

2025-11

Exploring Small Food Businesses for Halal Certification: A Case Study

Alam, Md. Mahbub

School of Business and Entrepreneurship, Independent University, Bangladesh (IUB)

<https://icebtm.iub.edu.bd>

Downloaded from IUB Academic Repository

Exploring Small Food Businesses for Halal Certification: A Case Study

Md. Mahbub Alam¹, Mohammad Mominul Islam²

¹ mahbubsbe@iub.edu.bd, mahbub@consultant.com, ² mominul.cba@iubat.edu/ islammominul8210@gmail.com

¹ Independent University, Business (IUB)

² International University of Business Agriculture and Technology (IUBAT)

PAPER ID : ICEBTM-25-1158

Abstract- This study investigates the intentions, challenges, and prospects of halal certification among small food enterprises in Bangladesh, followed by a focus group discussion, conducted in Dhaka on April 13, 2025, with 25 small business owners divided into five groups. The sessions were guided by nine literature-based questions and analyzed through content analysis using ATLAS.ti 2025, drawing on the Resource-Based View (RBV), Knowledge-Based View (KBV), Institutional Theory (IT), and Islamic Principles (IP). Findings indicate that halal certification is widely recognized as a strategic advantage in Bangladesh's Muslim-majority context, thereby strengthening trust, credibility, and driving business growth. Nonetheless, entrepreneurs reported key challenges, such as limited knowledge, restricted access to certification experts, and risks of fraud in the certification process. The study provides significant managerial and policy insights, suggesting that supporting halal certification can stimulate innovation, promote small business development, and contribute to the UN's 12th Sustainable Development Goal on responsible production and consumption.

Keywords: Halal Food, Islamic Marketing, The Knowledge-based View, The Resource-based View

I. INTRODUCTION

Halal certification brings competitive advantages for business [1-3]. Halal, derived from the Noble Qur'an, is an Arabic term meaning *permissible*. It has evolved into a powerful business driver that stimulates consumer demand [4-5]. For Muslims, consuming halal products is an act of worship and a way to fulfill their religious obligations [6-7]. Interestingly, the Islamic orientation of halal marketers has also influenced non-Muslims to adopt halal consumption [8].

Globally, halal consumption represents a significant economic force. In 2021, 1.9 billion Muslims collectively spent US\$2 trillion on halal products, reflecting an 8.9% increase from 2020. This figure is projected to reach US\$2.8 trillion by 2025 [9]. The halal economy now encompasses a diverse range of industries, including food, fashion, finance, tourism, media, pharmaceuticals, and cosmetics [10-13].

Products carrying the halal logo often gain added value, highlighting the significance of halal certification [14-16].

Problem Statement

Halal certification (HC), rooted in Islamic principles, serves as the foundation of halal assurance [4]. While HC provides competitive advantages [6,17], it also encounters numerous challenges [18-19]. Much of the existing research has centered on large corporations, with limited attention given to small businesses, particularly in Bangladesh, where small farms and food producers remain underexplored.

Within the food sector, halal signifies products permissible for both Muslims and non-Muslims. Research suggests that *halalpreneurs* tend to be more successful and exhibit greater commitment to faith compared to other entrepreneurs [7]. However, the motivations, awareness, and religious convictions of Bangladeshi *halalpreneurs*—especially small-scale food producers—are yet to be documented.

Moreover, firms in Muslim-majority countries are increasingly prioritizing halal food production in response to regulations and growing consumer demand [20]. Yet, due to the religious sensitivity of halal and its deep connection to Islamic law, small and medium enterprises (SMEs) often face unique cultural and religious challenges when attempting to access global markets [21]. Despite this, little is known about how Bangladeshi small food businesses perceive halal certification or their willingness to pursue it.

Research Aim and Objective

Halal-certified food appeals to a broad audience. Muslims, Christians, and Jews choose it for religious reasons, while non-religious consumers often favor halal products for their cleanliness, hygiene, purity, health benefits, and overall quality. Such trends are evident in Malaysia, Indonesia, Brunei, and Singapore, particularly among small and micro halal food entrepreneurs. Still, in Bangladesh, the willingness of small businesses to pursue halal certification remains unclear. Against this backdrop, the current study aims to investigate small food businesses' perspectives on halal certification, identifying their challenges and potential solutions. The core objective is to understand how small food producers in Bangladesh view halal certification.

II. LITERATURE REVIEW

The appeal, quality, and demand for food products are strongly tied to both the religious orientation of producers and the presence of halal certification [22-26]. Cleanliness in

production facilities is a critical requirement for halal compliance. However, obtaining certification from recognized authorities is often complex. Countries like Brunei, Indonesia, and Malaysia have excelled in this area due to strong governmental support [27]. In contrast, Bangladeshi food producers, especially small businesses, have received limited scholarly attention. Countries with large Muslim populations should consider learning from Southeast Asia, where halal certification frameworks have successfully adapted non-Muslim cuisines for Muslim consumers. A further challenge arises in Muslim countries where access to qualified Islamic scholars or institutions to issue certification is limited [28]. Fortunately, this is less of a concern in Bangladesh. Still, compared to its Southeast Asian counterparts, Bangladesh remains underexplored in the context of halal certification and halal entrepreneurship.

As both Muslim and non-Muslim populations grow, managing the halal food industry is becoming increasingly complex. Many small producers lack the religious knowledge or compliance capacity to meet halal standards, making the role of accredited certification bodies essential. Moreover, country-specific policies further complicate halal certification processes [29]. Thus, examining the case of Bangladeshi small food businesses represents an urgent yet neglected research area.

2.1. Islamic Norms

Scholars caution that Western business theories alone are insufficient to explain the unique religious and cultural dimensions of halal [30-32]. To address this gap, the present study incorporates Quranic principles alongside established Western frameworks—including the Resource-Based View (RBV), Knowledge-Based View (KBV), and Institutional Theory (IT)—into a combined “Square Approach” (SA) illustrated in Figure 1. This integrated perspective provides a more comprehensive foundation for promoting halal certification among small food businesses.

