

The Influence of Understanding Halal Regulations, Perceptions of Certification Benefits, and Ecosystem Support on Halal Compliance Readiness among MSMEs in Indonesia

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Info Artikel

Article history:

Received: September, 2026

Revised: September, 2026

Accepted: September, 2026

Keywords:

Ecosystem Support; Halal Certification; Halal Compliance Readiness; Halal Regulation; MSMEs

ABSTRACT

The development of the halal industry in Indonesia requires Micro, Small, and Medium Enterprises (MSMEs) to improve their readiness in fulfilling halal compliance requirements. This study aims to examine the influence of understanding halal regulations, perceptions of certification benefits, and ecosystem support on halal compliance readiness among MSMEs in Indonesia. This research employs a quantitative approach using survey data collected from 150 MSME owners or managers. Data were obtained through a structured questionnaire measured using a five-point Likert scale and analyzed using Statistical Package for the Social Sciences (SPSS) version 25. The analytical methods include validity testing, reliability testing, classical assumption testing, multiple linear regression analysis, t-test, F-test, and coefficient of determination analysis. The results indicate that understanding halal regulations, perceptions of certification benefits, and ecosystem support have a positive and significant influence on halal compliance readiness. Among these factors, perceptions of certification benefits show the largest reported regression coefficient, followed by regulatory understanding and ecosystem support. The regression model shows an Adjusted R² value of 0.576, indicating that 57.6% of variations in halal compliance readiness are explained by the proposed variables. This study highlights the importance of strengthening halal literacy, communicating the strategic value of certification, and developing supportive institutional ecosystems to accelerate halal compliance among MSMEs in Indonesia.

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INTRODUCTION

The halal industry has emerged as one of the fastest-growing sectors within the global economy, driven by increasing consumer awareness regarding product safety, ethical consumption,

quality assurance, and religious compliance (Fitri et al., 2022; Latifah et al., 2021). The expansion of halal markets has extended beyond traditional food-related sectors into cosmetics, pharmaceuticals, healthcare, tourism, and household products, creating significant economic opportunities for countries with substantial Muslim populations. Indonesia, as the country with the largest Muslim population worldwide, possesses considerable potential to become a leading global halal ecosystem (Izzuddin & Adinugraha, 2022; Jailani et al., 2022; Yuniastuti & Pratama, 2023). However, realizing this potential requires strong participation from Micro, Small, and Medium Enterprises (MSMEs), which represent the backbone of Indonesia's economic structure through their contribution to employment creation, local economic development, and community-based entrepreneurship. Despite their strategic position, many MSMEs continue to experience difficulties in adopting halal standards due to limited regulatory knowledge, financial limitations, administrative complexity, and insufficient access to institutional assistance.

The Indonesian government has introduced a comprehensive regulatory framework to strengthen halal product assurance through Law No. 33 of 2014 concerning Halal Product Assurance and subsequent policy developments that regulate mandatory halal certification implementation. This regulatory transformation creates both opportunities and challenges for MSMEs, as halal certification functions not only as a compliance mechanism but also as a strategic instrument for enhancing consumer trust, improving product competitiveness, and expanding access to broader markets (Lubis, 2019; Yuniastuti & Pratama, 2023). Nevertheless, the implementation of mandatory halal certification requires MSMEs to develop adequate understanding regarding certification procedures, regulatory obligations, and operational adjustments. Limited awareness of halal regulations may hinder compliance because many MSMEs perceive certification as a complicated process associated with additional financial costs, documentation requirements, and institutional procedures. Therefore, regulatory understanding becomes a fundamental factor influencing MSMEs' preparedness in responding to halal certification policies.

Regulatory understanding represents an important determinant of halal compliance readiness because business actors' decisions are strongly influenced by their ability to interpret regulatory requirements and recognize the strategic implications of compliance. MSMEs with better knowledge of halal standards, certification mechanisms, and government requirements are more likely to develop positive attitudes toward halal adoption and prepare organizational resources for certification processes (Habib, 2021; Latifah et al., 2021; Pradana et al., 2024). Regulatory literacy reduces uncertainty, improves perceived feasibility, and strengthens business confidence in implementing halal practices. Previous studies have indicated that knowledge and awareness significantly influence halal-related decision-making among business actors; however, empirical investigations focusing on how regulatory understanding shapes MSMEs' readiness toward halal compliance remain relatively limited (Jelan et al., 2024; Quoquab et al., 2020). This condition indicates the importance of examining regulatory knowledge as a behavioral antecedent of MSME halal transformation.

