

THE URGENCY OF HALAL CERTIFICATION IN HALAL COSMETIC BRANDS IN INDONESIA

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Abstrak

Kebutuhan kosmetik di Indonesia untuk mendapatkan sertifikasi halal berakar pada populasi negara yang mayoritas beragama Islam dan komitmennya terhadap prinsip-prinsip Islam. Oleh karena itu, merek kosmetik halal hadir sebagai pilihan yang tepat karena terdiri dari bahan-bahan yang aman, bersertifikat, dan diakui kehalalannya. Tingginya permintaan serta kesadaran halal dari masyarakat akan produk kosmetik halal menjadi salah satu faktor yang mendesak untuk memiliki sertifikasi halal bagi sebuah merek. Sertifikasi ini tidak hanya memenuhi kebutuhan populasi Muslim lokal tetapi juga memposisikan Indonesia di pasar halal global. Pertumbuhan pasar Indonesia juga terus mendukung produk dalam negeri yang mencari peluang untuk memenuhi pasar domestik dan memberikan dampak yang signifikan di kancah internasional. Selain itu, terdapat tantangan yang dapat dihadapi oleh industri kosmetik halal mulai dari proses sertifikasi hingga edukasi konsumen dan akses pasar global. Metode kualitatif melalui studi literatur digunakan dalam penelitian ini untuk mengetahui urgensi sertifikasi halal pada merek-merek kosmetik di Indonesia untuk mendorong mereka menjadi merek kosmetik berstandar halal.

Kata Kunci: Sertifikasi, Kosmetik, Halal

Abstract

The requirement for cosmetics in Indonesia to be halal-certified is rooted in the country's predominantly Muslim population and its commitment to Islamic principles. Therefore, halal cosmetic brands are present as the right choice because they are composed of ingredients that are safe, certified, and recognized as halal. The high demand along with halal awareness from the public regarding halal cosmetic products makes it one of the urgent factors for having halal certification for brands. This certification not only caters to the needs of the local Muslim population but also positions Indonesia in the global halal market. The growth of the Indonesian market also continues to support domestic products seeking opportunities to cater to the domestic market and make a significant impact on the international stage. Besides that, there are also challenges that the halal cosmetic industry could face such as ranging from certification processes to

consumer education and global market access. The qualitative method through literature review is used in this research to find out the urgency of halal certification in cosmetic brands in Indonesia to push them to be halal-standard cosmetic brands.

Keywords: Certification, Cosmetic, Halal

Introduction

The urgency for halal-certified cosmetics based on their composition is primarily rooted in adherence to Islamic dietary laws and ethical considerations. Halal certification ensures that the ingredients used in cosmetics are permissible according to Islamic principles. Global cosmetic brands and manufacturers have recognized the significance of the halal market. Many multinational companies have started obtaining halal certification for their products or have introduced specific halal product lines to cater to the growing demand among Muslim consumers.

The problem of illicit cosmetics persists most likely owing to significant public demand caused by people's need to look pretty instantaneously. Of course, this is a violation of Islamic standards since illicit cosmetics can cause harm due to the side effects that occur after using them, and illegal cosmetics cannot obtain halal certification due to the product's composition. As a result, to eliminate the sale and usage of unsafe cosmetics, BPOM also stated that it will continue to supervise (BPOM, 2018). In Indonesia, the public can use the website from BPOM on <https://cekbpom.pom.go.id/kosmetika> to determine whether a cosmetic product is safe or not and then check its halal status on bpjph.halal.go.id. If the product is declared safe and has been registered, information about the cosmetic product such as the registration number, product name, and company that registered it will appear. If the cosmetic product has been withdrawn from circulation, the page will contain information and reasons for withdrawing the product from the market.

