



Producer and Consumer Behavior towards the Consumption of Halal Food and Beverages

Agitsna Alya Rizqa¹, Mukhamad Yazid Afandi²

Universitas Islam Negeri Sunan Kalijaga Yogyakarta, Indonesia^{1,2}

 agitsnaarizqa@gmail.com¹, mukhamad.afandi@uin-suka.ac.id²

Article History:	Abstract
<p>Submitted: July 3rd, 2024</p> <p>Revised: September 2nd, 2024</p> <p>Accepted: September 7th, 2024</p> <p>Published: October 8th, 2024</p> <p>By: International Journal of Islamic Economics (IJIE)</p> <p>Copyright: ©2024. Agitsna Alya Rizqa et al,</p>  <p>This article is licensed under the Creative Commons Attribution-Share Alike 4.0 International License. http://creativecommons.org/ licenses/by-sa/4.0/</p>	<p>Introduction: Indonesia, as a country with a majority Muslim population, shows its concern for religion by consuming halal food and beverage products. Balanced consumption in Islam is implemented by avoiding <i>tabzir</i> and <i>israf</i> behavior.</p> <p>Objective: The method used is literature with qualitative data to describe community behavior from the producer and consumer sides when considering daily halal food and beverages.</p> <p>Method: The research approach used is a comparative qualitative approach. The research data was obtained from risk management reports contained in the annual reports of Bank Victoria Syariah and Bank Syariah Indonesia in 2023.</p> <p>Result: The result of this study is that consumers still think that halal food and beverages are only based on whether the product contains pork and dog meat and their derivatives or not. The obstacles from related agencies are moving institutions and processes that are still confusing and centralized, so there is a lack of human resources. Producer constraints are related to high costs, business management unpreparedness, and lack of socialization and awareness to register their products. Business actors' fraud against the halal label cannot be handled seriously with the policy of the halal product guarantee agency.</p> <p>Implication: This study increases awareness and adherence to halal standards among the public, including producers, consumers, and related institutions.</p> <p>Keywords: Consumer behavior; Halal food and beverages; Halal products; Producer behavior.</p>

A. Introduction

Halal standards take the form of strict religious teachings and include aspects of hygiene and quality control. Regulatory agency supervises the halal food production process. Halal-certified food reflects that the ingredients and processes have passed inspection, are free from haram elements, and are based on Sharia principles (Mohd Nawawi & Mohd Nasir, 2014). The word Halal, according to (Wilson & Liu, 2010), comes from Arabic, which means "legal" and "permitted." Based on the attitude perspective, Halal can be interpreted as something good or "*thayyib*", meaning pure, harmless, and of good quality (Khalek & Ismail, 2015). Halal is synonymous with permissible food consumption and ethical and moral behavior (Ab Talib

et al., 2016). Food and beverage products have the largest market share, and the level of public awareness of good food consumption has encouraged companies to implement halal food certification (Esa Mahendra et al., 2024).

The times have changed the consumption aspect of society. In modern modernization, consumers want something efficient, including food and beverages. Consumers' desire for something practical makes them ignore the halalness of food and beverage products. Food and drinks considered reasonable by the general public are not necessarily halal, while halal food and drinks are guaranteed good according to health standards (Janna et al., 2021). The basis of knowledge of halal products must be known by consumers, especially the Muslim community, as a provision of Islamic law because, in addition to the good of the body, halal food and drinks are also a form of worship to Allah SWT.

According to (Rohim & Priyatno, 2021), a halal lifestyle reflects the behavior and attitudes that apply Islamic religious values in daily economic, social, and cultural activities. A "halal-aware" and "halal-smart" society will encourage a person's lifestyle following Islamic values. Awareness and good knowledge related to the consumption of halal food and beverages and their urgency will be used by consumers as a consideration in determining purchasing decisions, which will then develop into the foundation of a person's halal lifestyle. The level of Islamicity of consumers affects the intention to consume halal food and beverage products. The behavioral factors of a Muslim are seen from the availability, knowledge of haram and halal, and the source of assets owned (Nizar, 2018). Goodness can be obtained by fulfilling three elements: sharia compliance with product halalness, having benefits, and bringing someone to goodness (Burhanuddin & Riyanto, 2022).

