



The formulation of halal market concept in Indonesia

Aaliya Marcellina¹ and Laily Dwi Arsyianti^{1,2,*}

¹ Faculty of Economics and Management, IPB University, Jl. Kamper, Dramaga Campus IPB, Bogor, West Java, 16680, Indonesia

² Center for Islamic Business and Economic Studies, IPB University, Indonesia

ABSTRACT

This study aims to conceptualize halal traditional markets (*Pasar Rakyat*) in Indonesia as multidimensional socioeconomic systems grounded in Islamic principles. Although halal industry has experienced growth in sectors, such as food, pharmaceuticals, and cosmetics, the governance framework for public markets remains underdeveloped. Using a qualitative exploratory approach, this current study analyzed 54 academic articles published between 2015 and 2025 through thematic coding using NVivo 15 Plus software. The results showed that there were 5 dominant thematic domains centered around the keywords of halal, market, products, Muslim, and Islam, reflecting the intersection of religious values, consumer behavior, institutional regulation, and socio-cultural identity. These indicated that halal market extended beyond product compliance to include ethical transactions, institutional regulations, and cultural representation. Traditional markets, particularly in Indonesia, played a significant role in the daily lives of Muslim communities but were often overlooked in halal development strategies. This study contributes to academic and policy discourse by proposing a more integrated and contextual understanding of halal market that is consistent with religious values and modern economic demands. However, the scope is limited to secondary data and literature analysis, which may not fully capture practical challenges in the field. Future studies are advised to include empirical investigation and stakeholder perspectives to strengthen these insights.

ARTICLE INFO

Keywords:

Consumer behavior
Halal governance
Halal product
Halal tradisional market
NVivo

History:

Received 24-01-2025
Revised 24-03-2025
Accepted 26-03-2025

1 Introduction

The concept of halal in Islam comprises every aspect of human life, including economic activities and marketplace conduct. According to BPS (2024), Muslim population in Indonesia is approximately 87.2% of the total population, and the country holds vast potential to develop a comprehensive halal ecosystem. The increasing awareness among consumers regarding the importance of shariah-compliant products has positioned halal not merely as a religious label, but also as a lifestyle and market standard (Vanany *et al.* 2019). Despite the growth of the industry in sectors such as food, pharmaceuticals, and cosmetics, the concept of halal market, which is defined as a structured public marketplace adhering to Shariah principles, remains underdeveloped and fragmented in Indonesia (Peristiwo 2020).

Public markets (*Pasar Rakyat*) serve as essential nodes for economic interactions between producers and consumers. However, these markets often lack clear halal zoning, consistent enforcement of certification, and awareness among sellers and buyers regarding the required practices (Hasan & Pasyah 2022). Consequently, many vendors operate without proper certification or understanding of consumer protection laws, and the lack of government outreach has exacerbated the inconsistency in the application of standards (Waspada *et al.* 2023). This situation challenges the establishment of a unified framework for halal market governance in Indonesia and raises concerns regarding consumer trust, food safety, and regulatory gaps. Therefore, this study aims to formulate a holistic and contextual concept of halal market in Indonesia that integrates halal certification, Shariah-based transaction ethics, market management, and monitoring mechanisms. By combining perspectives from policymakers, scholars, and practitioners, this current study seeks to construct a governance framework suitable for Indonesia's cultural diversity and economic structure (Idris *et al.* 2025). The implications of religiosity, consumer behavior, and institutional responsibility in ensuring halal assurance across traditional markets were also explored.

Based on existing literature, there is a gap in the conceptualization of halal market as an integrated socio-economic system. While previous studies often focus on halal products or consumer perceptions, little

attention has been given to the governance of traditional markets where halal practices directly intersect with daily Muslim life. This study contributes by extending the discourse from product-level compliance toward governance structures that reflect ethical, institutional, and cultural dimensions of halal market.

The current study is also consistent with global trends where halal is increasingly observed not only as a religious obligation but also as a quality benchmark in international trade (Judijanto *et al.* 2025). Indonesia's status as the country with the largest Muslim population provides both responsibility and opportunity to lead in innovation (Rafiqah 2024). Focusing on *Pasar Rakyat*, which often sells livestock-based products such as beef and chicken but is overlooked in national halal strategies, this study emphasizes the urgency of regulatory and developmental efforts to protect both consumers and producers.

2 Materials and Methods

2.1 Data Types and Sources

This study applied a qualitative exploratory approach through thematic analysis of the literature to understand the conceptual development of halal market in Indonesia. The data consisted of 54 national and international academic journal articles published between 2015 and 2025. Articles were selected based on their relevance to halal market development, Islamic economics, halal certification, and Muslim consumer behavior. Sources were obtained from scholarly databases such as Scopus, ScienceDirect, and Google Scholar in both English and Bahasa Indonesia to capture local and global perspectives. All articles were downloaded in PDF format for further processing.