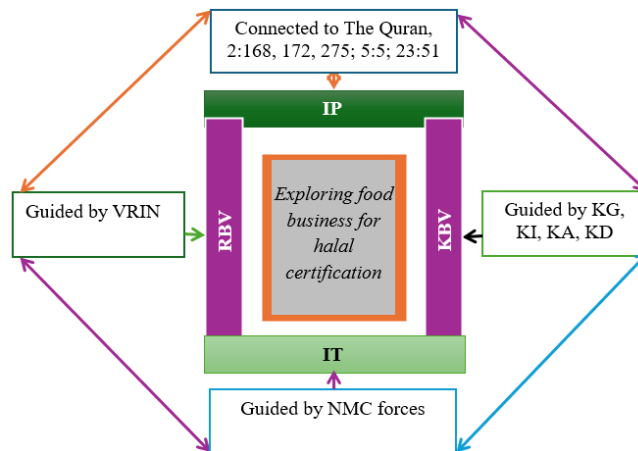


Figure 1: The Square Approach (SA) for halal food businesses (Source: Original)

The SA is shaped like four angles. The first one includes Islamic principles (IP) outlining key verses relating to halal and tayyib food consumption. The Noble Quran ordains humankind to consume halal and tayyib food.

It says:

يَا أَيُّهَا النَّاسُ كُلُوا مِمَّا فِي الْأَرْضِ حَلَالًا طَيِّبًا وَلَا تَتَّبِعُوا خُطُوَاتِ الشَّيْطَانِ إِنَّهُ لَكُمْ عَدُوٌّ مُبِينٌ

(O humanity! Eat from what is lawful and good on the earth and do not follow Satan’s footsteps. He is truly your sworn enemy (<https://quran.com/2:168>).

It outlines to the believers:

يَا أَيُّهَا الَّذِينَ ءَامَنُوا كُلُوا مِن طَيِّبَاتِ مَا رَزَقْنَاكُمْ وَاشْكُرُوا لِلَّهِ إِن كُنتُمْ إِتَّعَدُونَ

(O believers! Eat from the good things We have provided for you. And give thanks to Allah if you ‘truly’ worship Him ‘alone’ (<https://quran.com/2:172>).

It particularly ordains to the messengers:

يَا أَيُّهَا الرُّسُلُ كُلُوا مِنَ الطَّيِّبَاتِ وَاعْمَلُوا صَالِحًا إِنِّي بِمَا تَعْمَلُونَ عَلِيمٌ

(O messengers! Eat from what is good and lawful, and act righteously. Indeed, I fully know what you do (<https://quran.com/23:51>).

It also broadens the scope of halal food, explaining:

الْيَوْمَ أُحِلَّ لَكُمُ الطَّيِّبَاتُ وَطَعَامُ الَّذِينَ أُوتُوا الْكِتَابَ لَكُمْ وَطَعَامُكُمْ لَهُمْ

(Today, all good, pure foods have been made lawful for you. Similarly, the food of the People (Christians and Judaists) of the Book (<https://quran.com/5:5>).

The four verses 2:168,172; 23:51 and 5:5 ordain for halal food consumption. Halal food consumption is not a choice or priority, but a right for all. All people, including believers and non-believers, must have access to good and wholesome (halal and tayyib) food. If people consume halal food, its market coverage will expand. As such, the IP through the prescriptive verses stresses halal food consumption.

Halal food consumption can be accelerated if the businesses of halal-certified food expand. The noble Quran focuses on halal business by saying:

وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الزُّبْنَ

Allah has permitted trading and forbidden interest (<https://quran.com/2:275>).

Normally, the food is halal (permitted) if no haram (prohibited) issues are associated with it according to IP. The food is halal, but non-certified. Halal-certified food ensures that no haram issues persist during the production and delivery stages. Halal certification portrays the halal logo (حَلَال) symbolizing spirituality, responsibility, trust, and a tool for tangible and intangible resources for business. Importantly, IP denotes the sources of knowledge or the KBV.

2.2. The Knowledge-Based View (KBV)

The Knowledge-Based View (KBV), introduced by [33], posits that firms achieve a competitive advantage through knowledge gathering (KG), knowledge integration (KI), knowledge application (KA), and knowledge dissemination (KD) [34]. KG involves employee training, expert engagement, and developing reading habits to strengthen knowledge bases [35]. KI refers to combining knowledge sources and evaluating how effectively employees assimilate them [33]. KA translates theoretical insights into practical use while assessing their workplace relevance [36]. KD, in turn, is the distribution of knowledge at both individual and organizational levels [37].

For halal food producers and marketers, Islamic Principles (IP) represent a crucial knowledge base for navigating certification and business operations. Firms can benefit from the expertise of halal certifiers, scientists, and Islamic scholars to ensure compliance [38-42]. Thus, KBV in a halal context depends on KG, KI, KA, and KD of IP. Over time, this knowledge-driven approach evolves into the Resource-Based View (RBV).

2.3. The Resource-Based View (RBV)

The Resource-Based View (RBV), developed by [43], highlights valuable, rare, and scarce resources as key drivers of success [44]. RBV has been applied in diverse fields, including international marketing [45], innovation [46], and brand management [47]. According to RBV, firms outperform competitors by securing superior resources [48].

Halal certification itself is considered a valuable resource that provides producers with a competitive advantage [40-41]. Producers pursue certification not only to comply with Islamic requirements but also to

strengthen market positioning [49]. Even non-Muslim firms recognize halal certification (HC) as a strategic resource [50]. Therefore, the timely institutionalization of HC can enhance competitiveness across the food industry [42].

2.4. The Institutional Theory (IT)

Institutional Theory (IT) explains organizational change through coercive, normative, and mimetic (CNM) pressures [51]. Coercive pressures emerge from government regulations [52], normative pressures stem from industry expectations [53], and mimetic pressures arise from competitors' practices [54].

In the halal context, RBV highlights the strategic value of certification, while IT emphasizes the role of regulatory and industry in embedding certification practices [55,39]. Government involvement, together with collaboration among Islamic scholars, certifiers, policymakers, and food marketers, is vital for institutionalizing halal certification. IT therefore fosters a systematic environment for halal stakeholders to strengthen certification processes.

III. METHODOLOGY

3.1. Research Approach

This study adopts an inductive approach, moving from specific observations to broader theoretical insights. Inductive reasoning emphasizes theory-building rather than heavy reliance on quantitative tools [56]. Here, Islamic principles were first examined, and their dimensions were then aligned with RBV, KBV, IT, and participants' perspectives to construct the proposed Square Approach (SA).

Square Approach

The Square Approach is built on four foundations:

Islamic principles (IP) on halal food as the baseline.

KBV constructs rooted in IP.

RBV, which validates heterogeneity of resources.

IT, which fosters synergy among practitioners and policymakers.

Together, IP, KBV, RBV, and IT form the SA framework used in the analysis.

3.3. Sample Size

Judgmental and convenience sampling were applied to select small food entrepreneurs in Dhaka City. Using judgmental and snowball techniques, 25 participants were recruited: 20 current business owners and 5 prospective entrepreneurs. They were divided into five groups of five participants each.