Indonesia has the fourth largest population in the world, 273.8 million people, with a majority Muslim community of 237.5 million people. Halal products have become a lifestyle for Indonesians, as evidenced by Indonesia being ranked first in the category of the world's largest consumer of halal products. Indonesia is also ranked second in halal food products worldwide according to the State of the Global Islamic Economy (SGIE) in 2022 (Sugeng Pamuji, 2022). Indonesia's good existence illustrates the cooperation of government regulations and society in supporting halal food and beverage products in Indonesia. For these restrictions, Indonesians have also indirectly illustrated the importance of halal ties in aspects of life in foreign countries. The dominant Muslim population is considered to have more religious understanding, so it positively affects the purchasing power of halal products, increasing the demand for the halal market. The industry strives to ensure halal products do not lose a large market. People who are consumers and producers evaluate the quality of halal food and beverages based on knowledge of halal certification (Gunawan et al., 2020).

The development of good halal products in Indonesia is still not enough to compete with other Muslim-majority countries such as Malaysia, which is ranked as the most extensive halal food and beverage product in the world, even though the Muslim population is not more than in Indonesia. This is a question of whether the population in Indonesia feels that food and drinks considered good are sufficient for their consumption standards, compared to halal food that has been declared sound by-product halal certification. However, each

society has its own conditions in viewing Islam. This article discusses the problem of the community's behavior from the producer and consumer side when viewing halal food and drinks.

Consumers still show skepticism towards halal logos and certifications. Halal governance in the certification process hinders business actors and tiny and medium enterprises from obtaining halal certification (Majid et al., 2015). Meanwhile, according to (Ardiani Aniqoh & Hanastiana, 2020), the challenge in the food halalness process is improving quality and meeting halal standards. The high demand for halal certification and quality assurance is an opportunity for industry players to meet the demand for halal food. The challenges of Muslims consuming halal food, according to (Khalek & Ismail, 2015), are product availability, alcohol accessibility, the gambling industry, the capitalist monetary system, and globalization. The difference in research results related to barriers to halal certification is a research gap that becomes a research gap, so this research needs to be studied further from the consumer and business side.

(Wiyono et al., 2022) Found that products with halal certification support consumers' intention to consume halal food products compared to products that have not been certified. (Fuadi et al., 2022) revealed that guaranteeing halal products with halal certification in food products is essential because of legality and legal protection. Non-Muslim communities have felt the benefits of halal products. They consider halal products to be of high quality, hygienic, and safe for daily consumption. The obstacles of business actors in guaranteeing the halalness of their products are the lack of assistance, socialization, and requirements that are considered complicated.

This study aims to understand the concept of halal food and beverages and analyze the community's behavior regarding halal food and beverages from both the consumer and producer sides. This research ascertains whether halal food and beverage products comply with halal principles and the obstacles felt by the community in implementing the daily consumption of halal products. Consumer behavior towards halal products has been widely studied. This study provides research novelty by reviewing the side of business actors regarding awareness, application, and obstacles to the application of halal products. This study specifically focuses on the category of halal food and beverages. This research used a literature review analysis approach from various books and articles.

The contribution that this research can make is that it can help ensure halal food and home products meet halal standards according to Sharia provisions to increase consumer confidence in halal products. This research also provides a scientific basis for producers to comply with halal standards and develop new halal products, thereby encouraging the growth of the halal industry to the international market. Developing more comprehensive halal standards can assist relevant agencies in overseeing industry compliance with halal regulations. This research is expected to increase the general public's awareness, including non-Muslims, about the importance of the halal concept and its impact on health and well-being.

B. Literature Review

Halal Food and Beverages

The Quran has explained a lot about halal and haram food and drinks, both in processing and for consumption. Abasa verse 4 explains the command for a person to pay attention to his food. Al-Baqarah verse 168 explains Allah's command to humans to eat some of the food available while halal and suitable, as well as His command to keep away the steps of the devil that are prohibited. Al-Maidah verse 167 also explains the command to eat excellent and halal food from the blessings that Allah SWT has given. Meanwhile, surah Al-Baqarah verse 219 explains the prohibition of drinking alcohol and gambling because it is a major sin. Al-Baqarah verse 173 explains when not in a state of necessity, then consuming blood, carrion, pigs and dogs, as well as animals that when slaughtered without mentioning the name of Allah is haram (Burhanuddin & Riyanto, 2022).

