

The Implementation of Halal Logistic System on Cosmetic Product

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Abstract. Indonesia is a country in which the majority is Islam. Based on the data are taken from “The Pew Forum of Religion Public Life”, Islam adherents, or can be called Moslems, from Indonesia was 209,1 million or 87,2% from the total population. As such, certifications from The Halal Product Assurance Agency (BPJPH) that state the halal-ability of products (halal) and The National Agency of Drug and Food Control of Republic of Indonesia or NADFC (Indonesian: BPOM) that state the product is safe for consumption (thoyyiban) can help to raise the sales of halal products, in this case, cosmetic. The purpose of this research is for readers to know the implementation of the halal logistic system on PT. PantiKosmetikaBaru. This study was analyzed with the descriptive qualitative method by structural interviewing with the related stakeholder of PT. PantiKosmetikaBaru, retailer and with the customer of their products. With that in mind, we can conclude that the implementation of halal logistic system on cosmetic products from supplier, producer, distribution process, until then its handed to the customer that handled by halal (allowed, acceptable) and thoyyiban (safe, qualified, and clean) means could make the business raising in profit.

1. Introduction

Today, logistics business in Indonesia is one of many fields which developing rapidly because the demand for products from society is high[1]. One or other indicator that shows the logistic performance of a country is Logistic Performance Index (LPI) which released by the World Bank, whose assessing the performance in the logistics sector of countries in the world based on a businessman perspective. According to the data that was acquired from Logistic Performance Index (LPI) 2018, from 6 indicators that LPI assessed then divided by two categories. The first is an area category for rules/policy which shows primary input to supply chain that covers customs, infrastructures, and the quality of logistic. And the second is the service delivery performance outcome category that covers timelines, international shipments, and tracking and tracing. Right now, Indonesia is placed 46th in the World Ranking [2].As we can see from Table 1. Indonesia Logistic Ranking. [3]

Table 1. Indonesia Logistic Ranking Based on LPI

| Country | Year | LPI Rank | LPI Score | Customs | Infrastructure | International shipments | Logistics competence | Tracking & tracing | Timeliness |
|-----------------|------|----------|-----------|---------|----------------|-------------------------|----------------------|--------------------|------------|
| Lithuania | 2018 | 34 | 3.54 | 3.21 | 3.21 | 3.21 | 3.19 | 3.20 | 3.80 |
| Slovenia | 2018 | 35 | 3.31 | 3.42 | 3.28 | 3.18 | 3.05 | 3.27 | 3.70 |
| Estonia | 2018 | 36 | 3.31 | 3.32 | 3.10 | 3.26 | 3.15 | 3.21 | 3.80 |
| Israel | 2018 | 37 | 3.21 | 3.32 | 3.33 | 2.78 | 3.39 | 3.50 | 3.59 |
| Panama | 2018 | 38 | 3.26 | 3.87 | 3.13 | 3.31 | 3.31 | 3.40 | 3.60 |
| Vietnam | 2018 | 39 | 3.27 | 3.95 | 3.01 | 3.16 | 3.40 | 3.45 | 3.67 |
| Iceland | 2018 | 40 | 3.23 | 2.77 | 3.19 | 2.78 | 3.81 | 3.58 | 3.70 |
| Malaysia | 2018 | 41 | 3.22 | 3.90 | 3.15 | 3.35 | 3.30 | 3.15 | 3.40 |
| Greece | 2018 | 42 | 3.20 | 3.84 | 3.17 | 3.30 | 3.06 | 3.18 | 3.88 |
| Oman | 2018 | 43 | 3.20 | 2.87 | 3.16 | 3.30 | 3.08 | 2.97 | 3.80 |
| India | 2018 | 44 | 3.18 | 3.96 | 2.91 | 3.21 | 3.13 | 3.32 | 3.50 |
| Cyprus | 2018 | 45 | 3.16 | 3.05 | 2.89 | 3.16 | 3.00 | 3.15 | 3.62 |
| Indonesia | 2018 | 46 | 3.15 | 3.67 | 2.80 | 3.23 | 3.13 | 3.30 | 3.67 |
| Turkey | 2018 | 47 | 3.15 | 3.71 | 3.21 | 3.06 | 3.05 | 3.23 | 3.63 |
| Romania | 2018 | 48 | 3.12 | 2.88 | 2.91 | 3.18 | 3.07 | 3.20 | 3.88 |
| Croatia | 2018 | 49 | 3.10 | 2.95 | 3.01 | 2.93 | 3.10 | 3.01 | 3.69 |
| Cote d'Ivoire | 2018 | 50 | 3.08 | 3.70 | 3.09 | 3.21 | 3.23 | 3.14 | 3.25 |
| Mexico | 2018 | 51 | 3.05 | 3.77 | 2.85 | 3.18 | 3.02 | 3.00 | 3.55 |
| Bulgaria | 2018 | 52 | 3.03 | 3.84 | 2.76 | 3.23 | 2.88 | 3.02 | 3.21 |
| Slovak Republic | 2018 | 53 | 3.01 | 3.79 | 3.00 | 3.10 | 3.14 | 2.99 | 3.14 |
| Lithuania | 2018 | 54 | 3.02 | 3.85 | 2.73 | 2.79 | 2.98 | 3.12 | 3.65 |