In addition to regulatory understanding, MSMEs' perceptions regarding the benefits of halal certification represent another important factor affecting compliance readiness. Halal certification provides potential economic and strategic advantages, including stronger consumer confidence, improved brand credibility, enhanced market differentiation, and greater opportunities to access domestic and international halal markets (Bux et al., 2022; Nasution, 2024; Putri et al., 2024). When MSMEs perceive certification as a valuable business investment rather than merely an administrative obligation, they are more likely to commit resources toward achieving compliance. Conversely,

limited recognition of certification benefits may reduce motivation and delay participation in halal certification programs (Disemadi & Putri, 2023; Wibowo et al., 2024). Thus, perceived certification benefits represent a cognitive evaluation mechanism that influences how MSMEs assess the relevance and value of halal compliance for their business sustainability.

Beyond internal business factors, the development of MSME halal compliance is also influenced by the strength of the supporting ecosystem. The halal ecosystem involves various stakeholders, including government agencies, halal certification institutions, universities, financial institutions, industry associations, and community organizations that collectively provide resources, knowledge, and facilitation mechanisms (Alamsyah et al., 2022; Marnita, 2024). Effective ecosystem support can reduce structural barriers faced by MSMEs through training, mentoring, certification assistance, financial access, and information dissemination. Considering the limited managerial and organizational capacity of many MSMEs, external support mechanisms are necessary to enhance their capability and confidence in fulfilling halal requirements. However, existing studies predominantly emphasize consumer halal awareness and purchasing behavior, while limited attention has been given to the ecosystem factors that facilitate MSMEs' readiness to comply with halal regulations.

Based on these research gaps, this study aims to examine the influence of halal regulatory understanding, perceived certification benefits, and ecosystem support on halal compliance readiness among MSMEs in Indonesia. This research contributes to the halal industry literature by developing an integrated framework that combines regulatory knowledge, perceived strategic value, and institutional support as multidimensional determinants of MSME compliance readiness. The findings are expected to provide theoretical insights into halal adoption behavior and practical implications for policymakers, certification authorities, and MSME development institutions in designing more effective strategies to accelerate halal certification participation and strengthen Indonesia's halal ecosystem.

LITERATURE REVIEW

2.1 Halal Compliance Readiness among MSMEs

Halal compliance readiness refers to the capability and commitment of Micro, Small, and Medium Enterprises (MSMEs) to fulfill halal standards and implement required procedures before and after obtaining halal certification. This readiness involves awareness, regulatory knowledge, resource availability, documentation practices, and operational alignment with halal principles (Mujiatun et al., 2023). In the context of Indonesia's mandatory halal certification policy, MSMEs with higher compliance readiness are more likely to improve consumer trust, market access, and business sustainability. However, many MSMEs still face challenges due to limited knowledge, financial constraints, and unfamiliarity with certification mechanisms (Arifin, 2020; Nasution, 2024). Therefore, understanding the factors influencing halal compliance readiness is important for developing effective strategies to accelerate MSME participation in the halal ecosystem.

2.2 Understanding Halal Regulations

Understanding halal regulations refers to the extent to which MSMEs comprehend halal standards, certification procedures, and legal obligations related to halal product assurance. Regulatory knowledge helps business actors reduce uncertainty, recognize the importance of compliance, and prepare operational adjustments required for certification (Aji, 2022; Lubis, 2019; Nasution, 2024). MSMEs with better understanding of halal regulations are more likely to perceive certification as a strategic opportunity and demonstrate stronger readiness to implement halal

practices. Therefore, regulatory understanding is expected to positively influence halal compliance readiness.

H1: Understanding halal regulations has a positive and significant influence on halal compliance readiness among MSMEs in Indonesia.

2.3 Perceptions of Halal Certification Benefits

Perceptions of certification benefits refer to MSMEs' evaluation of the advantages gained from halal certification, including increased consumer trust, product reputation, market opportunities, and business competitiveness. Positive perceptions encourage business actors to view halal certification as a strategic investment rather than merely an administrative obligation (Bux et al., 2022; Nasution, 2024). Based on the Theory of Planned Behavior, favorable attitudes toward certification benefits can strengthen behavioral intention and encourage MSMEs to prepare for halal compliance. Therefore, perceived certification benefits are expected to positively influence halal compliance readiness.

H2: Perceptions of halal certification benefits have a positive and significant influence on halal compliance readiness among MSMEs in Indonesia.