3.4. Data Collection

Focus Group Discussions (FGDs) were conducted with mixed male and female participants. A semi-structured guide of nine questions—derived from prior halal certification literature—was used (see Appendix 1). Discussions were audio-recorded with participants' consent, and written summaries were collected for validation.

3.5. FGD Protocol

3.6. Data Analysis

IV. RESULTS AND ANALYSIS

Table 1 outlines the demographic details of participants in focus group discussions (FGDs) related to food products. There was a total of 25 participants, comprising 18 females and 7 males. One group included a non-Muslim female participant. The participants traded various food items such as processed foods (yogurt, sausages, pickles, cakes) and homemade foods. Their education ranged from the Secondary School Certificate to postgraduate degrees.

Figure 2: Content analysis (Source: Original)

4.3. Concept analysis

Table 1: Details of the FGD participants

SL	Gender	Product nature	Age & Education	Discussion Time
Group 1	Male 2, Female 3, with 1 non-Muslim	Processed food, Yogurt, Sweet, Borhani, Soybean	21 – 28, SSC- post-graduation	1 hour
Group 2	Female 5	Processed food, sausages, pickles, cake, soya food, Agricultural food products, Homemade food	27-46, SSC- Graduation	1 hour
Group 3	Male 5	Soyabean, Tomato, sweets, doi, matha, burhani, Matha, lacchi (local and traditional food)	22-28, HSC- Graduation	1 hour
Group 4	Female 5	Homemade food	26-43, SSC-HSC	1 hour
Group 5	Female 5	Intending to do food business	28-39, JSC-HSC	1 hour
Five groups	18 female, 7 male	Processed food with agricultural inputs	21-46, SSC- post-graduation	5 hours

The fifth group indicated an interest in starting a food business. The discussions varied in length, with Group 1 having a one-hour discussion, while all groups collectively took about five hours in total.

4.2. Content analysis

The content in Figure 2 reveals that halal certification is widely perceived as a strong competitive advantage in a Muslim-majority context, contributing to

4.4. Perceptions of small food businesses on halal certification

4.4.1. Advantages of Halal Certification

Group One emphasized that in a Muslim-majority country, halal certification is vital for business success as it ensures compliance with Islamic principles, strengthens consumer trust, enhances goodwill, and boosts sales. With Muslims comprising 98% of the population, certification provides a significant competitive edge.

Group Two highlighted that halal certification enhances credibility, brand reputation, and consumer trust. By attracting more customers and supporting business growth, it strengthens alignment with halal values, making it a strategic business tool.

Group Three described halal certification as a strategic asset for food businesses. It drives growth, symbolizes purity, enhances consumer loyalty, and provides a competitive advantage in the marketplace.

Group Four noted that halal certification guarantees compliance with Islamic dietary laws while appealing to a growing market of halal-conscious consumers. It expands business opportunities, attracts more customers, and increases satisfaction by meeting consumer preferences.

Group Five viewed certification as beneficial both individually and collectively. It fosters consumer trust, supports customer preference for halal products, and underscores the importance of market acceptance.

4.4.2. Challenges with Halal Standards

Group One expressed confidence in existing standards, stressing the importance of consumer awareness about halal and haram. They acknowledged that while compliance can be demanding, it is achievable with effort and vigilance.

Group Two generally regarded national standards and industry practices positively but admitted that some respondents struggle with compliance due to uncertainty or limited understanding of the requirements.

Group Three agreed that current halal standards are adequate and comprehensive. However, they acknowledged challenges in avoiding prohibited elements and noted that small organizations often find the standards difficult to interpret.

Group Four emphasized that understanding the standards is essential for overcoming difficulties. While some respondents reported no issues, others pointed to challenges related to storage conditions and the shelf life of processed foods. One participant admitted not knowing the standards.

Group Five suggested that knowledge of the standards helps in addressing compliance, particularly for processed food and storage. Still, some respondents face difficulties, with a few relying on general guidelines due to limited awareness.

4.4.3. Challenges with Production Inputs

Group One indicated that sourcing halal raw materials in Bangladesh is relatively easy because of the country's abundant natural resources and Muslim-majority environment. They stressed avoiding inappropriate or non-halal materials.

Group Two reported minimal difficulties in sourcing inputs, though some materials are seasonal, affecting consistent availability. Group Three believed that sourcing halal raw materials is manageable due to their natural availability in the local context. While some expected initial challenges, they felt these could be resolved with effort and did not view sourcing as a major obstacle.

Group Four confirmed access to raw materials but raised concerns about maintaining quality standards, particularly storage and preservation. Most respondents considered sourcing manageable with care, though one found it potentially problematic.

Group Five expressed mixed views. Some believed supply sources were adequate, while others anticipated challenges or worried about limited availability. They emphasized the need for careful verification of raw materials.

Challenges with Halal Certification Experts

Group One observed that although general awareness of halal and haram exists, experts specifically trained in halal certification are scarce and not easily accessible. Group Two offered mixed perspectives: some participants felt there were enough experts available, while others argued that the number of qualified professionals remained limited.

Group Three pointed out a lack of accessible certification experts. While some relied on personal contact, others found it difficult to secure qualified professionals. Group Four noted that although experts exist in various disciplines, those specializing in halal certification are not widely known or easily accessible. Business owners must make extra efforts to identify trustworthy individuals committed to Islamic principles.

Similarly, Group Five acknowledged the presence of halal certification experts but emphasized that they are not well-

recognized or easily approachable. Entrepreneurs must actively seek reliable and devoted professionals with expertise in relevant fields.

4.4.4. Challenges with Halal Certification Experts

Group One highlighted misuse and corruption within the halal certification process as major concerns. They noted that certification is often difficult to obtain, with bribery and false labeling—using the halal logo for profit without genuine compliance—common due to weak enforcement. They stressed that such malpractice should be criminalized.

Group Two warned that high demand for certification increases the likelihood of misuse, while Group Three identified practices such as applying one certificate across multiple products, duplicating certificates, and bribery as prevalent issues. They called for strict government enforcement and oversight from consumer rights groups.

Group Four perceived a significant risk of malpractice, including mixing halal and haram products and duplicating certificates, which undermines certification credibility. Stronger monitoring was deemed essential, especially as demand rises.

Group Five also underscored the risks of manipulation, corruption, and mixing of halal and haram products. They cautioned that the certification process itself may be flawed, making fake certifications harder to control as demand increases. Stronger regulatory oversight was recommended.

