

The Competitive Advantage of Halal-Certified Food in International Trade by PT Mitratani Dua Tujuh Jember

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ABSTRACT

The objectives to be achieved from this research are first to explore the reasons for PT Mitratani Dua Tujuh to use halal certification in international trade. Second, conducting an analysis from the perspective of the competitive advantage of halal-certified food in international trade by PT Mitratani Dua Seven. Research method with a qualitative approach of the phenomenological type. Data were collected by observation, interviews, documentation, and FGDs. The analysis used by Michael E. Porter focuses on competitive advantage. The results of this study show that first, the reason for using halal certification by PT Mitratani Dua Tujuh is because halal certification is already mandatory in addition to expanding market reach and increasing production scale. Second, the competitive advantage caused can create differentiated products and can stem its competitors.

Keywords: *Competitive advantage, mandatory, halal certification*

INTRODUCTION

"Halal" is a study that does not only have a local scope but an international scope (Fata, 2023). The study of "halal" is no longer a topic of discussion held in many Islamic boarding schools, or a theme specifically for Muslims, but has become a global conversation that can be carried out by anyone (Jaswir et al., 2023). Currently, halal has become a global topic that is used as an important identity in marketing many Muslim products in various countries, whether the product is in the form of goods or services (Zaki et al., 2023). In fact, several studies that raise the halal theme are mostly controlled by non-Muslim countries that have consumers in Muslim countries (Jaswir et al., 2023). One of these consumers is Indonesia, which has become an object for non-Muslim countries to become consumers of their goods. If calculated from the numbers, Indonesia is the country with the largest Muslim majority population in the

world. However, this condition has not been able to create its own production and have the largest quantity of consumption among other Islamic countries (Arifin et al., 2023).

Currently, Indonesia's import position in the halal food trade is much greater than the halal food export side. According to the 2022 State of Global Islamic Economy (GIE) Report, this fact is not yet satisfactory for Indonesian trade, because as a country with the largest Muslim population, Indonesia should be able to meet the needs of halal food and drinks for its majority Muslim population. The export value of halal food commodities is greater than the import value, making the Indonesian nation unable to take a role in world halal trade (Masruroh, 2020b; Masruroh & Fadli, 2022b).

In Indonesia, the food and beverage industry, especially processed food, is growing rapidly (Arinilhaq, 2017; Joana & Rimadiaz, 2019; Nurhasah et al., 2018). This sector is a sector that is of interest to business people or entrepreneurs, because businesses have quite strong resistance to crises, in fact this business sector tends to increase during times of crisis (Nurdin et al., 2019). The food sector is a business solution when economic growth slows down, because it does not require large amounts of capital and has great opportunities in line with shifts in people's lifestyles (Arinilhaq, 2017; Nurrachmi, 2018; Zakaria & Abdul-Talib, 2010).

Culturally, Indonesian society has never been separated from eating at every important moment in their lives. Food or culinary has business opportunities that can be developed according to people's lifestyles. For example, the increasing number of Indonesian millennials and their lifestyles are different from previous generations, meaning that food businesses must be able to provide adequate creativity in taste and form (Ibrahim & Ismail, 2015). In this context, the millennial generation is independent, optimistic, goal-oriented, full of hope, inspired by success, self-confident, prioritizes life style, and depends on technological changes. Apart from that, around 65% of millennials like to buy food (Amalia et al., 2020). People's consumption patterns in the contemporary era are not only oriented towards satisfaction of taste, shape and packaging, but also pay attention to halalness in terms of theological applications, hygiene and ingredient content in terms of health safety (Wibowo et al., 2021).

East Java is one of the contributors to national GDP from the processed food sector resulting from soybean farming. In 2015 East Java was able to occupy the first level of soybean producers in Indonesia, total production was 344,988 tons

(www.bps.go.id), apart from that, East Java experienced an increase in production growth of 21.66 percent from 2015 to 2018 (www.pertanian.go.id). Soybean production in East Java is spread across various districts, especially in the Banyuwangi, Jember, Pasuruan, Sampang, Lamongan and Bojonegoro areas.