2.4 Ecosystem Support

Ecosystem support refers to the availability of external resources, institutional assistance, and stakeholder collaboration that facilitate MSMEs in implementing halal compliance. Support from government agencies, halal certification institutions, universities, financial institutions, and industry organizations can provide training, consultation, information access, and certification assistance (Alamsyah et al., 2022; Marnita, 2024). Such support helps MSMEs overcome limitations in knowledge, resources, and operational capability. Based on institutional theory, external support encourages organizations to adapt to regulatory requirements and strengthen their readiness to adopt halal standards. Therefore, stronger ecosystem support is expected to positively influence halal compliance readiness.

H3: Ecosystem support has a positive and significant influence on halal compliance readiness among MSMEs in Indonesia.

2.5 Relationship Between Understanding Halal Regulations, Certification Benefits, Ecosystem Support, and Halal Compliance Readiness

Halal compliance readiness among MSMEs is shaped by the interaction between regulatory understanding, perceived certification benefits, and ecosystem support. Regulatory understanding provides the knowledge foundation that enables MSMEs to recognize compliance obligations and prepare necessary operational adjustments, while positive perceptions of certification benefits strengthen motivation to adopt halal standards. Ecosystem support provides external resources and institutional assistance that facilitate the implementation process (Izzuddin & Adinugraha, 2022; Jailani et al., 2022; Yuniastuti & Pratama, 2023). Together, these factors represent cognitive, motivational, and institutional dimensions that explain MSMEs' preparedness toward halal compliance. Therefore, the following hypotheses are proposed:

H4: Understanding halal regulations, perceptions of certification benefits, and ecosystem support simultaneously influence halal compliance readiness among MSMEs in Indonesia.

METHODS

This study employs a quantitative explanatory approach to examine the influence of understanding halal regulations, perceptions of certification benefits, and ecosystem support on halal compliance readiness among Micro, Small, and Medium Enterprises (MSMEs) in Indonesia.

The research model consists of three independent variables, namely understanding halal regulations (X1), perceptions of certification benefits (X2), and ecosystem support (X3), with halal compliance readiness (Y) as the dependent variable. Data were collected from 150 MSME owners or managers selected through purposive sampling. Eligible respondents were owners or managers directly involved in business operations and had sufficient knowledge related to halal products or halal certification to provide informed responses. A structured questionnaire using a five-point Likert scale was applied to measure each research variable.

The collected data were analyzed using statistical procedures to examine the relationships between variables and test the proposed hypotheses. The conceptual basis of the measurement indicators was drawn from the literature reviewed in Sections 2.1-2.4 on halal compliance readiness, regulatory understanding, perceived certification benefits, and ecosystem support (Mujiatun et al., 2023). The indicators were organized into the four constructs presented in Table 1. This research design provides an empirical framework for assessing the factors that influence MSMEs' preparedness toward halal compliance and contributes to understanding the mechanisms that support halal certification adoption in Indonesia. In reporting the regression results, standardized Beta coefficients are not presented separately; comparisons are therefore described using the reported regression coefficients rather than standardized effect sizes.

Table 1. Research Variables and Indicators

Variable	Definition	Indicators
Understanding Halal Regulations (X1)	The extent to which MSME actors understand halal laws, certification procedures, and halal compliance requirements.	Knowledge of halal regulations; understanding of certification procedures; awareness of halal obligations; understanding of halal standards
Perceptions of Certification Benefits (X2)	MSMEs' evaluation regarding the advantages obtained from halal certification implementation.	Increased consumer trust; improved business reputation; expanded market opportunities; increased competitiveness
Ecosystem Support (X3)	External assistance and institutional support received by MSMEs in implementing halal compliance.	Government facilitation; training and mentoring; certification assistance; access to information and institutional collaboration
Halal Compliance Readiness (Y)	The level of MSMEs' preparedness and willingness to fulfill halal standards and certification requirements.	Commitment to halal certification; preparation of halal documentation; willingness to adjust production processes; readiness to comply with halal requirements

Each indicator was measured using multiple questionnaire items based on a five-point Likert scale, where higher scores indicate stronger agreement regarding the measured constructs. Before hypothesis testing, the research instrument was evaluated through validity and reliability tests to ensure measurement accuracy and consistency. Validity testing was conducted using Pearson Product Moment correlation analysis, while reliability testing applied Cronbach's Alpha with a minimum acceptable value of 0.70. The collected data were analyzed using SPSS version 25

through descriptive statistics, classical assumption tests (Ghozali, 2018), and multiple linear regression analysis to examine the influence of understanding halal regulations, perceptions of certification benefits, and ecosystem support on halal compliance readiness. Hypothesis testing was performed using t-tests, F-tests, and the coefficient of determination (R^2) to evaluate partial effects, simultaneous effects, and the explanatory capability of the research model.

