countries**

When examining the practice of satisfaction with halal-certified products, which subsequently leads to increased loyalty to halal certification, it is interesting to compare the approach taken in Indonesia with other countries, such as Malaysia and Saudi Arabia, which also have significant Muslim populations.

In Malaysia, halal certification is highly important and is managed by the Department of Islamic Development (JAKIM) (Al, 2023). The Malaysian government has recognized the importance of halal certification and has implemented policies to encourage its implementation among businesses (Al, 2023). The high standards and stringent procedures adopted by JAKIM have contributed to the high level of trust placed in halal-certified products by Malaysian Muslim consumers (Madun, 2022).

One study found that consumers who trust halal certification bodies, such as JAKIM in Malaysia, are more likely to purchase those products (Madun, 2022). This aligns with findings from Indonesia, where the credibility of certification bodies, such as the Indonesian Ulema Council (MUI), plays a crucial role in building consumer trust and loyalty.

In contrast, Saudi Arabia has a different approach to halal certification. The country has established the Saudi Standards, Metrology and Quality Organization (SASO) as the sole authority responsible for issuing halal certificates. This centralized system provides a clear and consistent framework for halal certification, which can be beneficial for businesses operating in the Saudi Arabian market.

However, differences in regulations and certification processes between countries can also pose challenges for businesses seeking to expand their operations globally. For example, varying requirements and standards set by different halal certification bodies can create barriers for companies seeking to access various markets (Fuseini et al., 2020).

Despite these differences, a common thread across these countries is the importance of halal certification for consumers and businesses. Halal certification is seen as a crucial factor in building trust, ensuring product quality and safety, and ultimately fostering consumer loyalty (Maemunah & Syakbani, 2021). By understanding the nuances of halal certification practices in different countries, businesses can better navigate the complex landscape and capitalize on the growing demand for halal products worldwide.

## **Challenges in Implementing Halal Certification**

The implementation of halal certification in the pharmaceutical industry in Indonesia faces several significant challenges that pharmaceutical companies must overcome.

One major challenge is the high costs associated with the halal certification

process (Al, 2023). The extensive audit and certification procedures required by the Halal Product Assurance Agency (BPJPH) and the Indonesian Ulema Council (MUI) can be financially burdensome, especially for small and medium enterprises (SMEs) (Hakim & Putri, 2022). The perceived high cost may deter some companies from obtaining halal certification, as they may need to pass on the additional costs to consumers in the form of higher product prices (“Halal Food Certification: The Case of Malaysian SME Entrepreneurs,” 2013).

In addition to the financial burden, pharmaceutical companies must also ensure that their entire supply chain, from raw materials to final products, meets stringent halal requirements (Al, 2023). Maintaining consistency and avoiding potential contamination throughout the production process can be a significant challenge, as even minor deviations can jeopardize a product's halal status (Hasan et al., 2020). This requires careful planning, monitoring, and coordination throughout the supply chain.

Another challenge lies in the complexity of the halal certification process itself. The regulatory framework, which includes the Halal Product Assurance Law (UU JPH) and the involvement of various government agencies, can create administrative hurdles and delays for companies seeking halal certification (Hakim & Putri, 2022). Navigating bureaucratic procedures and ensuring compliance with constantly evolving regulations can be time-consuming and resource-intensive (Al, 2023).

Furthermore, a lack of awareness and understanding of halal certification among some industry players can also hinder its widespread adoption (Faidah, 2017). Educating and engaging pharmaceutical companies, particularly SMEs, about the importance and benefits of halal certification is crucial to addressing these challenges (Siska et al., 2020). Collaboration between governments, industry associations, and religious authorities can help address these issues and promote the adoption of halal certification.

Finally, the need for Maintaining the integrity and credibility of the halal certification system is an ongoing challenge. Instances of mislabeling or unauthorized use of the halal logo can undermine consumer trust and the effectiveness of the certification process as a whole (“Halal Food Certification: The Case of Malaysian SMEs,” 2013). Strengthening oversight and enforcement mechanisms, as well as promoting transparency and accountability, are crucial to maintaining the integrity of the halal certification system (Jubaedah, 2023).

By addressing these challenges, the Indonesian pharmaceutical industry can overcome barriers to halal certification and capitalize on the growing demand for halal-certified products, both domestically and in the global market. Collaboration between government, industry, and religious authorities will be crucial in developing effective strategies to support the widespread

adoption of halal certification in the pharmaceutical sector.

## CONCLUSION

The halal certification process in the Indonesian pharmaceutical industry is a crucial aspect with significant implications for consumer trust and loyalty. The findings of this comprehensive review highlight several key points.

First, the halal certification process in Indonesia is regulated by the Halal Product Assurance Law (UU JPH) and overseen by the Halal Product Assurance Agency (BPJPH) in collaboration with the Indonesian Ulema Council (MUI). This process involves rigorous audits of raw materials, production facilities, and finished products to ensure compliance with Islamic principles. The high standards and credibility of the certification authority have contributed to the high level of trust among Muslim consumers in halal-certified pharmaceutical products.

Second, halal certification provides a sense of security and confidence for Muslim consumers, assuring them that the products they consume align with their religious teachings. This, in turn, leads to increased brand loyalty and repeat purchases, as consumers who trust the certification body are more likely to be satisfied with halal-certified products. The halal logo on pharmaceutical products serves as a guarantee of product safety and purity, which is valued by both Muslim and non-Muslim consumers.

Finally, a comparison with halal certification practices in other countries, such as Malaysia and Saudi Arabia, reveals both similarities and differences in regulatory frameworks and certification processes. This insight can help businesses navigate the complex halal certification landscape and better understand the nuances of consumer preferences and expectations across different markets.

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