Jember Regency has different soybean production from other regencies due to the type grown and the market scale being able to penetrate internationally. The soybeans are of the edamame type. Edamame is one of Jember Regency's superior products which has a wide export market. Apart from Japan, there are 12 other countries that are export destinations for Jember Regency edamame products. The twelve countries are Malaysia, Thailand, Middle East, Singapore, Taiwan, Europe, Dubai, Vietnam, United States, Canada, Kuwait and the Netherlands. Currently, edamame development is still centered in Jember Regency, under the management of PT Kelola Mina Laut, a company that has a widespread export network in Europe and Asia in collaboration with a subsidiary of the State-Owned Enterprise PTPN X. PT. Mitratani Dua Tujuh handles production operations and marketing of edamame products. 1,200 hectares of land for developing edamame, both owned by PTPN and in partnership with farmers. In 2018 the number of PT Mitratani Dua Tujuh employees was 300 employees.

The partnership pattern implemented between the company and local farmers requires an adequate and stable water supply, then the farmers have one and a half hectares of land, smooth water drainage and can produce a minimum of eight tonnes per hectare. The international market gets about 20 containers of edamame per month. Each container contains a capacity of 22 tons. This data provides an understanding that edamame can enter the global market and can become a consumption that reaches the international community. Not only domestically, this edamame product is also marketed abroad. A company being able to penetrate the international market requires strict procedures and rules, as well as carefulness in choosing because apart from having to meet domestic standards, the product must also meet the standards of the destination country. Each country has its own regional policy in accepting products entering its country. There are certain requirements that must be met in every international trade carried out, especially in the case of trade in food and agricultural products.

We certainly know that the food industry and agriculture cannot be separated from one another, because one of the supply chains for food production comes from agriculture (Masruroh et al., 2021). These agricultural products can be seen in edamame products. Edamame products, especially frozen ready to eat, are processed food products that are popular with the public, because they have many benefits and are practical. Edamame products are not only marketed domestically but also internationally, edamame has become a mainstay food product in Jember Regency. Reliable products must be maintained in terms of health safety and hygiene when consumed by the public. Health safety cannot be guaranteed with sophisticated technology that is able to create a variety of foods from one raw material (Masruroh, 2020a; Masruroh & Fadli, 2022a).

Product innovation with technological sophistication means that food must have safety guarantees. Then came Law Number 33 of 2014 which provides an explanation of the guarantee for halal products, which is a form of guarantee for the public so that they have no doubts about processed food being bought and sold. This is because the law, which came into effect on October 17 2019, provides an obligation for all food producers to carry out halal certification to guarantee the safety of the products produced. This law does not exist selectively, meaning that all entrepreneurs/producers, both large and small scale, have an obligation to carry out certification. If they do not carry out certification, sanctions will be imposed on the producer (Masruroh et al., 2003). The implementation of this law will be carried out in stages, adjusted to the readiness of the government as the implementer (Krisharyanto et al., 2019). Edamame products have had halal certification since 2016. Currently, apart from being frozen (frozen ready to eat), edamame products have been processed into several derivative products such as drinks, dried beans, snacks and chocolate. All edamame product variants have had MUI halal certificates since before the implementation of Law Number 33 of 2014. PT. Mitratani Dua Tujuh carries out a halal certification process in order to promote edamame products so they can compete in the global market.

This global context gives a signal that "halal" is a basic need for Muslims when they consume (Ahmed et al., 2018). Halal, which is defined as something that is permissible and permissible for consumption, has also been produced as a study that is still hotly debated by a number of intellectuals in Indonesia (Aminuddin, 2016).

According to Yulfan (2017), the obligation to have halal certification for all products and services produced, including drinks and food, cosmetics, medicines, tourism, including the financial sector, is a form of religious capitalization (Yulfan Arif Nurohman, 2017). However, according to Ahmad and Santos (2019), implementing halal product certification is a provision that all entrepreneurs should implement with the aim of ensuring that their products and services can compete in the international market. Halal certification is also a message from the law that must be implemented, in accordance with the contents of Law Number 33 of 2014 concerning Halal Product Guarantees (Masruroh & Shahrin, 2022).