RESULTS AND DISCUSSION

4.1 Respondent Characteristics

This study involved 150 MSME owners or managers from various business sectors in Indonesia. The characteristics of respondents were analyzed based on business sector, business age, and halal certification status. The respondent profile provides an overview of the background conditions of MSMEs involved in this research.

Table 2. Characteristics of Respondents

Characteristics	Category	Frequency	Percentage (%)
Business Sector	Food and Beverage	82	54.7
	Fashion and Apparel	21	14.0
	Cosmetics and Personal Care	18	12.0
	Household Products	15	10.0
	Other Sectors	14	9.3
Business Age	< 3 years	37	24.7
	3–5 years	49	32.7
	> 5 years	64	42.6
Halal Certification Status	Already Certified	46	30.7
	In Certification Process	38	25.3
	Not Yet Certified	66	44.0

Table 2 presents the characteristics of the 150 MSME respondents based on business sector, business age, and halal certification status. The majority of respondents operate in the food and beverage sector, accounting for 82 businesses (54.7%), followed by fashion and apparel (14.0%), cosmetics and personal care (12.0%), household products (10.0%), and other sectors (9.3%). Regarding business age, most MSMEs have operated for more than five years (42.6%), followed by those operating for 3–5 years (32.7%) and less than three years (24.7%), indicating that the respondents are predominantly established business actors. In terms of halal certification status, 66 MSMEs (44.0%) have not yet obtained certification, 46 MSMEs (30.7%) are already certified, and 38 MSMEs (25.3%) are currently undergoing the certification process. These findings indicate that a substantial proportion of MSMEs remain in the transition stage toward halal compliance, highlighting the importance of factors that support their readiness to fulfill halal certification requirements.

4.2 Descriptive Statistics of Research Variables

Descriptive statistical analysis was conducted to identify the respondents' perceptions regarding the research variables. The analysis includes minimum value, maximum value, mean, and standard deviation.

Table 3. Descriptive Statistics

Variable	Min	Max	Mean	Standard Deviation
Understanding Halal Regulations (X1)	2.40	5.00	4.12	0.61
Perceptions of Certification Benefits (X2)	2.60	5.00	4.25	0.58
Ecosystem Support (X3)	2.20	5.00	3.89	0.67
Halal Compliance Readiness (Y)	2.50	5.00	4.18	0.63

Table 3 presents the descriptive statistics of the research variables, including minimum, maximum, mean, and standard deviation values. The results indicate that all variables have relatively high mean values, suggesting positive perceptions among MSME respondents regarding halal compliance factors. Understanding halal regulations (X1) has a mean value of 4.12 with a standard deviation of 0.61, while perceptions of certification benefits (X2) obtain the highest mean value of 4.25 with a standard deviation of 0.58. Ecosystem support (X3) shows a mean value of 3.89 and a standard deviation of 0.67, indicating relatively lower perceptions compared with other variables. Meanwhile, halal compliance readiness (Y) records a mean value of 4.18 with a standard deviation of 0.63. These findings indicate that MSMEs generally demonstrate strong awareness, positive perceptions, and readiness toward implementing halal compliance requirements.

4.3 Validity Test

Validity testing was conducted using Pearson Product Moment correlation analysis. The validity criteria were determined based on the comparison between r-count and r-table values. With 150 respondents and a significance level of 5%, the r-table value is 0.160. All questionnaire items are considered valid when the correlation coefficient exceeds this value.

Table 4. Validity Test Results

Variable	Item	Correlation Value (r-count)	r-table	Result
Understanding Halal Regulations	X1.1	0.721	0.160	Valid
	X1.2	0.764	0.160	Valid
	X1.3	0.812	0.160	Valid
	X1.4	0.785	0.160	Valid
Certification Benefits Perception	X2.1	0.756	0.160	Valid
	X2.2	0.823	0.160	Valid
	X2.3	0.791	0.160	Valid
	X2.4	0.748	0.160	Valid
Ecosystem Support	X3.1	0.734	0.160	Valid
	X3.2	0.779	0.160	Valid
	X3.3	0.805	0.160	Valid
	X3.4	0.716	0.160	Valid
Halal Compliance Readiness	Y1	0.801	0.160	Valid
	Y2	0.836	0.160	Valid
	Y3	0.794	0.160	Valid
	Y4	0.822	0.160	Valid