4.4.6. Operationalizing Halal Certification

Group One described the certification process as complex, citing bureaucratic hurdles and unhelpful authorities, and suggested that the system be simplified. Group Two stressed that certification is particularly burdensome for small businesses, as it is time-consuming and complicated, with authorities often providing inadequate services. They emphasized the need for clearer guidance and support.

Group Three agreed that the process is initially complicated but can become manageable with proper guidance and experience. Group Four noted that dedication and adherence to halal norms make the process manageable, while challenges help deepen understanding of certification's value.

Group Five echoed this perspective, stating that commitment and a clear understanding of Islamic principles make certification achievable. They viewed

initial challenges as beneficial for long-term business success.

4.4.7. Knowledge for Managing Halal Certification

Group One admitted a lack of knowledge and expertise but expressed determination to learn. Group Two pointed to challenges related to supply chains and insufficient knowledge of certification. Group Three also reported inadequate knowledge, particularly regarding products and production processes, and stressed the need to address this gap.

Group Four participants felt they had sufficient knowledge and could manage halal-certified businesses. Group Five gave varied responses: one participant reported adequate knowledge, while others admitted little or no understanding of certification.

Halal Supply Chain Challenges

Group One emphasized the complexity of maintaining halal integrity throughout the supply chain, particularly when uncertified raw materials or chemicals are involved. They highlighted the need for all employees to be familiar with halal standards.

Group Two noted that maintaining standards across supply chains is difficult, with challenges including delays, shortages of raw materials, mixing of halal and haram items, and poor storage or transport conditions. Group Three argued that Bangladesh lacks an integrated halal supply chain, identifying gaps in quality control, warehousing, marketing, and employee training in Islamic guidelines.

Group Four acknowledged that the supply chain in Bangladesh is underdeveloped. While management is possible, maintaining halal integrity remains challenging. They suggested that developing strong halal businesses will gradually strengthen the supply chain.

Group Five concluded that the halal supply chain is still immature and presents serious concerns. Managing the entire process—from raw material sourcing to product delivery—is difficult, with maintaining integrity especially challenging due to the absence of a structured, reliable supply chain.

Other Issues in Halal Certification

Group One highlighted the importance of marketing halal-certified products but noted limited awareness of certification requirements. They recommended stricter monitoring, better training, and even incorporating Quranic verses on packaging alongside the halal logo.

Group Two stressed the need for accessible training and guidance from certifying authorities. Group Three acknowledged the potential benefits of halal certification but pointed to limited expertise and poor access to trained personnel. They recommended more professional training, ethical practices, simplified processes, and stronger government oversight.

Group Four emphasized that halal certification enhances business appeal while fulfilling Islamic obligations, thereby fostering trust and business success. Group Five agreed, noting that certification improves sales and customer trust, and highlighted the importance of knowledge sharing for raising awareness and ensuring business sustainability.

Code-Quotation Analysis with Gender

Table 2 compares the responses of male and female participants. Female participants contributed 62 quotations, primarily focused on knowledge for navigating halal certification, followed by its advantages, supply chain issues, and fraud concerns. Both male and female participants agreed that halal certification, supported by the halal logo, represents a spiritual symbol that boosts sales and goodwill for halal food businesses. This reflects the value of halal certification as a resource with rarity, inimitability, and non-substitutability (VRIN).

Table 2: Code Quotations for gender

Perceived Issues	● Female Gr=167	● Male Gr=105
● Advantages of HC Gr=49	32	17
● Challenges of raw materials Gr=15	12	2
● Challenges of standards Gr=19	9	9
● Fraudulence and misuse of HC Gr=38	23	15
● Halal supply chain Gr=46	32	13
● HC experts Gr=25	14	8
● Knowledge to handle HC Gr=56	33	20
● Operationalizing HC Gr=24	10	11
● Other HC issues Gr=43	24	20

Source: Original

Further, Figure 4 shows the associations across the participants and perceived issues. The nine perceived issues are linked to the male and female. The thicker part of the figure, the more issues they perceived. The number of quotations (Gr) in the table and the thickness of the Sankey diagram are consistent.

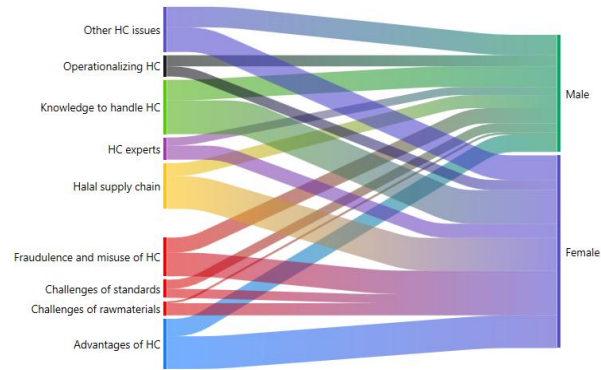


Figure 4: Code-occurrence analysis with gender (Source: Original)
Thematic analysis

Table 3 presents the central theme explored in the study. The first column depicts the perceived issues asked of the participants. Their responses are shown in the second column, derived from quotations or opinions with frequencies.

Table 3: Thematic table of integrating RBV, KBV, and IT with the halal food business

Perceived Issues	Theoretical Issues	Subthemes	Main Theme
Halal certification (HC) advantage	RBV of HC	RBV of HC depends on Islamic knowledge acquisition, integration, application, and dissemination.	Islamic principles (IP) with the KBV produce the RBV of HC, which requires widespread integration across stakeholders and overcomes barriers to HC institutionalization.
Halal standard challenges	KBV of HC	KBV results in RBV of HC, which is pervasive and crucial across the business, supply chain, and internal and external stakeholders. KBV can overcome the barriers to leverage HC.	
Halal supply chain challenges			
Halal certification expert challenges			
Knowledge to manage HC			
Complexity of operationalizing HC	IT of HC	The successful institutionalization of HC in the halal food industry depends on macro and micro endeavors.	
Fostering institutionalization of HC			

Source: Original

The quotation frequencies are linked to specific theoretical constructs. These constructs outline the subthemes. All subthemes have been mapped to reveal a common pattern, represented by a main theme. The main theme indicates that Islamic principles (IP) combined with the KBV generate the RBV of HC, which requires widespread stakeholder integration and overcomes barriers to HC institutionalization.

According to Table 3, the thematic map is illustrated in Figure 5. The figure demonstrates that Quranic verses represent Islamic principles (IP), which define the rules governing the halal food business. The halal food business must view IP as the core to achieve KBV. Applying KBV results in the RBV. Furthermore, IT synthesizes the stakeholders of both KBV and RBV to promote and institutionalize HC.