The existence of this law has a new color for the meaning of halal in Indonesia. So far, halal has been understood as a religious term which is an indicator of the ability to carry out something. Currently, this meaning is accentuated as a special symbol for products with a "halal" label, which means that the product has been certified by a designated authorized institution, namely the MUI (Jaka et al., 2019). Therefore, the "halal every day" behavior emerged as a form of concern for the existence of halal products (A. Bashir, 2019). This behavior ultimately gave rise to a halal lifestyle in the lifestyle of existing Muslims, especially those in Indonesia (A. M. Bashir, 2019).

Product labeling cannot be avoided, meaning that currently if all products want to compete they must have a halal certificate. Because if you don't get this certificate, the producer will be caught in criminal matters under the Law on Halal Product Guarantees. These rules are contained in Law No. 33 of 2014. This implementation is the obligation of all producers, whether they understand the meaning of "halal" or not, so the applicable rules must still be followed, if they do not want to be caught in the law. The issue of "halal" also needs to be criticized regarding its relationship to the religiosity of a producer or just the "identity" of the product (Masruroh, 2020a; Masruroh & Mahendra, 2022).

This also happens with edamame products. In the production process, edamame is maintained in quality following Food Safety Management Standards issued through Hazard Analysis and Critical Point and the British Retail Concorcium (Ab Talib et al., 2017). As an export product, the quality guarantee of edamame is strictly maintained, so that the global market requires halal certification for edamame products. This product also does this in order to maintain the health and safety of edamame customers.

The current halal issue is not a religious issue, but has become a business issue to maintain customer trust, because the presence of halal as a label strengthens the safety of a product, especially food (Abdul Latiff et al., 2016; Anam et al., 2018). Not only in the local market area, the halal label is also important for a product to have in the international market so that the destination country has more confidence in the product purchased. (Vanany et al., 2019). So in this case, the presence of the state is needed to regulate the halal certification process, so that the halal certification process is not carried out illegally and the costs are not high.

The presence of the state by providing regulations that every food product traded must have a halal label, is of course not in accordance with the theory of free trade and is left to market mechanisms (Handoko, 2013). Trade occurs because there is demand from consumers and supply from producers. In accordance with market law, this means that the market can be free according to its mechanism, as explained by Adam Smith with the concept of *laissez-faire*, that competition is the best mechanism for allocating economic resources and creating equilibrium prices and quantities in the market (Handoko, 2013; Smith et al., 2005). This concept was strengthened by David Ricardo (1772-1823) with the theory of comparative advantage. According to Ricardo, every country or region has the opportunity to take advantage of trade even though it does not have natural resources. Each country has advantages not only in terms of natural resources, but in terms of low labor costs. Every country can compete in international trade, as long as the country is able to produce more efficiently than other countries (Al-Ethary et al., 2013). Ricardo's thinking is not much different from Smith, who strongly rejected national economic protectionism, including in international trade because according to him, the market knows what is best. To the extent that there are low opportunity costs in producing a good, a country has a comparative advantage. Ricardo's thinking is a continuation or reinforcement of Adam Smith's thinking about absolute advantage. Adam Smith explained that a country is able to carry out trade if the country has advantages that other countries do not have, in the form of natural resources. This advantage must be absolutely owned by a country (Weil, 1985)

In the case of halal certification for food products, which not only occurs in local markets but also in international markets, this is a form of state involvement in trade. According to Paul Krugman, David Ricardo's opinion in the theory of comparative

advantage is just a historical coincidence. State involvement in trade is needed to regulate trade stability where inequality often occurs due to the free market (Krugman et al., 2015). This opinion is reinforced by the opinion of Joseph Stiglitz (1943), Nobel Prize winner in economics in 2001 with George Akerlof and Michael Spence. According to him, it is too early for poor and developing countries to implement a free market system. Because these countries still have institutional problems, so state involvement is still important in trade (Basri, 1992). Although Stiglitz does not fully agree with Krugman, because according to Stiglitz the market and government are not worthy of competition because they are complementary and work together. It is the government that can improve the investment climate for small to productive businesses and encourage friendly interest rates. Therefore, this technique is often referred to as a market-friendly approach even though it involves the government (Stiglitz, 2019). From the thoughts of Krugman and Stiglitz there are also similarities regarding the free market, these two figures are against the free market, because the free market will cause economic chaos (Krugman et al., 2015).