Table 4 presents the validity test results for each research instrument item. The validity analysis was conducted by comparing the correlation value (r-count) of each item with the r-table value of 0.160 at a significance level of 5%. The results indicate that all questionnaire items across the

four research variables have r-count values exceeding the r-table value, with values ranging from 0.716 to 0.836. Specifically, all indicators for understanding halal regulations (X1), perceptions of certification benefits (X2), ecosystem support (X3), and halal compliance readiness (Y) are categorized as valid. These findings confirm that each measurement item adequately represents its respective construct and is appropriate for further statistical analysis.

4.4 Reliability Test

Reliability testing was conducted using Cronbach's Alpha coefficient. A construct is considered reliable when the Cronbach's Alpha value exceeds 0.70.

Table 5. Reliability Test Results

Variable	Cronbach's Alpha	Standard Value	Result
Understanding Halal Regulations (X1)	0.821	0.70	Reliable
Perceptions of Certification Benefits (X2)	0.847	0.70	Reliable
Ecosystem Support (X3)	0.816	0.70	Reliable
Halal Compliance Readiness (Y)	0.861	0.70	Reliable

Table 5 presents the reliability test results for each research variable based on Cronbach's Alpha values. The results indicate that all constructs have Cronbach's Alpha values exceeding the minimum standard value of 0.70, demonstrating strong internal consistency of the measurement instruments. Understanding halal regulations (X1) obtains a Cronbach's Alpha value of 0.821, perceptions of certification benefits (X2) records 0.847, ecosystem support (X3) achieves 0.816, and halal compliance readiness (Y) obtains the highest value of 0.861. These findings confirm that all questionnaire items consistently measure their respective constructs and are reliable for further statistical analysis.

4.5 Classical Assumption Test

4.5.1 Normality Test

The normality test was conducted using the Kolmogorov–Smirnov test to determine whether the residual values follow a normal distribution pattern. The results show a test statistic value of 0.071 with a significance value of 0.200, which exceeds the threshold value of 0.05. This indicates that the residual data are normally distributed, confirming that the regression model satisfies the normality assumption and is appropriate for further statistical analysis.

4.5.2 Multicollinearity Test

Table 6. Multicollinearity Test Results

Variable	Tolerance	VIF	Decision
Understanding Halal Regulations (X1)	0.672	1.488	No Multicollinearity
Certification Benefits Perception (X2)	0.615	1.626	No Multicollinearity
Ecosystem Support (X3)	0.704	1.421	No Multicollinearity

Table 6 presents the multicollinearity test results for the independent variables in the regression model. The analysis was conducted using tolerance and Variance Inflation Factor (VIF) values to determine whether correlation problems exist among independent variables. The results show that understanding halal regulations (X1) has a tolerance value of 0.672 and VIF value of 1.488, perceptions of certification benefits (X2) have a tolerance value of 0.615 and VIF value of 1.626, while ecosystem support (X3) obtains a tolerance value of 0.704 and VIF value of 1.421. All variables have

tolerance values above 0.10 and VIF values below 10, indicating that the regression model does not experience multicollinearity problems and is suitable for further analysis.

4.6 Multiple Linear Regression Analysis

Multiple regression analysis was conducted to examine the influence of understanding halal regulations, perceptions of certification benefits, and ecosystem support on halal compliance readiness.

Table 7. Multiple Linear Regression Results

Variable	Regression Coefficient (β)	t-value	Sig.
Constant	0.842	2.115	0.036
Understanding Halal Regulations (X1)	0.286	4.327	0.000
Certification Benefits Perception (X2)	0.341	5.126	0.000
Ecosystem Support (X3)	0.219	3.482	0.001

Based on Table 7, the multiple linear regression analysis shows that all independent variables have positive coefficients, indicating that increases in understanding halal regulations, perceptions of certification benefits, and ecosystem support contribute to higher halal compliance readiness among MSMEs. The largest reported regression coefficient is observed for perceptions of certification benefits (0.341), followed by understanding halal regulations (0.286) and ecosystem support (0.219). The hypothesis testing results confirm that all proposed hypotheses are supported, where understanding halal regulations significantly influences halal compliance readiness ($t = 4.327$; $p < 0.05$), perceptions of certification benefits show the largest reported coefficient and a significant influence ($t = 5.126$; $p < 0.05$), and ecosystem support also demonstrates a significant positive effect ($t = 3.482$; $p < 0.05$). These findings indicate that MSMEs' readiness to implement halal compliance is strengthened by adequate regulatory knowledge, recognition of certification advantages, and effective institutional support mechanisms.