Source: LPI.worldbank.org

Moslems have the biggest portion of the consumer with the fastest growth rate in the world, that functioned as a thruster for the growth of global economics when the international market reaches a saturated point. [4]. Bambang Brodjonegoro as Minister of Indonesian National Development Planning said the halal economy is a new economic flow that has the potential to be able to drive global economic growth. This potential can be seen from three aspects, the first one is the increasing growth of the world's Muslim population is estimated to reach 27.5% of the total world population in 2030, second, the increase in economic growth in Muslim countries, and the third aspects is the emergence of a potential halal market in two countries with the most population in the world such as China and India [5]. As seen from the Government Regulation of Republic of Indonesia No. 31 Year 2019 about Executing Regulation of the Constitutions No. 33 Year 2014 in 1st Article of Chapter One concerning the requirements for halal assurance product so that the product is guaranteed safe and the quality of the product which stated that the process of halal product is a series of activities to assure the halal-ability of the product. Involving supplying for raw materials, processing, storing, packaging, distributing, selling, and presentation of product [6]. Therefore we can see the development of logistics in Indonesia, to date halal logistic has entered and become one of many big opportunities for the businessman.

Halal is everything that allowed by Islamic Law to be consumed. "Those who follow the Messenger, the unlettered prophet, whom they find written in what they have of the Torah and the Gospel, who enjoins upon them what is right and forbids them what is wrong and makes lawful for them the good things and prohibits for them the evil and relieves them of their burden and the shackles which were upon them." (QS al-A'raf [7]. "O mankind, eat from whatever is on earth [that is] lawful and good and do not follow the footsteps of Satan. Indeed, he is to you a clear enemy." (QS Al-Baqarah [2])(7). Many import and export product that sold in the market, from halal food, halal garments, halal medication to halal cosmetics. [8].

This study will be focusing on the cosmetic product which will be seen from the halal logistic system. From raw material, production until then distributed to the consumer. In this case, we know that halal cosmetics have become a lifestyle in society. Cosmetic could be said as "mandatory" for women or men because now consumer knows better the efficacy from the cosmetic which not only beautifying but also nurses the skin to make it look healthier.

In halal logistic, the halal product must be safe from non-halal substance or product, starts from the production to the final destination (consumer). Therefore halal cosmetic market has many potential and could create a big business opportunity because consumer, especially Moslems, tends to love a product that natural and safe. Even though it can't be denied that there will be cross contamination while processing on transportation or the container that contaminated [9], [10].

2. Literature Review

2.1. Halal Concept

Religion is an important point in human lives that could influence the character and behavior of the consumer [11]. The concept of halal is a decision making with full awareness in order to reduce the risk in the community view and Islam [12]. Words halal comes from "halla" that means appropriate for Islamic Law and allowed for Moslems and to indicate commodities that could be consumed and bought [13].