The presence of halal certification for trade in edamame products is also a manifestation of state involvement in the market. Halal certification has become mandatory, even though initially it was only voluntary after the transition of the halal product certification process by the MUI through the LP POM MUI division of the MUI Food, Drug and Cosmetic Research Institute to the Halal Product Guarantee Organizing Agency (BPJPH) of the Ministry of Religion (Aminuddin, 2016). This further confirms the country's involvement in trade. Even though edamame is under the auspices of a state subsidiary, the edamame trade has tight competition in the international market. Edamame is not a native Indonesian product, but a plant from Japan whose breeding is carried out in Indonesia, especially in Jember Regency. This fact proves that comparative advantage can occur (Ahiakpor, 2013; Lambin, 2012). However, if you look at the presence of edamame which originates from Japan, but is bred, then produced in such a way that it can have export competitiveness, then the country's involvement in the edamame trade is very large. Trade will benefit from competitive advantage (Rafiki & Abdul Wahab, 2016; Tieman & Tieman, 2015). This means that profits are obtained because the product can compete in the market with

quality criteria, standardization and halal certification or what Adam Smith calls protection (Salvatore, 2007).

Therefore, this research questions the presence of halal certification owned by PT Mitratani Dua Tujuh, because on an international scale this company already has a definite market even though this product does not have a halal certificate. The question is why does PT Mitratani Dua Tujuh carry out halal certification for the edamame food products it sells? Then the behavior of the producer, in this case PT Mitratani Dua Tujuh, is analyzed using Porter's theory, namely competitive advantage, as in the previous discourse. So the objectives to be achieved from this research are first; explore PT Mitratani Dua Tujuh's reasons for using halal certification in its international trade. Second, carry out an analysis from the perspective of the competitive advantage of halal certified food in international trade by PT Mitratani Dua Tujuh.

RESEARCH METHODS

In conducting research, in order to obtain valid and accountable data, appropriate research methods are needed. The accuracy of this method will determine the suitability of the data obtained when in the field. This research uses qualitative research methods with the aim of obtaining qualitative data that can answer the questions in this research.

a. Types of research

The type of research used in this research is phenomenology. Phenomenology is a type of research that aims to reveal or describe social consciousness, the collective consciousness of a community or society, which is the ethnoscience of that community. In this research, apart from revealing the reasons why PT Mitratani carries out halal certification, this research will also look at field facts using analysis from competitive advantage theory to further see the position of halal certified food in international trade.

b. Data collection technique

There are several data collection techniques that will be used in this research. These techniques include observation, interviews, focus group discussions (FGD) and documentation. The following is a detailed explanation of these techniques, namely:

1) Observation

The observation technique used by researchers is non-participant observation technique. In non-participant observation the researcher is not involved and is only an

independent observer. However, this observation was carried out in an unstructured manner, meaning that the observation was not prepared systematically. However, we still use guidelines, so that later it is very possible to deepen the research object. Data obtained through observation techniques include: halal certification process by PT Mitratani Dua Tujuh, food product production process by PT Mitratani Dua Tujuh

2) Interview

The interview in this case is a direct interview with a source who is directly related to the activities of PT Mitratani Dua Tujuh. The researcher used an unstructured interview technique, namely a free interview where the researcher did not use an interview guide that had been arranged systematically and completely for data collection. The interview guide used is only an outline of the problems to be asked and can be developed according to the data needs of the researcher. The data that will be obtained includes: Halal product certification process, reasons for carrying out halal certification by PT Mitratani Dua Tujuh and sales volume reports before and after halal certification.

3) *Focus Group Discussion*(FGD)

The FGD in this research was carried out by researchers in order to deepen the research. FGDs were carried out with residents of the team from PT Mitratani Dua Tujuh and with the research team, so that the data obtained was more valid.