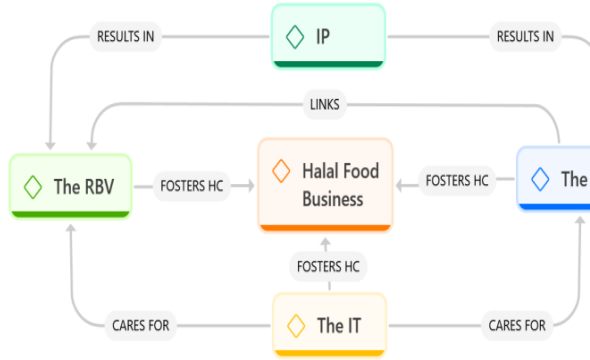


Figure 5: Thematic map focusing on SA (Source: Original)

In other words, IP symbolizes water, and the KBV symbolizes a garden. The benefits of HC (RBV) are the fruits. Then, IT is about caring for the garden. Watering the garden carefully yields fruit. Therefore, IP extends its spiritual dimensions to bring economic breakthroughs in small halal businesses. Small halal companies must explore and manage Islamic resources for halal certification.

V. DISCUSSION AND IMPLICATIONS

The study reveals that halal certification provides significant competitive advantages. Previous research has consistently emphasized these benefits, showing that halal certification not only fulfills religious obligations but also establishes global standards and influences consumer behavior in both Muslim and non-Muslim societies [57-58]. For non-Muslims, halal certification is often linked to hygiene, ethics, and quality [1], whereas Muslims perceive it as a means of upholding religious laws and worship [59]. Thus, halal certification embodies both spiritual and material benefits [60, 40-41].

Despite these advantages, this study highlights several challenges, including shortages of raw materials, limited halal certification experts, inadequate knowledge of Islamic principles, and weak halal supply chains. Prior research shows that such challenges include limited availability of inputs [61-62], a shortage of qualified experts [19], fraud [63], operational difficulties, and fragmented supply chains [3]. Interestingly, this study did not identify halal standards themselves as a problem, even though scholars have questioned the variations across standards that hinder business expansion.

Some producers continue to use inputs that contradict Islamic principles, such as haram-based gelatin [62], contamination between halal and haram products

[19,39,41], questionable additives [63], GMOs, and alcohol-based treatments [64]. Such practices pose risks to the halal status of products.

The findings also show that small food businesses are particularly concerned about fraud and malpractice in halal certification. Criticisms include fraudulent practices, dubious accreditation [65], misuse of the halal logo [2], lack of authenticity [63], mislabeling, and halal-related scandals [66-68]. Addressing these issues requires the combined efforts of individuals, businesses, and governments. These efforts align with the coercive, normative, and mimetic (CNM) pressures described by institutional theory [51]. Furthermore, Islamic norms can guide decisive actions, where government regulation (coercive), industry standards (normative), and imitation among producers (mimetic) contribute to the institutionalization of halal certification [40].

From a theoretical perspective, halal certification is a resource. The Resource-Based View (RBV) emphasizes its role in providing firms with unique advantages [34,43, 69]. Institutional Theory (IT) ensures alignment with stakeholders [40-41], while RBV highlights competitive differentiation. Together, IT and RBV provide complementary insights for strengthening halal-aligned businesses. Likewise, the Knowledge-Based View (KBV) underscores the need to acquire, integrate, and apply knowledge to sustain competitiveness [36]. In halal trade, embedding Islamic knowledge within the KBV framework is essential for ensuring competitive advantage [70].

Scholarly Implications

This study contributes by extending RBV, KBV, and IT into the halal business context, which remains underexplored compared to conventional business. It introduces the concepts of Halal RBV and Halal KBV, while integrating Islamic principles into institutional theory. These constructs contribute to the development of halal entrepreneurship theory, particularly within the context of small food businesses in Bangladesh. This originality lies in addressing gaps in halal marketing knowledge and contextualizing theoretical frameworks in halal entrepreneurship.

Managerial Implications

For practitioners, the findings highlight how halal certification can foster business innovation, support small-scale entrepreneurs, and contribute to microeconomic growth. Small businesses can draw practical insights into the certification process, enabling them to enhance awareness and competitiveness in the halal economy. This study, therefore, serves as a roadmap for small food enterprises aiming to access halal markets.

Policy Implications

Policy implications emphasize the need for certifiers and government agencies to support small businesses, which are often overlooked in certification frameworks. The findings align with the 12th United Nations Sustainable Development Goal (SDG) on responsible consumption and production, particularly in halal food. National institutions, such as the Bangladesh Standards and Testing Organization and the Islamic Foundation, can use these insights to design policies that strengthen certification processes, improve trust, and expand access to halal-certified food.

VI. CONCLUSION, LIMITATIONS, AND FUTURE RESEARCH

This study fills a gap in academic literature on the integration of small businesses into halal certification. Findings reveal that entrepreneurs view halal certification as a competitive advantage, enhancing consumer trust, brand credibility, and business growth. However, key challenges include limited expertise, difficulties in accessing certification professionals, fraud concerns, and bureaucratic complexities. While sourcing halal inputs appears manageable, maintaining supply chain integrity is a major challenge due to the lack of developed halal logistics systems.

Knowledge gaps also remain, with many entrepreneurs showing limited understanding of certification principles, highlighting the need for education and training. All groups emphasized stronger oversight, clearer communication from certifying authorities, and greater awareness to ensure trustworthy certification practices. Importantly, Islamic knowledge was identified as a critical factor in overcoming barriers and transforming challenges into opportunities.

Beyond managerial contributions, this study integrates RBV, KBV, IT, and IP, making it the first to examine halal certification among small businesses in Bangladesh. Nevertheless, limitations exist: many participants had limited knowledge of certification, and one focus group lacked direct business experience. Government and certification authorities were also excluded. Future research should involve both experienced entrepreneurs and regulatory bodies to develop a more comprehensive perspective. Incorporating IP alongside RBV, KBV, and IT offers a promising path for future exploration.