All food and drink sourced from plants and animals are halal, except those Allah forbids. QS. Al-Maidah: 3 explains that Allah forbids humans to eat carrion, pork, blood, animals slaughtered not in the name of Allah, and animals with unnatural deaths such as being hit, strangled, gored, or pounced on by other animals. Based on this verse, the indicators of halal food are everything that does not contain pigs and dogs, comes from animals that are halal (allowed), is slaughtered according to Sharia, does not contain haram and unclean ingredients, and storage, obtaining processing, and serving processes are carried out in a halal manner (Supriyadi & Asih, 2021). Apart from pigs and dogs, animals with fangs are also prohibited in Islam. Islam also prohibits consuming alcohol and its derivatives. If the money used to obtain food comes incorrectly (usury, corruption), then the food consumed is also haram (Edison & Lestari, 2020). The Halal Standards based on JPH Law Number 33 of 2014 are:

1. Source of halal ingredients: halal and not unclean
2. Production process: not contaminated with haram and unclean materials
3. Packaging and storage: separate from haram products
4. Halal labeling: products that have been certified include a label
5. Supervision and Certification by BPJPH

Burhanuddin & Riyanto (2022) found that the food and drinks consumed by a person can impact their mental health. The content of the halalness of a product consumed is certainty in terms of nutrition (health), and *tayyib* (good). Davidson et al. (2021) suggest that consumer considerations in buying imported products are the country of origin and the presence of halal labels. Product distributors must pay attention to the origin of the importing country so that the industry can produce goods with halal standardization. In addition, Khalek & Ismail (2015) mentioned the difficulty of consumer constraints related to halal food, namely the availability of products due to globalization. Manufacturers have obstacles in the process of halal products; some argue that the challenges are due to governance in the certification process (Majid et al., 2015). Another opinion is the difficulty of improving quality and meeting halal standards (Aniqoh & Hanastiana, 2021).

Consumer Behavior

There are many theories regarding consumer behavior regarding purchasing decisions, both in general and Islamic views. Utility theory states that consumer choices are based on the level of utility or satisfaction expected from a product or service. In this theory, consumers tend to have high utility by considering price, quality, and personal taste factors (Kuliman et al., 2023) (Friedman & Savage, 1948). Rational choice theory states that consumers decide to buy products by making rational calculations based on available information, which considers the benefits, costs, and risks associated with the product or service (Becker, 2019). The theory of planned behavior (TPB) states that consumer behavior is formed from attitudes, subjective norms, and personal behavioral control and experience (Icek Azjen, 1980). Several previous studies, such as those by Amalia (2020) and Ahsen & Hendayani (2022), used the TPB theory to describe the intention to consume halal products. Processing theory in the context of consumer purchases describes how consumers process information, make decisions, and learn from experiences (Bettman et al., 2018).

According to Islam, purchasing decisions or consumer behavior can use the principle of tawhid, where Muslims are responsible for using the resources they are given wisely. Wise consumption means avoiding wasteful behavior and choosing products based on Islamic values. Products with Islamic values mean paying attention to the product's halal status and not referring to something prohibited (haram). Muslim consumers must pay attention and ensure that the products consumed meet halal requirements (N. Ahmad et al., 2017) (Triwibowo et al., 2022). Islam has restrictions as a sign for consumers, such as being frugal and not exaggerating in consumption. Consumer attitudes in Islamic economics are based on needs and are not excessive and not miserly. Assets owned are misused for deviant purposes and are referred to as *Tabzir*. Excessive or wasteful use of wealth in consuming food and drink can be called *Israf* (Inefficiency) (Darmawan, 2017). Balanced consumption in Islam is implemented by avoiding *tabzir* and *israf* behavior. QS Al-Isra [17]: 26 explains the prohibition of wasting wealth extravagantly.