4) Documentation

Documentation is a data collection method by obtaining data from existing documents. In this case, the data originating from documentation includes: data regarding the history of PT Mitratani Dua Tujuh and data regarding the amount in tonnes of agricultural and plantation products owned by PT Mitratani Dua Tujuh.

c. **Data analysis technique**

The analysis used is non-statistical analysis, because the data obtained is descriptive or textual data, so the research method used is qualitative. Miles and Huberman model data analysis was used in this research. Miles and Huberman explained that because the data was saturated, the activities in qualitative data analysis were carried out interactively and continued continuously until completion. Three lines of activities are carried out in this analysis, including: data reduction, data presentation analysis, data analysis and drawing conclusions. Apart from that, the analysis used is ethnomethodological phenomenological analysis. Ethnomethodological analysis is aimed primarily at finding out the methodology used by the individuals studied -

assumed to represent individuals in general - in their social interactions which then produce a structured social system. The main data in this research are conversations because through these conversations various implicit things can be seen quite clearly. This kind of data analysis can also prevent researchers from being accused of guessing or speculating, because the conclusions drawn then appear to have a basis or are based on a certain amount of data.

The researcher's ability to show things that are implicit behind is important in this analysis. Here the researcher also interprets the available data, but this interpretation is directed at producing a number of statements in the form of social interaction rules or methodologies that are behind the various social interactions that occur.

d. Data validity techniques

Validity tests are carried out on data that has been collected using data collection techniques. Source triangulation and method triangulation were used by researchers in this case study. Source triangulation means that data obtained from one informant is cross-checked with other informants in order to obtain valid data (Creswell, 2013). Method triangulation is also used in this research to check the validity of data with one data collection method checked with another method, for example interview data is checked with documents or files or reinforced with observation. Apart from these two types of data validity checks, the researcher also carried out extended observations, meaning the researcher returned to the research location until he got truly valid data.

DISCUSSION

Causing factors PT. Mitra Tani Dua Tujuh Conduct Halal Certification

The halal certification process carried out by PT. Mitratani Dua Tujuh has been carried out since 2004. However, at that time, the certification was carried out simply to complete the halal status of edamame products that would be exported abroad. Edamame, which is an export product with the main destination of Japan, has implemented food safety standards with several quality standards. Commitment to becoming a quality food company, PT. Mitratani Dua Tujuh has a quality policy that must be implemented in its production process, starting from upstream until the product is ready for consumption. These qualities include:

a. Halal Guarantee System Policy

PT. Mitratani Dua Tujuh produces ready-to-eat frozen vegetables that are halal, safe and of high quality to meet and satisfy consumer needs and expectations by: *first*, guaranteeing that all final products produced are certified by LPPOM MUI, *second*; guarantee that all materials used are halal and have been certified. *Third*; guarantee a production system that is clean and free from non-halal and unclean materials. *Fourth*; communicate, implement and maintain halal policies at all levels of employees in the organization. *Fifth*; concentration in the use and procurement of certified raw materials, additional materials and auxiliary materials

b. Food Safety Policy

PT. Mitratani Dua Tujuh produces ready-to-eat frozen vegetables that are high quality and safe to consume to meet and satisfy customer needs and expectations. To achieve this food safety policy, *first*, implement good food production methods (CPMB)/Good Manufacturing Practices. *Second*, the implementation a Food Safety Management System through Hazard Analysis and Critical Control Point (HACCP). *Third*; fulfill related requirements, namely meeting standard legislation, customer standards, importing country standards and requirements from other related parties; *fourth*, have a commitment to make continuous improvements by setting measurable food safety targets and always verifying and reviewing the implementation results of food safety policies periodically. *Fifth*, communicate, implement and maintain this Food Safety Policy at all levels of employees in the organization. *Sixth*, guarantee that the raw materials processed are genuine and authentic.