REFERENCES

- [1]. Abdou, A.H., Chan, M.P., Rehman, S.U., Albakhit, A.I.A. and Almakhayitah, M.Y. (2024), "Islamic food laws: customer satisfaction effect halal purchase intention in China. Moderating role of religiosity", *British Food Journal*, Vol. 126 No. 8, pp. 3088-3112. <https://doi.org/10.1108/BFJ-10-2023-0875>
- [2]. Abd Rahman, A., Hassan, B.S., MohdHizam, H., and Mohani, A. (2017), "Influence of perceived benefits and traceability system on the readiness for Halal Assurance System implementation among food manufacturers", *Food Control*, Vol. 73, No. (Part B), pp. 1318-1326. <https://doi.org/10.1016/j.foodcont.2016.10.058>.
- [3]. Ab Rashid, N. and Bojei, J. (2020), "The relationship between halal traceability system adoption and environmental factors on halal food supply chain integrity in Malaysia", *Journal of Islamic Marketing*, Vol. 11 No. 1, pp. 117-142. <https://doi.org/10.1108/JIMA-01-2018-0016>
- [4]. Ab Talib, M.S. (2017), "Motivations and benefits of halal food safety certification", *Journal of Islamic Marketing*, Vol. 8 No. 4, pp. 605-624. <https://doi.org/10.1108/JIMA-08-2015-0063>
- [5]. Ahmad, A. N., Ungku, F. U., Zainal Abidin, M. O., and Russly, A. R. (2018), "Overview of the halal food control system in Malaysia", *Food Control*, Vol. 90, pp. 352-363. <https://doi.org/10.1016/j.foodcont.2018.02.035>
- [6]. Akram, H. W. (2022), "Global Halal business: a sectoral analysis", *International Journal of Business and Globalisation*, Vol. 30 No. 1, pp.111-130. <https://doi.org/10.1504/IJBG.2022.122291>
- [7]. Ali, M.H., Iranmanesh, M., Tan, K.H., Zailani, S. and Omar, N.A. (2022), "Impact of supply chain integration on halal food supply chain integrity and food quality performance", *Journal of Islamic Marketing*, Vol. 13 No. 7, pp. 1515-1534. <https://doi.org/10.1108/JIMA-08-2020-0250>
- [8]. Mathewa, V.N., Ardiana, M.R.B.A.B. and Siti, N.B.M.I. (2014), "Acceptance on halal Food among Non-Muslim Consumers", *Procedia - Social and Behavioral Sciences*, Vol. 121, pp. 262-271. <https://doi.org/10.1016/j.sbspro.2014.01.1127>
- [9]. Dinar Standard (2022), State of the global Islamic economy report 2021/2022. (Accessed November 2, 2022). <https://salaamgateway.s3.us-east-2.amazonaws.com/special-coverage/sgie22/pdf>.
- [10]. Islam, M.M., Ab Talib, M.S. and Muhamad, N. (2025b), "Halal certification of marketing mix focusing on cosmetics", *Journal of Islamic Marketing*, Vol. 16 No. 5, pp. 1371-1409. <https://doi.org/10.1108/JIMA-02-2024-0094>
- [11]. Islam, M.M. and Hasan, M.M. (2024), "Islamic Marketing of Conventional Banks: Bridging Managers' and Clients' Perceived Gaps", *International Journal of Islamic Accounting and Business Research*. <https://doi.org/10.1108/JIABR-11-2023-03>
- [12]. Islam, M.M., Ab Talib, M.S. and Muhamad, N. (2024a), "Developing theoretical lenses for upstream halal businesses", *Journal of Islamic Marketing*, Vol. 15 No.