2.2 Data Processing and Analysis Methods

Data were analyzed using NVivo 15 Plus software with a thematic coding approach. The process began with inductive open coding, where relevant text excerpts were manually marked and assigned to thematic nodes such as Halal Market, Islamic Marketing, Muslim Consumer Behavior, Stakeholders, Challenges, Strategies, and Development. New

*Corresponding author.

E-mail addresses: arsyianti@apps.ipb.ac.id



sub-nodes were added as needed to reflect more nuanced patterns during coding. Furthermore, coding was performed manually by the study team to ensure contextual accuracy with careful sentence-by-sentence analysis. After the coding phase, NVivo 15 Plus tools, such as word frequency queries, word clouds, and coding matrices, were used to identify dominant themes and their relationships. These patterns served as the foundation for constructing a conceptual framework of halal market suitable for Indonesian context.

3 Result an Discussion

The word frequency analysis revealed that the most dominant terms across the literature corpus were halal, market, products, Muslim, and Islam. These frequently occurring words confirmed the centrality of religious values and compliance in defining halal traditional markets. The recurring appearance of products and markets also showed that the discourse was heavily anchored in economic and consumption contexts, particularly in traditional retail environments.



Figure 1: Word cloud visualization of halal market

In addition to religious and economic elements, the word cloud indicated other prevalent concepts, such as industry, logistics, certifications, and consumption, reflecting the structural and operational characteristics of halal market. These terms were consistent with results from Baig & Ali (2020); Adhiwibowo *et al.* (2023), which emphasized the importance of regulation, standardization, and traceability in halal supply chains.

Geographical and institutional references, such as Indonesia, Malaysia, and Brunei, along with terms such as university and development, suggested the influential role of Southeast Asian nations and academic institutions in advancing halal market ecosystems. The appearance of words such as culturizing, managing, and socially further supported the view that halal market functioned not only as economic entity but also as cultural expression of Muslim identity, consistent with the results of Iner & Baghdadi (2021) and Bakhshi *et al.* (2024).

The presence of tourism, logistics, services, and standards implied an expansion of halal concept beyond food products, comprising several sectors, including hospitality, transportation, and certification services. These results were consistent with the study by Ramya (2022) and Yasar (2020), who demonstrated that consumer behavior in halal market was shaped by both religious motivations and perceptions of quality, cleanliness, and ethical sourcing practices.

The proportional size of each box represented the frequency of the occurrence of each keyword (Figure 2). Halal dominated the visualization, followed by Islam, market, Muslim, and products, reaffirming their conceptual prominence. Medium-sized boxes such as industry, consumption, certification, and logistics supported the notion that halal market was viewed not only as religious construct but also as component of integrated economic systems. Terms such as Indonesia, Malaysia, Brunei, and universities suggested the significance of regional and institutional drivers in shaping halal ecosystems. The combination of both visualizations confirmed 5 dominant domains in the literature, namely (1) the Islamic foundation of halal practices; (2) Muslim consumer and product focus; (3) certification, supply chain, and logistical structures; (4) regional development in Southeast Asia; and (5) market modernization and cultural adaptation. These results provided a foundation for subsequent thematic coding and model development.

The results validated that halal traditional markets represented a multidimensional system integrating religious values, consumer behavior, governance, and cultural identity. Beyond product compliance, these markets comprised certification, supply chains, and institutional frameworks, positioning it as both economic hubs and cultural expression. In Indonesia, their relevance was reinforced by ongoing modernization, regulation, and digital transformation, providing a solid foundation for further conceptual development.

The results of the word frequency analysis demonstrated that discourse on halal traditional markets extended far beyond religious compliance. While previous studies had predominantly framed halal market in theological or ritualistic contexts, these results emphasized their evolution into integrated socioeconomic systems. The prominence of terms such as industry, logistics, and certification reflected a shift in scholarly attention toward infrastructure, institutional support, and operational mechanisms that ensured halal integrity in supply chains.

Compared to earlier literature, which often focused solely on consumer perceptions or halal food products, this study indicated a broader and more complex ecosystem. The frequent mention of Southeast Asian countries, particularly Indonesia, Malaysia, and Brunei, emphasized regional leadership in institutionalizing halal systems, not only through regulation but also by innovation and education. This result reinforced the growing role of academic institutions and policy frameworks in shaping halal market practice.

A notable distinction in this study was the recurring presence of sociocultural terms such as culturizing, managing, and socializing, which were rarely emphasized in previous studies. This suggested that halal market was increasingly being recognized as cultural expression rather than merely transactional venue. Consequently, this interpretation positioned halal traditional markets as adaptive spaces that reflected community values, governance models, and contemporary consumer expectations.