Based on the data above, edamame is a product produced by PT Mitratani Dua Tujuh Jember with a very high quality commitment. This means that apart from the product already having HACCP certification from Japan, then BRC from Europe, to increase market confidence, this company remains committed to having a halal certificate. Although according to the results of interviews conducted by researchers, the halal certification process carried out by PT Mitratani Dua Tujuh was not as easy as imagined, because this company had to follow the HAS 23000 regulations at that time. Even though there was a transfer from MUI to BPJPH, it had no effect on the halal audit process carried out. Halal certification is more detailed than HACCP,

because it applies the treasury principle and for large companies such as PT. Mitratani Dua Tujuh, even though the products are agricultural products, the certification process is also detailed because they are food products. Every line and process must contain halal and purity, no unclean contamination and additional substances that have a dangerous impact on health are allowed. Especially in the packaging and cold storage processes. Below you can see the results of the halal value chain analysis of edamame products:

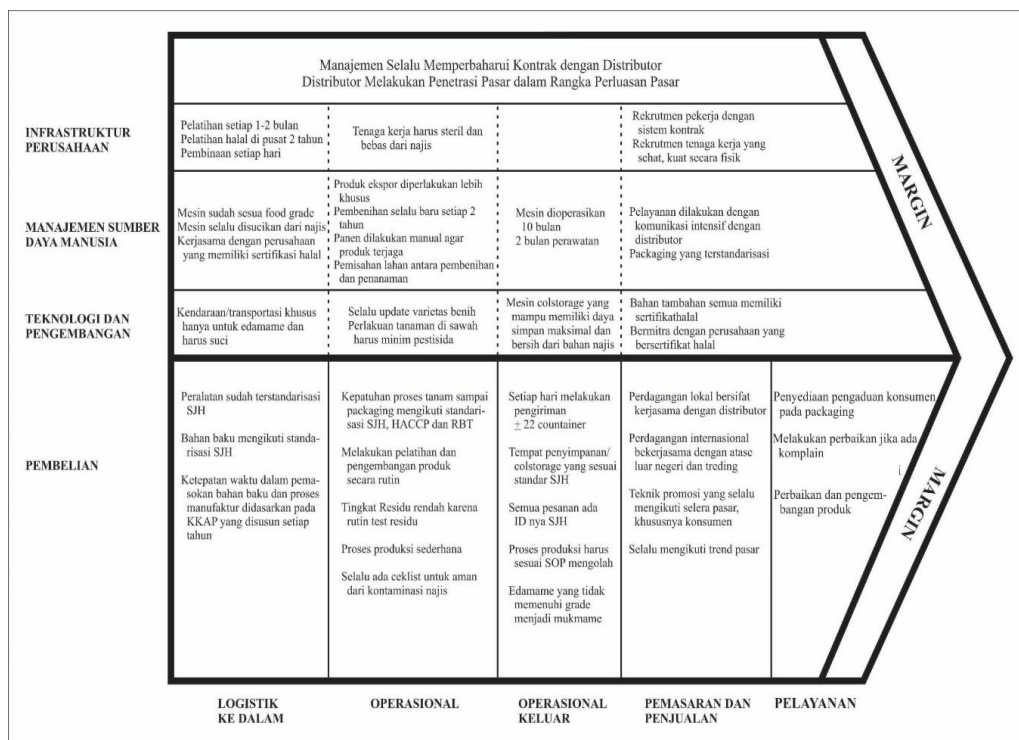


Figure 1 halal value chain in edamame production

This process aims to meet profit margins. The main process carried out is the inward logistics process which includes raw materials whose food safety, quality and halal are guaranteed. Equipment that is SJH standard and food grade is the equipment used for the edamame production process. In maintaining the production scale, each section creates an RKAP for future production planning.

From the operational side, the planting process to the harvest process follows the established rules, namely SJH, including product treatment which must be completely free from residue. The value of the production process is simple, but for

each part there is a checklist that shows the product is free from unclean contamination. These operations are strengthened by the existence of outbound operations, namely by sending approximately 22 containers every day. In order to meet the high demand for frozen edamame storage, namely SJH standardized cold storage and food grade. All orders have a trace ID so that the product issued is known from the planting process to the production process. So, if for example there is a complaint about an edamame product, then just look at the product ID. This product ID has actually been around since before SJH, but since SJH was implemented, product ID has been given more attention and more planning. Production is carried out according to SOPs designed based on existing standards, namely SJH, HACCP and BRC.