Producer Behavior

In running a business, producers are oriented toward maximizing profits. Islamic economics views the motivation of producers in running their business cannot be separated from the goal of benefit, which makes production activities and the lives of producers run in one goal. Production activities are aimed at meeting both material and spiritual needs. The Quran emphasizes the benefits of the goods produced. The quantity of goods is adjusted to human needs, not overproduced. The control given to producers is intended not to trigger greed or selfishness and to maintain labor productivity. Ibrahim et al. (2021) state that producers are free to produce goods as long as they do not conflict with what Allah SWT prohibits.

Muslim producers are business actors who change the use of goods to achieve a prosperous life both in this world and the hereafter. Producers who uphold norms, ethics, and morals will not harm themselves or others. The behavior between producers and consumers is not very different regarding choices. According to (Nurrohman, 2023), the

values that Muslim producers must possess as business actors, namely having the intention of production as part of worship, believing that the Islamic values applied do not complicate the production process, not only being concerned with the world, assuming that the profits obtained are entrusted and trustworthy so that they can be managed for the benefit, avoiding things that are forbidden (*riba*, *gharar*, *dzalim*, greed), the goods produced are halal, *tayyib* and have a beneficial value, and do not harm any party.

Falah will be achieved when producers realize benefits, where benefits are realized if producers carry out activities that contain blessings. Profit is the difference between total revenue (TR) and total costs (TC). Producers are blessed through the application of Islamic principles to their production activities. To get the Blessing of Revenue (BR) by reducing the Blessing of Cost (BC). Blessings can be sought and realized with sacrifice. Based on equations (1), (2), and (3), if the Blessing is assumed to be 0 because it is not directly material, then the benefit is defined by (Iksan, S.Pd, 2020):

Maslahah = profit + blessing

$$M = \Pi + B \dots (1)$$

$$\Pi = TR - TC \dots (2)$$

$$B = BR - BC = -BC \dots (3)$$

$$M = TR - TC - BC$$

C. Research Methodology

The qualitative method is used in this study to describe the community's behavior on the producer and consumer sides in considering halal food and beverages in each individual's daily life. Data and information in the study were collected and then analyzed using descriptive analysis. (Salam & Makhtum, 2022) They explained that qualitative research aims to produce information through notes and descriptive data in the text. The descriptive analysis method helps provide information objectively, clearly, analytically, systematically, and critically about the problem under study, in this case, consumer behavior in considering halal products in their daily consumption.

This research also uses a literature review research model with data collection techniques from empirical and theoretical literature. Data sources are obtained from multiple reading references and internet publications such as the official halal.go.id website, books, journals, news, and the press. This study uses secondary data collected and published by other parties, such as scientific journals, books, research reports, articles, and other sources relevant to the topic being studied. In a literature review, researchers do not collect new data from the field (as in primary research); instead, they analyze and synthesize existing data to answer research questions.

The subjects of this research are producers and consumers of halal food and beverages in Indonesia as producers and consumers, both products that have been certified halal or not. The object of this research is the behavior of producers in producing, certifying, and maintaining halal food and drinks, as well as consumer behavior in understanding, choosing, buying, and consuming halal food and beverages so that it becomes a consideration in daily consumption.

D. Results and Discussion

Concept of Halal Food and Beverages

Food and beverage products have become the central sector of public consumption because they are the layer that touches the community the most. The massive need for food and beverage products in Indonesia makes each person have different needs when choosing the products they will consume. Divinity and humanity are the fundamental values of Islam to find solutions to problems that continue to hamper society. Islam also provides all the needs of society based on the rules of Sharia and easily creates benefits. The Al-Quran and Sunnah do not contain halal certification and labeling. Still, the existence of a halal label is used as *al-maslahah al-mursalah* because it brings goodness so that people can prove the halalness of a product directly and visibly (Khanifa et al., 2020).

The echoed halal concept aims to achieve that applies universally, both for Muslims and non-Muslims (Rohim & Priyatno, 2021). The concept of halal food and beverages covers all aspects ranging from raw materials, facilities, tools, and places to the products produced, and it requires nutritious products. Food and beverages consumed emphasize 2 (two) important things, namely halal and *tayyib*, because there is a guarantee of physical and spiritual health (Burhanuddin & Riyanto, 2022). The quality of halal food and beverages requires that quality products be clean and pure, and ingredients are permitted according to Sharia. Product quality is associated with high consumer purchase intention (Lee & Yun, 2015). This is agreed upon by Putra & Yockie (2020) in their research, which found that product quality has a significant effect on purchase intention.