2.2 Halal Supply Chain

The definition of halal supply chain according to [14] the definition of halal in the halal supply chain is an entire activity from upstream to downstream (supplier, production process, storage until then distributed to consumer) in accordance to keep the product so that it wouldn't be contaminated. While according to [15], states that halal supply chain activities are warehousing, sources of raw materials, transportation, handling and delivering the product in halal manners

and not only the process that halal but also from stock management and the business strategy is halal meaning corresponding to Islamic Law[10], [5].

2.3 Halal Logistic System

Halal logistic according to [9] explained that halal logistic is similar to logistic in general that consist of planning, implementation, and control in distribution and storage the products but with a certification of halal from upstream to downstream.

2.4 Halal Cosmetic

The producer of halal cosmetic faced with an important problem in controlling the halal supply chain to ensure that the chain is fully harmonized with the promise to the consumer[21].

The halal cosmetic market has been growing, as well as Moslems searching for a halal product with high quality and safe to consume. Husain et al., (2012) emphasize that halal cosmetics quality assurance is exemplified by consumers and organizations that require suppliers to be certified kosher

3. Research Method

In this study used the qualitative descriptive method, because researchers want to further explore the field and new insight[22], data collected comes from holding structured interviewing based on the table 2 Respondent and Description

Table 2. Respondent and Description

| Respondent | Description |
|------------|---|
| X | Distibution Division From PT.Panti Kosmetika Baru(Viva Cosmetic's Distribution Company) |
| Y | Retailer Of Viva Cosmetics |
| Z | Consumer Of Viva Cosmetics |

4. Result and Discussion

To find out what is being done by the logistics in the implementation of halal logistics, researchers interviewed the distribution of PT. PantiKosmetikaBaru to obtain valid data that occur in the field. From the results that researchers get known that in doing so keep the halal distribution of its products PT. Panti New Cosmetics do double check before making the distribution of goods. There is also a way to distribute in order to avoid contamination by packing a neat way so that no errors and contamination during the process of distribution. Understanding the halal supply chain according to the PT. Panti New Cosmetics is a decisive factor in the competitiveness of halal products in accordance with lawful procedures.

Besides obtaining data from relevant stakeholders, in this case, the researchers interviewed retailers of products "Viva" which was sampled by the data name, position, and duration of work. As a cosmetic that has long been marketed and has become one of the halal cosmetic products in Indonesia, as the seller of the products "Viva" traders have learned that this product has been certified kosher, though not many consumers are asking about the halalness of this product. According to retailers as selling halal cosmetic products and meet with consumers stated that there should be a kosher label and an important point to convince consumers that the product is safe to use, especially for the Muslim community.

Halal cosmetics in society is the subject of conversation. Of the few respondents who had been in the interview about halal cosmetics "Viva" which more or less have to take it more than one year even more than five years stated that the meaning of halal cosmetics are cosmetics that contain ingredients safe and guaranteed quality in accordance with the Islamic Law (allowed)

even though consumers are also less known any materials that belong to the illicit material in cosmetics. From the results of this interview also noted that although consumers know the meaning of kosher, they still do not know what is halal logistics is a series of activities is an important determinant of halal on a product.

5. Conclusion

Then it can be known from this study about The Implementation of Halal Logistic System On Cosmetic Product that products that can be called halal are a product which has been certified and safe from contamination starts from the raw materials until then it became a cosmetic product. Known from PT. PantiKosmetikaBaru as the distributor, to keep the contamination of a product can be done with various ways from packing, re-checking until then it is delivered to the retailer and marketed to the consumer.

Indonesia as a country with Moslems as the majority assumed that halal label is important to keeping the trust of the consumer and giving them a safety feeling when consuming a product, especially cosmetic which used daily.

However, there is yet any socialization from the government or private agency about the meaning and the existence of halal logistics to the society as it should be structured, systematic, and massive for the halal campaign, therefore not many people know about it.

6. Suggestion

The government through a public agency, in this case, BPJPH must provide knowledge and conducting socialization to the community concerning halal product and halal logistic in a structured, systematic, and massive way so that society has more faith and feeling safe when consuming the product. And the society itself has to raise their awareness with what was called halal products, not only from the label but also about the process, in which case, halal logistics.

7. References

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