In Indonesia, halal cosmetics have become the favored option in a market trend that increasingly points out adherence to Islamic standards. Religious values are fundamental to the daily life of the people in this country, which has a Muslim majority. Halal and haram are not merely principles, but also recommendations for cosmetic product selection. This condition raises awareness of the significance of selecting items that correspond to halal and safety requirements. Consumers are increasingly aware that halal cosmetics not only bring physical advantages to

the skin, but also demonstrate safety and adherence to religious precepts (Prakasita, 2022).

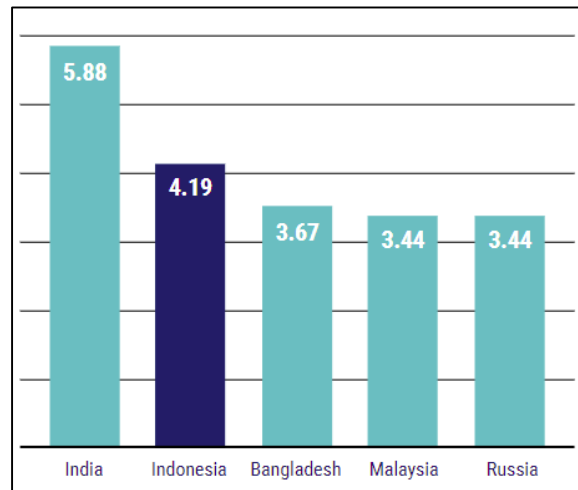
Table 1
Countries with the Largest Muslim Population in the World year 2023

No	Country	Population
1	Indonesia	240.622.084
2	Pakistan	242.086.660
3	India	208.579.639
4	Bangladesh	157.388.430
5	Nigeria	108.545.247
6	Egypt	101.444.938
7	Iran	88.637.730
8	Turkiye	82.637.730
9	Sudan	46.184.646
10	Algeria	45.150.415

Source: *The Royal Islamic Strategic Studies Centre (RISSC)*

According to the Indonesia Halal Markets Report, the national halal cosmetics sector has a market value of 4.19 billion US dollars in 2020 and is expected to increase at an annual rate of up to 8% in 2023. Penetration of indigenous cosmetic products is still encouraged in potential halal cosmetic product markets such as the Middle East and Africa, as well as other Muslim nations. Halal cosmetics sales have grown in East Asia at a faster pace than any other market, driven by Indonesian brands, small and large-sized (ISEF, 2022).

Wardah, -the pioneers of halal beauty brands in Indonesia and Emina are two halal brands of cosmetics that dominate the halal cosmetics industry under the supervision of PT Paragon Technology and Innovation, one of the largest manufacturers of cosmetics in Indonesia (ISEF, 2022). They not only prioritize transparency in their sourcing and manufacturing processes but also provide detailed information about the origin of ingredients, production methods, and certifications to assure consumers of the halal integrity of their products. This transparency gains trust among consumers who seek not only ethical products but also those that meet their religious requirements.



Picture 1

The Largest Halal Cosmetics Consumer Country in the World year 2020

Source: Dinar Standard

Halal certification is also a key point in gaining consumer trust. The presence of a halal label on cosmetic products assures consumers that the product has undergone rigorous verification processes in line with Sharia principles. This instills confidence in consumers to make more assured purchasing decisions. The rapid growth of the halal cosmetics industry in Indonesia also reflects government support and the industry's adaptation to changing consumer trends. Policies and regulations that support, guidance, and incentives from the government help drive the growth of this sector, contributing to the national economy.

With increasing global competitiveness, Indonesia's halal cosmetics industry not only meets the needs of the local market but also has the potential to enter the international market. This expansion has a positive impact on the country's economy and promotes Indonesian cosmetic brands globally. Thus, the novelty of this research is that the urgency of halal cosmetics in Indonesia not only creates harmony with religious values but also opens new opportunities for the growth and expansion of the industry. This research has been done to *find out the urgency of halal certification in cosmetic brands in Indonesia to push them to be halal-standard cosmetic brands*

Methods

The research method applied is qualitative, utilizing a literature study strategy or a method that needs reading, reviewing, and deriving conclusions from a website, book, journal, or other source. The literature review includes both primary and secondary data. The primary data utilized as a reference in this study is the primary data, whereas secondary data is extra or complementary data to the original data. This qualitative research generates information on notes or descriptions found in existing writings. Then comes the analysis step, which is a descriptive analysis that seeks to offer a clear image and explanation of this research. Aside from that, this strategy necessitates data collection, followed by categorization and description.