Abu Ishaq al-Syatibi stated that there are 5 (five) fundamental problems (*Mabadiul Khamsah*) that must be maintained by every Muslim, namely by protecting religion (*hifdzuddin*), protecting the mind (*hifdzul 'aql*), preserving life (*hifdzun nafs*), protecting property (*hifdzul mal*), and protecting lineage (*hifdzun nafs*) (Burhanuddin & Riyanto, 2022). Halal food and beverage products include *hifdzuddin* because something consumed follows Islamic law and avoids prohibited things. Halal food also includes *hifdzul 'aql* and *hifdzun nafs* because the content of halal products is *thayyib*, both physically and spiritually. The scholars attribute certain foods will have a negative impact. Food and drinks that are prohibited by religion will affect human mental and mental health.

People who consume halal-certified food and beverages are related to aspects of religiosity (Davidson et al., 2021). High levels of religiosity in consumers prefer and recommend packaged food and beverage products with halal labels. The role that aspects of religiosity play is significant in shaping consumer character towards products and services (Mukhtar & Butt, 2012). Indonesia, with a majority Muslim population, shows its concern for religion by buying halal food and beverage products, which is shown by consumers' selective attitude towards product information. However, many consumer behaviors still do not show their religiosity in buying food and beverage products.

The government has begun to advocate halal labeling for all consumed products, but various obstacles hinder its implementation. Barriers to halal-certified products impede the development of halal products in Indonesia. Producer and consumer awareness of halal food and beverage products has become a lifestyle of the Indonesian population, which can be

followed by all circles of society (Annisa, 2019). The challenges halal products face may not lower consumers' standards when buying halal food and beverage products. Still, they can reduce trust and raise doubts about parties related to halal certification, such as producers, BPJPH, LPH, and MUI.

Whether food and beverage products that have been halal certified are suitable for fulfilling Islamic law is a question for consumers because of the issue of business actors who cheat, even though halal certification proves a good product. The obligation for halal certification as a mandate contained in Law Number 33 of 2014 needs to be realized in the development of the halal industry. Some regions with solid Islamic values have seen the absoluteness of the consumption of halal goods as the survival of society (Makhtum & Farabi, 2021).

Public Behavior in the Consumption of Halal Food and Beverages

Consumer Behavior

In its implementation, the guarantee of halal products has various obstacles, such as public legal awareness from both the consumer and producer sides. A person's legal awareness goes a long way, both directly and indirectly, and is not formed instantly (Debbi, 2018). One problem that prevents consumers from making halal food and beverage products a purchasing consideration is that not every product consumed has a halal certificate. This problem is due to obstacles in institutions related to halal certification, such as moving the management of halal assurance, which was initially from MUI through LPPOM MUI, then switching to a new body formed, namely BPJPH. This transition has confused business actors.

In its implementation, BPJPH and other halal product guarantee institutions require more readiness because LPPOM MUI is considered more experienced than the new agency, namely BPJPH, which is five years of age. Handling of halal product guarantees is also centralized, so the human resources needed are still limited due to the high demand for halal food and beverage products. The nature of BPJPH, which is still centralized, means it does not yet have representatives in various regions; it is still represented by the Halal Product Guarantee Officer Unit, which is occupied by employees of the Ministry of Religion regional office in each province. Human resources at the central BPJPH (Jakarta) are still limited in number and have not been able to touch the reach of regencies/cities in the province (Fatima et al., 2023). Problems at these institutions make it slow to provide halal certification to producers who have registered their products.

Problems in halal food and beverage products also exist in the quality of each product, not only regarding product packaging and labeling. Islam explains the concept of halal in food and beverages. Besides having to be halal, it must also be *thayyib* or good. Good here is meant by all the processes regarding health and product quality (A. N. Ahmad et al., 2018). QS Al-baqarah [2]: 168 explains that all humans consume halal and good food and do not follow the path of the real enemy, namely Satan. Consumers tend to choose food and drinks of good quality but ignore whether a product is labeled halal.