The results contributed to a more holistic understanding of halal traditional markets as dynamic systems that operated at the intersection of religion, economics, and culture. Furthermore, these affirmed the necessity of developing conceptual models that captured the multidimensional nature of halal ecosystems. Future studies must explore stakeholder interactions, governance frameworks, and the impact of digital transformation on traditional halal market, particularly in emerging Muslim-majority economies.

4 Conclusion and Limitations

4.1 Conclusion

In conclusion, this study provides an initial exploration of the conceptual landscape of halal traditional markets through word frequency analysis. The results confirm that halal market is not solely religious construct but is evolving into complex socio-economic systems embedded with cultural, regulatory, and institutional dimensions. The centrality of terms such as halal, market, products, and Muslim reflects both religious values and economic functions, while the presence of keywords including certification, logistics, and culturizing indicates the operational and cultural dynamics that shape halal ecosystems.

The results contribute to a more nuanced understanding of halal traditional markets, particularly in Southeast Asia, where regional leadership and academic engagement have been essential in shaping the discourse. This result emphasizes the importance of developing a more integrated conceptual framework that reflects the multidimensional nature of halal market.

4.2 Limitations

This study was limited to secondary data and literature-based thematic analysis, and could not fully capture practical, on-the-ground challenges. Future studies must extend these initial results by integrating stakeholder perspectives, institutional analysis, and empirical fieldwork. Moreover, further studies were needed to explore how digital transformation, urban governance, and consumer behavior intersect with the evolving nature of halal market systems.

Conflict of Interest

The authors declare no conflict of interest.

References

- Adhiwibowo W, Widayat W, Syafei WA. Dual Blockchain Framework for Halal Food Safety and Traceability Concern with Internet of Things. International Conference on Technology, Engineering, and Computing Applications (ICTECA). 2023. IEEE; p.1–6.
- [BPS] Badan Pusat Statistik. Agama di Indonesia, 2024. [Internet]. 2024 [accessed 24 July 2025]. Available at: <https://samarindakota.bps.go.id/statistics-table/1/MzI0IzE=agama-di-indonesia-2024.html>.
- Balg MA, Ali SN. The Expanding Scope and Scale of Halal Market. Journal of King Abdulaziz University, Islamic Economics. 2020;33(2):159–172.
- Bakhshi M, Hanzae KH, Amirshahi M. Motivations fluidity: the effect of cultural factors on the formation of grocery shopping motivations. Journal of Islamic Marketing. 2024;15(11):2988–3009.



Figure 2: Tree map of halal market

Hasan KNS, Pasyah T. Challenges of Indonesian halal industry in the digital economic era. *Sriwijaya Law Review*. 2022;6(2):319.

Idris R, Pehin Dato Musa SF, Sumardi WH. Challenges of Halal Food Ecosystems: The Case of Brunei Darussalam. In: *The Halal Industry in Asia*. Singapore: Springer Nature Singapore; 2025. p.333–351.

Iner D, Baghdadi A. Halal Food. In: *Handbook of Contemporary Islam and Muslim Lives*. Cham: Springer International Publishing; 2021. p.747–765.

Judijanto L, Solihin D, Nurnaningsih R, Prina Gastriani O, Jakarta I, Pelita Nusa Bandung Barat S, Tgk Chik Pante kulu Banda Aceh S, Perkapalan Negeri Surabaya P. Bibliometric Analysis of Halal Industry Research in the Global Market. 2025;3(1):51–60.

Peristiwa H. Indonesian Food Industry on Halal Supply Chains. *Food ScienTech Journal*. 2020;1(2):69.

Rafiqah R. Indonesia's Halal Industry Development Strategy: The Road Map Toward the Global Halal Hub Industry. *Imara: Jurnal Riset Ekonomi Islam*. 2024;8(1):1.

Ramya K. Applying the theory of reasoned action to measure intent to purchase halal food. *Journal of Cultural Marketing Strategy*. 2022;7(1):107.

Vanany I, Soon JM, Maryani A, Wibawa BM. Determinants of halal-food consumption in Indonesia. *Journal of Islamic Marketing*. 2019;11(2):507–521.

Waspada W, Madiong B, Manne F, Kasmawati K, Waspada S. Daya Dukung Aparat Pemerintah Kota Makassar terhadap Implementasi Undang Undang No. 33 Tahun 2014 tentang Jaminan Produk Halal. *Indonesian Journal of Legality of Law*. 2023;5(2):496–501.

Yarar AE. Halal advertising on YouTube: A case study of fast-food brands in Malaysia. *Food Research*. 2020;4(1):157–163.