- 1, pp. 192-220. <https://doi.org/10.1108/JIMA-05-2022-0156>
- [13]. Islam, M.M., Ab Talib, M.S. and Muhamad, N. (2024b), "Islamic Marketing and Circular Economy to Foster Sustainability of Product Life Cycle Enhancement, Strategic Islamic Business and Management. Contributions to Management Science. Springer, Cham. https://doi.org/10.1007/978-3-031-61778-2_7
- [14]. Jaiyeoba, H.B., Abdullah, M.A. and Dzuljastri, A.R. (2020), "Halal certification mark, brand quality, and awareness: Do they influence buying decisions of Nigerian consumers?", *Journal of Islamic Marketing*, Vol. 11 No. 6, pp. 1657-1670. <https://doi.org/10.1108/JIMA-07-2019-0155>
- [15]. Islam, M.M. (2021), "Segmenting, targeting and positioning in Islamic marketing", *Journal of Islamic Marketing*, Vol. 12 No. 7, pp. 1385-1404. <https://doi.org/10.1108/JIMA-10-2018-0181>
- [16]. Islam, M.M. (2018), "Islamic marketing practice as a panacea to social marketing criticism", *International Journal of Islamic Marketing and Branding*, Vol. 3 No. 2, pp. 104-115. <https://doi.org/10.1504/IJIMB.2018.094080>
- [17]. Salindal, N.A. (2019), "Halal certification compliance and its effects on companies' innovative and market performance", *Journal of Islamic Marketing*, Vol. 10 No. 2, pp. 589-605. <https://doi.org/10.1108/JIMA-04-2018-0080>
- [18]. Fuseini, A., Hadley, P. and Knowles, T. (2021), "Halal food marketing: an evaluation of UK halal standards", *Journal of Islamic Marketing*, Vol. 12 No. 5, pp. 977-991. <https://doi.org/10.1108/JIMA-02-2020-0037>
- [19]. Johan, E., and Schebesta, H. (2022), "Religious Regulation Meets International Trade Law: Halal Measures, a Trade Obstacle? Evidence from the SPS and TBT Committees", *Journal of International Economic Law*, Vol. 25 No. 1, pp. 61-73. <https://doi.org/10.1093/jiel/jgac003>
- [20]. Can, M. (2023). "The significance of religious affiliation in the internationalization of halal food SMEs", *Journal of Small Business Management*, Vol. 61 No. 1, pp. 45-67. <https://doi.org/10.1080/00472778.2022.2071234>
- [21]. Dube, M. and Soni, P. (2022). "The global halal food market: Trends, challenges, and opportunities", *Journal of International Business Studies*, Vol. 53 No. 5, pp. 1234-1250. <https://doi.org/10.1057/s41267-021-00382-2>
- [22]. Widiantoro, S., Arsyad, R. and Fathoni, M. (2019), "Halal Food Industry in Southeast Asia's Muslim Majority Countries: A Reference for Non-Muslim Countries", *Intellectual Discourse*, Vol. 27 No. 1, pp. 767-782. <https://doi.org/10.31436/id.v27iS%201%20%231.1455>
- [23]. Islam, M.M. (2025a), "Halal Supply Chain Management Readiness and Halal Cosmetics in Bangladesh", *Journal of Islamic Marketing*. <https://doi.org/10.1108/JIMA-05-2022-0130>
- [24]. Islam, M.M. (2025b), Applying the "Halal" and "Tayyib" norms in Marketing, *IGI Global*, DOI: 10.4018/979-8-3373-3917-7.ch009.
- [25]. Islam, M.M. (2025c), "Ontology, Epistemology, and Axiology in Halal Research: Empirical Evidence from Hajj Pilgrimage", *International Journal of Religious Tourism and Pilgrimage*, Vol. 13 No. 1. <https://doi.org/10.21427/5jph-ke64>
- [26]. Islam, M.M., Ab Talib, M.S. and Muhamad, N. (2025a), "Could Ajka Be the Next Frontier of Halal? *IGI Global*, In *Innovative Ventures and Strategies in Islamic Business*, pp. 169-194. DOI: 10.4018/979-8-3693-3980-0.ch008
- [27]. Zain, M. and Omar, H. (2024), "The incremental internationalization of halal SMEs: A case study from Brunei", *International Business Review*, Vol. 27 No. 2, pp. 150-165. <https://doi.org/10.1016/j.ibr.2024.02.005>
- [28]. Tan, J. and Lee, K. (2024), "Global supply chains and halal meat: Insights from Australia and New Zealand. *Journal of International Food Trade*, Vol. 9 No. 1, pp. 22-35. <https://doi.org/10.1016/j.jift.2024.01.003>
- [29]. Hussain, A. and Bakar, N. (2024), "Enhancing halal certification processes in Brunei: Challenges and opportunities", *International Journal of Food Policy*, Vol. 12 No. 2, pp. 78-90. <https://doi.org/10.1016/j.foodpol.2024.02.012>
- [30]. Alserhan, B. A. (2015), "The Principles of Islamic Marketing", Routledge, London and New York: NY.
- [31]. Bouzenita, A. I., and Boulanouar, A. W. (2016), "Maslow's hierarchy of needs: an Islamic critique", *Intellectual Discourse*, Vol. 24 No. 1, pp. 59-81. <https://doi.org/10.31436/id.v24i1.749>
- [32]. Islam, M.M. (2022b), Strategic Perspectives of Islamic Entrepreneurship and Marketing, Springer, Cham. https://doi.org/10.1007/978-3-030-98160-0_13
- [33]. Grant, R. M. (1991), "The Resource-Based Theory of Competitive Advantage: Implications for Strategy Formulation", *California Management Review*, Vol. 33 No. 3, pp. 114-135. <https://doi.org/10.2307/41166664>
- [34]. Helfat, C. E. and Peteraf, M. A. (2003), "The dynamic resource-based view: capability lifecycles", *Strategic Management Journal*, Vol. 24 No. 10, pp. 997-1010. <https://doi.org/10.1002/smj.332>
- [35]. Balogun, J. and Jenkins, M. (2003), "Re-conceiving Change Management", *European Management Journal*, Vol. 21 No. 2, pp. 247-257. [https://doi.org/10.1016/S0263-2373\(03\)00019-7](https://doi.org/10.1016/S0263-2373(03)00019-7)
- [36]. Curado, C. and Bontis, N. (2006), "The knowledge-based view of the firm and its theoretical precursor", *International Journal of Learning and Intellectual Capital*, Vol. 3 No. 4, p. 367. <https://doi.org/10.1504/IJLIC.2006.011747>
- [37]. Sveiby, K. (2001), "A knowledge-based theory of the firm to guide in strategy formulation", *Journal of Intellectual*