Consumers still think that halal food and drinks are only based on the primary raw materials, whether the product contains pork and dogs with their derivatives or not. Issues of

halalness in the manufacturing process, such as how to slaughter animals, use cooking utensils, and produce places according to halal standards, are still less of a consideration for consumers. Similarly, on the issue of odor and taste, the names and brands used in products with diction containing elements of Sharia prohibitions are not a consideration for the public in consuming food and beverages, and it is still a question for consumers why they need to consider names and diction in the decision to buy products.

Halal food and beverages must be readily known to the public and supervised by government agencies. The absence of state intervention will cause market failure, where Muslim consumers cannot obtain accurate information about the halalness of marketed products. In contrast, consumers cannot independently test and validate their halalness (Khanifa et al., 2020). The absence of an institution that oversees food and beverages will affect something unexpected, such as public sensitivity to halal and haram product issues. Although consumers consider food and beverages halal, when the element of *thayyib* (good) is ignored, it can turn the product into haram (Thabrani, 2014). The criteria for *thayyib* (good) food and beverages are cleanliness and purity, food sources, do not damage physically and mentally, and do not contain *shubhat*.

Pure and clean products do not contain and mix things that are prohibited (haram) in the ingredients, processes, tools, provision, processing, and even storage. Sources of sustenance in the form of income, earnings, and livelihoods are directly related to the food and drink consumed. QS Al-Maidah [5]: 87-88 explains that humans are encouraged to eat everything Allah SWT bestows in the form of good sustenance.

Burhanuddin & Riyanto (2022) mentioned that food and beverage products consumed by a person can affect their mental State. Good product criteria can contain different suitability in a person's physical and psychological State, where consumers with diabetes are not allowed to consume excess sugar. In addition to damaging their health, it can also be a haram *mudharah*, even though sugar is essentially good. *Shubhat* means containing doubt, which should be avoided because it is difficult to classify its legal status (ILHAMI, 2020).

(Alinda & Adinugraha, 2022) Found that halal labeling and a conscious attitude towards halal products influence consumers to repurchase packaged products. A conscious attitude towards halal products has made consumers aware of the laws stipulated by LPPOM-MUI, thus convincing consumers to keep repurchasing packaged products. Another problem is that packaged products without a halal logo remain the choice of Muslim consumers in deciding to repurchase products.

Weak legal awareness of consumers is an obstacle to the implementation of halal assurance with the obligation of halal certification, so it is necessary to continue socialization to realize policy objectives (Salam & Makhtum, 2022). The halal product process (PPH) guarantees the halalness of all products, from the provision of ingredients to the presentation of the product (Fatima et al., 2023). The public must know about halal food and beverage products like this as consumers and producers assess a halal product.

Producer Behavior

The cost and process of halal-certified products are still an obstacle for manufacturers. This obstacle has hampered many MSMEs, and even though they are the largest sector in economic growth in Indonesia, they will significantly impact certification development. (Maulana, 2019) mentioned that cost is the most crucial consideration for many producers and consumers. Producers who cannot afford the burden of financing their business to pay for halal certification will rule out it in their business. This producer's attitude has an impact on decreasing Muslim consumer confidence in the guarantee of product halalness.

Presidents who do not register their products for halal certification consider that halal certification does not affect their sales because without registering certification, the product still sells well in the market (Fatima et al., 2023). This kind of producer mindset hinders the development of halal product assurance and results from the lack of socialization and education of producers regarding the halal label (Ni'mah, 2022). This is agreed by the results of research (Fuadi et al., 2022) that not all producers or business actors get halal product assurance due to a lack of assistance, training, and socialization, as well as complicated halal certification requirements.

The public questions and doubts the halalness of food and beverages even though there is a halal logo on the product because there are many cheating producers. First, there are cases regarding including halal labels for which no halal certificate exists. To create high consumer purchasing power for the products sold because of the broad market, manufacturers put halal labels on their products without officially registering themselves with halal certification at BPJPH. This means that the label is fake and does not go through the halal inspection stage by the authorities.