Research Results and Discussion

Consumer Awareness and Demand

Consumer awareness represents a measure of how well Muslims comprehend halal principles. Halal awareness refers to a Muslim's comprehension of halal processes and their view that using halal goods is crucial. Awareness and understanding of raw ingredients and the method of creating cosmetics, along with their distribution, are indicators of customer awareness in choosing halal items (Shaari and Arifin, 2010). Muslims believe that consuming halal food brings them blessings and health, that the same holds for the personal grooming products they use that are cruelty-free. Islam instructs us to consume everything on earth that is permitted and good, including food, drink, and other items. So, that halal has become a lifestyle for Muslim consumers in the world.

As the Muslim population increases, so does awareness of the usage of halal goods. Awareness has been believed to be an important factor in deciding whether to choose or buy interest (Genoveva and Utami, 2020). According to Maulani (2022), understanding and having an attitude about halal lifestyle influences the purchase intention of millennials today on halal cosmetic products, alongside the fact that religiosity is the first one that affects the attitude towards halal products, based on her research about "Purchase Intention of Halal Cosmetics" that engaged for about 262 respondents in Indonesia from the productive age 21-41, also known as the millennial generation agreed about that. As a result, marketers must seek halal certification on their products since education itself is insufficient.

Halal Certification Impact

Halal certification, serving as a symbol of adherence to Islamic principles, has emerged as a game-changer, influencing consumers to make informed and conscientious choices. Brands that obtain credible halal certifications are experiencing a substantial boost in consumer trust. The certification acts as a tangible commitment, assuring consumers of the authenticity of the brand's halal claims and adherence to rigorous halal standards. This impact is not confined to consumer choices alone; it has triggered a ripple effect across the entire cosmetic industry. Recognizing the shifting paradigm, brands are proactively seeking halal certifications to gain a competitive edge. This surge in demand for certification has prompted a corresponding growth in halal certifying bodies, fostering a more robust and structured halal cosmetics market.

Moreover, the impact extends to the global stage, positioning Indonesia as a key player in the halal cosmetics sector. As international markets increasingly recognize and value halal certifications, Indonesian brands with credible certifications gain access to a broader audience, contributing to the global discourse on ethical and halal consumer goods. The transformative impact of halal certification on halal cosmetics in Indonesia resonates with a broader narrative of ethical consumerism, transparency, and authenticity. As the industry navigates this evolution, the significance of halal certification reverberates as a catalyst for positive change, aligning the cosmetic sector with the values and preferences of an informed and conscientious consumer base.

Challenges in the Industry

Despite the promising trajectory of the halal cosmetics industry in Indonesia, it is not without its share of challenges. This evolving landscape encounters hurdles that necessitate strategic solutions and collaborative efforts from industry stakeholders. One prominent challenge is the need for standardized halal certification processes. The absence of uniformity in halal certification procedures across different certifying bodies can lead to confusion among consumers and present challenges for brands seeking certification. Establishing standardized practices would enhance clarity and contribute to the credibility and integrity of halal cosmetics in the market.

Consumer education remains a critical challenge. While there is a growing awareness of halal cosmetics, a significant portion of the consumer base may not fully understand the intricacies of halal certification or the benefits of using halal beauty brands. Bridging this knowledge gap requires comprehensive educational

campaigns to empower consumers to make informed choices aligned with their values. The industry also grapples with the need for increased research and development. Innovations in halal cosmetics, such as the exploration of new ingredients and sustainable packaging, can be hindered by a lack of dedicated research initiatives. Investing in R&D is pivotal for maintaining a competitive edge, meeting consumer expectations, and ensuring the industry's sustainable growth.