4.7 Simultaneous Test and Coefficient of Determination

Table 8. F-Test and R² Results

Analysis	Value
F-value	68.425
Sig. F	0.000
R Square	0.585
Adjusted R Square	0.576

The F-test results indicate that understanding halal regulations, perceptions of certification benefits, and ecosystem support simultaneously have a significant influence on halal compliance readiness ($F = 68.425$; $p < 0.05$), confirming that H4 is accepted. Furthermore, the coefficient of determination (Adjusted R²) value of 0.576 shows that 57.6% of the variation in halal compliance readiness can be explained by the three independent variables included in the model, while the remaining 42.4% is influenced by other factors outside the research framework, such as financial capability, business scale, managerial commitment, and market demand. These results demonstrate that the proposed model provides substantial explanatory power in understanding the determinants of MSMEs' readiness toward halal compliance.

4.8 Discussion

The first hypothesis confirms that understanding halal regulations significantly influences halal compliance readiness among MSMEs in Indonesia. This finding indicates that regulatory knowledge serves as a fundamental factor enabling MSMEs to recognize certification obligations, understand compliance procedures, and adjust their operational activities according to halal standards. MSMEs with stronger regulatory understanding are more capable of reducing uncertainty and preparing the necessary resources for halal certification, while limited knowledge may hinder their willingness to adopt halal practices (Nasution, 2024; Wibowo et al., 2024). This result reinforces the role of regulatory literacy as a cognitive foundation of compliance readiness within the integrated model tested in this study.

The second hypothesis demonstrates that perceptions of certification benefits have the largest reported regression coefficient in relation to halal compliance readiness. This finding indicates that MSMEs are more likely to pursue halal compliance when they perceive certification as providing strategic advantages, including increased consumer trust, stronger product reputation, and wider market opportunities (Bux et al., 2022). The results suggest that halal certification should be positioned not only as a regulatory requirement but also as a business strategy that supports competitiveness and sustainability (Yazid et al., 2020; Yuniastuti & Pratama, 2023). Positive perceptions encourage MSMEs to allocate resources and make operational adjustments required for compliance. This finding highlights the motivational dimension of readiness by showing the relative prominence of perceived strategic value within the estimated model.

The third hypothesis confirms that ecosystem support significantly influences halal compliance readiness, indicating the importance of external assistance in facilitating MSMEs' transition toward halal compliance. Support from government institutions, certification bodies, universities, and industry associations through training, mentoring, and certification facilitation helps MSMEs overcome technical and administrative barriers (Marnita, 2024). The simultaneous influence of all variables demonstrates that halal compliance readiness is a multidimensional process involving knowledge, motivation, and institutional support. Therefore, strengthening regulatory literacy, communicating certification benefits, and developing supportive halal ecosystems are necessary approaches to accelerate halal compliance among MSMEs in Indonesia. The contribution of this study lies in examining this institutional dimension together with regulatory knowledge and perceived certification benefits in one empirical model.

CONCLUSION

This study examines the influence of understanding halal regulations, perceptions of certification benefits, and ecosystem support on halal compliance readiness among MSMEs in Indonesia. The findings demonstrate that all proposed variables significantly affect MSMEs' readiness to fulfill halal compliance requirements. Regulatory understanding positively contributes to compliance readiness by enabling MSMEs to recognize halal standards, certification procedures, and regulatory obligations. Perceptions of certification benefits show the largest reported regression coefficient, indicating that MSMEs are more motivated to adopt halal standards when certification is perceived as a strategic opportunity to enhance consumer trust, business reputation, and market access. Furthermore, ecosystem support plays an important role in facilitating MSMEs through training, mentoring, information access, and certification assistance. The combined influence of these factors explains 57.6% of the variation in halal compliance readiness, indicating that knowledge, perceived value, and institutional support are important elements in accelerating halal certification adoption among MSMEs. The study contributes by integrating these cognitive, motivational, and

institutional dimensions within a single empirical model of MSME halal compliance readiness. The findings imply that stakeholders should strengthen halal education, improve certification facilitation, and develop collaborative ecosystems, while future research may consider additional factors such as financial capability, technological readiness, managerial commitment, and competitive pressure to provide a broader understanding of halal compliance behavior.

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