Another problem is that manufacturers include halal labels on all products, even though only one or several are registered with halal certification. Producers do this to reduce the cost of halal certification for each item produced. The two problems producers create often occur in small local businesses called weak economic class entrepreneurs. This class of traders is considered the lowest in the industrial and trade chain. Producers' wrong initiative in including halal labels makes consumers fooled by the humanization of ordinary labels with official BPJPH labels (Khanifa et al., 2020).

Producers as business actors still understand the halalness of products to an epistemological extent and have not yet reached an understanding of ontology and axiology. Manufacturers still know it is only limited to fulfilling obligations according to religious and government regulations. For these rules, producers still have concerns about the threat of punishment or sanctions for business actors who have not obtained halal certification. Business actors interpret halal as limited to raw materials and production processes, not thinking about the impact caused by each process. Another problem for producers is that business management is not ready to carry out halal certification because the production process is still carried out and does not meet the criteria (Masruroh, 2023).

Halal certification guarantees halal products and legal protection for food and beverages consumed by the public. Regulations in halal certification and laws have weaknesses in providing criminal sanctions to producers who violate consumer rights in obtaining halal

and safe products. Criminal penalties for certification violators are still general without specific rules. The application of criminal sanctions to the perpetrators of violations of consumer rights has not been consistent in providing a free path to the perpetrators due to law enforcers who use the minimum criminal law. This problem creates opportunities for halal product guarantee regulations violations by food and beverage producers (Saiful Asmi Hasibuan, Andoko, Irma Fatmawati, 2022).

The Halal Product Guarantee Agency policy states that producers who include the halal logo but do not follow the applicable provisions will be subject to administrative penalties in the form of verbal warnings, written warnings, and withdrawal of halal certification (Fatima et al., 2023). These sanctions are still considered not to have a deterrent effect on business actors, which makes business fraud more widespread.

Utility theory, which considers the benefits, costs, and risks in one's behavior, can be illustrated by implementing halal food and beverages. The community's behavior in spending on food and drinks is not excessive, and it considers the product's benefits, illustrates this theory, and carries out Islamic teachings that prohibit *tabzir* and *israf* in consumption. Manufacturers constrained by costs when registering for halal certification show evidence of utility theory.

Consumer behavior in determining halal food and beverages is evidence of implementing risk-averse individual decisions on products whose halal quality has not been confirmed. The theory of the attitude approach can be seen from the implementation of business actors who already have halal certification as a product attribute and a sign of guarantee of the quality of their products to consumers. The halal logo on food and beverage packaging will be a consideration for consumer purchasing decisions.

Consumers with strong faith and beliefs regarding halal products do not make them lower personal standards in their consumption. Purchasing decisions on processing theory can be seen from the implementation of consumers who know halal and haram products. Consumers will process the knowledge gained for decision-making when buying halal-certified products and can pay more attention to halal products that are *thayyib* (good).

E. Conclusion

The level of Islam of consumers affects the intention to consume halal food and beverage products. The dominant Muslim population in Indonesia is considered to have more religious understanding, so it positively affects the purchasing power of halal products. Consumers still think that halal food and beverages are only based on the primary raw materials, whether the product contains pork and dogs with their derivatives or not. Food and drinks consumed emphasize halal and *thayyib*. The challenges halal products face may not lower consumers' standards in buying halal food and beverage products but can reduce trust and raise doubts about parties related to halal certification. Switching the implementation of halal product guarantees has confused business actors. The implementation of halal product assurance is also still centralized, so the availability of human resources is still limited among the vast demand for halal food and beverage products.

Consumers tend to choose food and drinks of good quality but ignore whether a product is labeled halal. When the element of *tayyib* (good) is forgotten, it can turn the product into haram. The cost and process of halal certification is an obstacle for producers. Presidents consider halal certification to have no effect on their sales because the products are still marketable without registering their products. The public doubts the halalness of a product due to cheating by producers, such as cases regarding the inclusion of halal labels for which there is no halal certificate and including halal labels on all products, even though only one product is halal certified. The application of criminal sanctions against perpetrators of consumer rights violations has not been consistent, thus providing free space to producers. Business actors interpret halal as limited to raw materials and production processes, even though the government implements product halal guarantee regulations in Law Number 33 of 2014 that halal also includes packaging, storage, halal labeling, distribution, and sales. Business managers are considered not ready to carry out halal certification.

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