- Capital*, Vol. 2 No. 4, pp. 344–358. <https://doi.org/10.1108/14691930110409651>
- [40]. Islam, M.M., Ab Talib, Mohamed S. and Muhamad, N. (2023a), "Challenges of Halal Standards and Halal Certification for Islamic Marketing", *Muslim Business and Economic Review*, Vol. 2 No. 1, pp. 104-124. <https://doi.org/10.56529/mber.v2i1.156>
- [41]. Islam, M.M., Ab Talib, Mohamed S. and Muhamad, N. (2023b), "Empirical Evidence of Customer-driven Halal Supply Chain Management Model from The Quranic Verse", *6th ICEBGC*, Vol. 6 No. 1. DOI: <https://doi.org/10.33005/icebgc.v6i1.48>
- [42]. Islam, M.M. (2023), Institutionalization of Halal Entrepreneurship for a Sustainable Economy, In: Raimi et al., (eds) Contemporary Discourse of Halal and Islamic Entrepreneurship. Springer, Singapore. https://doi.org/10.1007/978-981-99-6427-7_5
- [43]. Islam, M.M. (2022a), "Evaluating negative attitudes of the students and shoppers towards halal cosmetics products", *Journal of Islamic Marketing*, Vol. 13 No. 3, pp. 565-585. <https://doi.org/10.1108/JIMA-03-2020-0067>
- [44]. Islam M.M. (2022c), Reaching halal and Islamic market segments: tapping marketing opportunities beyond the borders, in *Handbook of Research on Ethnic and Intra-cultural Marketing*, Edward Elgar Publishing, Inc., the USA, 200-212. DOI: <https://doi.org/10.4337/9781800880054.00026>
- [45]. Barney, J. (1991), "Firm resources and sustained competitive advantage", *Journal of Management*, Vol. 17 No. 1, pp. 99–120. <https://doi.org/10.1177/014920639101700108>
- [46]. Bhidé, A. (2000). *The origin and evolution of new businesses*. Oxford University Press. New York.
- [47]. Ruiz-Ortega, M. and García-Villaverde, P. (2008), "Capabilities and competitive tactics influences on performance: Implications of the moment of entry", *Journal of Business Research*, Vol. 61 No. 4, pp. 332–345. <https://doi.org/10.1016/j.jbusres.2007.07.029>
- [48]. Srinivasan, R., Lilien, G. and Rangaswamy, A. (2002), "Technological opportunism and radical technology adoption: An application to e-business", *Journal of Marketing*, Vol. 66 No. 3, pp. 47–60. DOI:10.1509/jmkg.66.3.47.18508
- [49]. Merrilees, B., Rundle-Thiele, S. and Lye, A. (2011), "Marketing capabilities: Antecedents and implications for B2B SME performance", *Industrial Marketing Management*, Vol. 40 No. 3, pp. 368–375. <https://doi.org/10.1016/j.indmarman.2010.08.005>
- [50]. Barney, J. and Hesterly, W. S. (2012), "Strategic management and competitive advantage: Concepts and cases", New Jersey, Pearson.
- [51]. Zulfakar, M.H., Marhani, M.A. and Ab Talib, M.S. (2014), "Conceptual framework on halal food supply chain integrity enhancement", *Procedia - Social and Behavioral Sciences*, Vol. 121, pp. 58–67. <https://doi.org/10.1016/j.sbspro.2014.01.1108>
- [52]. Rosnan, H., Osman, I., Nor, N.M., and Aminuddin, A. (2015), "Halal certification: an exploratory study on non-certified restaurants", *Advanced Science Letters*, Vol. 21 No. 6, pp.1854-1857. <https://doi.org/10.1166/asl.2015.6136>
- [53]. DiMaggio, P. J., and Powell, W.W. (2000), "The iron cage revisited institutional isomorphism and collective rationality in organizational fields", Bingley, Emerald Group Publishing Limited, pp.143-166.
- [54]. Zulfakar, M.H., Chan, C. and Jie, F. (2018), "Institutional forces on Australian halal meat supply chain (AHMSC) operations", *Journal of Islamic Marketing*, Vol. 9 No. 1, pp. 80-98. <https://doi.org/10.1108/JIMA-01-2016-0005>
- [55]. Tari, J.J., Iñaki, H-S. and Gavin, D. (2014), "Internal and external drivers for quality certification in the service industry: do they have different impacts on success?" *Service Business*, Vol. 8 No. 2, pp. 337-354. <https://doi.org/10.1007/s11628-013-0198-6>
- [56]. Mariotti, F., Kadasah, N. and Abdulghaffar, N. (2014), "Motivations and barriers affecting the implementation of ISO 14001 in Saudi Arabia: an empirical investigation", *Total Quality Management & Business Excellence*, Vol. 25 No.11–12, pp. 1352–1364. <https://doi.org/10.1080/14783363.2014.912038>
- [57]. Talib, M. S. A., Rahim, M. A. R. A., Chin, T. A. and Hamid, A. B. A. (2017), "Logistics service providers perceptions on halal logistics certification", *International Journal of Logistics Economics and Globalisation*, Vol. 6 No. 4. <https://doi.org/10.1504/ijleg.2017.088060>
- [58]. Woiceshyn, J. and Daellenbach, U. (2018), "Evaluating inductive vs deductive research in management studies: Implications for authors, editors, and reviewers", *Qualitative Research in Organizations and Management*, Vol. 13 No. 2, pp. 183-195. <https://doi.org/10.1108/QROM-06-2017-1538>
- [59]. Hamid, A., Hirmissa, M. T. and Gani, N. A. (2024), "The Moral Obligation Toward Adopt Halal Practices", *International Journal of Religion*, Vol. 5 No. 5, pp. 233 – 237. <https://doi.org/10.61707/zj8gn149>
- [60]. Maminirina Fenitra, R., Balqiah, T.E., Astuti, R.D., Prabowo, H. and Hati, S.R.H. (2024), "Advancing the consumer behaviour theory in halal food: review literature and directions for future research", *Journal of Islamic Marketing*, Vol. 15 No. 11, pp. 3195-3222. <https://doi.org/10.1108/JIMA-05-2023-0141>
- [61]. Mokti, H. A., Kamri, N. A. and Mohd Balwi, M. A. W. F. (2024), "Tayyiban in halal food production: a systematic literature review", *Journal of Islamic Marketing*, Vol. 15 No. 2, pp. 397–417. <https://doi.org/10.1108/JIMA-03-2022-0098>

- [63]. Fauzi, M.A., Mohd Ali, N.S., Mat Russ, N., Mohamad, F., Battour, M. and Mohd Zaki, N.N. (2024), "Halal certification in food products: science mapping of present and future trends", *Journal of Islamic Marketing*, Vol. 15 No. 12, pp. 3564-3580.
- [64]. <https://doi.org/10.1108/JIMA-12-2023-0407>
- [65]. Khan, M.I., Khan, S. and Haleem, A. (2022), "Analysing barriers towards management of Halal supply chain: a BWM approach", *Journal of Islamic Marketing*, Vol. 13 No. 1, pp. 66-80. <https://doi.org/10.1108/JIMA-09-2018-0178>
- [66]. Ali, E., Sultana, S., Hamid, S. B. A., Hossain, M., Yehya, W. A., Kader, A., and Bhargava, S. K. (2018), "Gelatin controversies in food, pharmaceuticals, and personal care products: Authentication methods, current status, and future challenges", *Critical Reviews in Food Science and Nutrition*, Vol. 58 No. 9, pp.1495-1511. doi:10.1080/10408398.2016.1264361
- [67]. Hong, M. and Kamaruddin, R. (2020), "The effects of country of origin (COO) on halal consumption: Evidence from China", *Pertanika Journal of Social Sciences and Humanities*, Vol. 28 No.1, pp. 483-501.
- [68]. Muneeza, A. and Mustapha, Z. (2021), "Halal certification process for fisheries products in Maldives", *Journal of Islamic Marketing*, Vol. 12 No. 2, pp. 451-466. <https://doi.org/10.1108/JIMA-02-2019-0035>
- [69]. Razalli, M.R., Rushami Z.Y., and Maizatul, W.M.R. (2013), "A framework of Halal certification practices for the hotel industry", *Asian Social Science*, Vol. 9 No. 1, pp. 316-326. <https://doi.org/10.5539/ASS.V9N11P316>
- [70]. Haleem, A., Khan, M.I. and Khan, S. (2020), "Halal certification, the inadequacy of its adoption, modelling and strategising the efforts", *Journal of Islamic Marketing*, Vol. 11 No. 2, pp. 384-404. <https://doi.org/10.1108/JIMA-05-2017-0062>
- [71]. Alzeer, J., Ulrike, R. and Khaled, A. H. (2020), "Good agricultural practices and its compatibility with Halal standards", *Trends in Food Science & Technology*, Vol. 102, pp. 237-241. <https://doi.org/10.1016/j.tifs.2020.02.025>.
- [72]. Chandia, M. and Soon, J.M. (2018), "The variations in religious and legal understandings on halal slaughter", *British Food Journal*, Vol. 120 No. 3, pp. 714-730. <https://doi.org/10.1108/BFJ-03-2017-0129>
- [73]. Wernerfelt, B. (1984), "A resource-based view of the firm", *Strategic Management Journal*, Vol. 5 No. 2, pp. 171-180. <http://www.jstor.org/stable/2486175>
- [74]. Islam, M.M. (2025d), "The Interplay of Competitive Forces and Compatible Sources for Halal Competitive Advantage", *Journal of Islamic Marketing*, DOI: 10.1108/JIMA-08-2024-0356