Indonesia has made significant progress in developing and implementing halal regulations. The Indonesian government has been actively working to regulate various sectors, including food and beverages, cosmetics, pharmaceuticals, and logistics, to comply with halal standards. One of the regulations that have been implemented in Indonesia is based on UU NO. 33/2014 which mandates the halal certification of products and services. This law covers a wide range of sectors and aims to ensure that all products consumed by Muslims in Indonesia, as well as exported halal products, comply with halal standards. But then, regulatory frameworks pose another challenge. There has to be clear and comprehensive regulations are essential to guide businesses in adhering to halal standards and practices. Striking a balance between fostering innovation and maintaining compliance with halal principles requires thoughtful policy development and collaboration between regulatory bodies and industry players. Market access and global recognition represent additional hurdles.

In conclusion, the challenges facing the halal cosmetics industry in Indonesia are multifaceted, ranging from certification processes to consumer education and global market access. Addressing these challenges calls for a holistic approach, involving collaboration between industry players, government bodies, and certification agencies to ensure the continued growth and success of the halal cosmetics sector.

Market Growth Potential

Indonesia with its vast and diverse consumer base, stands at the forefront of a burgeoning market for halal cosmetics, showcasing remarkable growth potential. The State of the Global Islamic Economy Report 2022 notes that Indonesia is one of the largest consumers of halal products in the world. Consumption of halal products in Indonesia covers 11.34 percent of global halal expenditure. The dynamic landscape is shaped by a confluence of factors, driven by changing consumer preferences, heightened awareness of halal principles, and a robust beauty and wellness culture. One of the key catalysts for the growth of halal cosmetics is the increasing consciousness among Indonesian consumers

regarding the brands they use. As individuals seek to align their lifestyle choices with their religious beliefs, there is a growing demand for cosmetics that adhere to stringent halal standards. This shift extends beyond a niche market, with mainstream consumers actively seeking out halal-certified beauty brands.

Recognizing the demand for halal cosmetics, brands are investing in obtaining credible halal certifications, signaling a commitment to transparency and authenticity. This strategic move not only enhances consumer trust but also positions these brands as leaders in the burgeoning halal cosmetics sector. The influence of digital platforms and social media cannot be overstated in this context. As consumers share experiences, recommendations, and insights, the awareness of halal cosmetics spreads rapidly, influencing purchasing decisions and shaping trends.

Moreover, Indonesia's status as the country with the largest Muslim population underscores its potential as a key player in the global halal cosmetics market. With an increasing focus on ethical and sustainable beauty practices, Indonesian brands have the opportunity to not only cater to the domestic market but also make a significant impact on the international stage. In conclusion, the market growth potential of halal cosmetics in Indonesia is a dynamic narrative shaped by consumer awareness, brand responsiveness, and a global shift towards ethical consumerism. As the industry continues to evolve, the prospects for halal cosmetics remain robust, positioning Indonesia as a pivotal player in this transformative journey.

Conclusion

Based on the explanation above, it can be concluded that the urgency of halal certification for halal cosmetic brands is very important in terms of how halal knowledge and awareness influence purchasing desire and consumption levels. Halal cosmetics are not only focused on the product being halal certified but the brand is also recognized as a halal brand. Indonesia has a diverse range of halal cosmetic manufacturers that can compete with other cosmetic products, even making halal a value-added feature. From large companies to those with local brand status, they have proven that halal cosmetics can be performed. The urgency of halal certification for halal cosmetic brands in Indonesia not only creates harmony with religious values but also opens new opportunities for the growth and expansion of the industry since the national halal cosmetics sector had a market value of 4.19 billion US dollars in 2020 and is expected to increase at an annual rate of up to 8% in 2023. Besides that, there are also challenges that the

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