The marketing model is carried out from local distributors to overseas distributors with a cooperation model. Apart from that, by participating in international exhibitions. Since having SJH, PT Mitratani Dua Tujuh has also participated in exhibitions of halal products both domestically and abroad. This marketing is also followed by guaranteed halal transportation because shipping via containers has been checked for the purity of the vehicles used. PT Mitratani also has the advantage of being transparent in every production process for every distributor, both domestic and overseas. Apart from that, PT Mitratani always updates its certification or standardization, it has been proven that the halal certification was initially just an ordinary halal certificate and its coverage was only East Java. However, in 2016 PT Mitratani Dua Tujuh began to upgrade by carrying out SJH certification, namely halal standardization that has an international scope and includes halal and product safety.

The main things which include inbound logistics, operations, outbound operations, marketing and sales can run well if supported by company infrastructure, human resource management, technology and development and purchasing. The main factors and supporting factors have halal value in every process. So, the combination of these two things creates a margin. So far, researchers do not know the profit margin obtained, but according to Mrs. Neny's statement, the profit obtained by PT Mitratani Dua Tujuh is only 5%, therefore every effort is made to ensure the margin percentage is higher than 5%.

Value chain for edamame product at PT Mitratani Dua Tujuh is that every process is halal. From raw materials to the marketing process, it contains halal values.

This halal value can be called the halal value chain. This halal value chain has the following elements:

- a. Even though nurseries are not related to halal, they have value in the form of updating varieties every 3 years. Starting from the SPM 1, SPM 2 varieties and currently being developed is the MP 116 variety. The cost per hectare is around IDR 50,000,000 to IDR. 60,000,000
- b. Seeding is carried out in 6-7 months with a clear RKAP
- c. The planting process also follows SJH, since the existence of SJH there has been a tracer code for every planting process. Trace code (TC) is sent every harvest. In one planting period, TC is sent for 5 days. If it's more than 5 days then the TC is twice. It is certain that the residue contained in the harvest results
- d. Delivery from the land is carried out by vehicles that are pure from unclean
- e. Pesticide residues are minimized by protecting edamame from 7-55 days of age. Even though there are pests, protection is still carried out at that age, only the spraying period is increased, if there are no pests, 3 times, if there are pests, spray 5 times. So that the residue desired by the destination country can be met, namely a maximum chlorine residue of 10 ppm, a sugar content of approximately 9 bix degrees, microbes of less than 1×10^5 TPC (Total Plate Count).
- f. Harvesting takes place around 57-65 days
- g. Deliveries are made every day with a range of 30-40 containers to all countries, for Japan around 22 containers.
- h. Edamame sent abroad is 165 pods per half kilo or 125 per half kilo. Contains 3 seed pods
- i. The process of receiving goods until the production process uses halal standards
- j. *Packaging* use halal labels according to each destination country
- k. Delivery uses halal standards

This explanation provides an illustration that edamame production contains a halal value chain as a form of product differentiation.

So based on the data above, the factors that cause PT. Mitratani Dua Tujuh carries out halal certification, namely first; the quality assurance factor is healthier and guaranteed, secondly, through halal certification PT Mitratani Dua Tujuh can penetrate the market not only to Japan but to Muslim countries, such as Dubai and Saudi Arabia.

Initially, edamame products were rejected in Islamic countries, but after having halal certification they became accepted products. third; Halal certification can create product differentiation, so that products have different advantages from other products. Fourth, profit margins are higher than before because the market is much wider.

Certification Halal edamame products are carried out by presenting halal values at every stage and every line. This is in line with the differentiation theory stated by Porter, that a company will gain greater profits if the company is able to provide differentiation or specialization of the goods produced. In fact, through his generic theory, Porter has the concept of not only differentiation which can make a company successful, but also low production costs. However, in edamame products, this low cost concept is not fully used, although it is also attempted.

Quality standardization sees edamame products as having advantages by prioritizing quality standardization. It can be seen from the type of certification held, starting from HACCP, BRC and SJH. The costs incurred to provide differentiation are not small, because every process has halal value. In Porter's differentiation theory, each stage must have value. For edamame products, based on the analysis results, it can be seen that each process has value to make the product superior compared to other products.

Halal value chain can be seen in the differentiation process of PT Mitratani Dua Tujuh's edamame products which makes it superior compared to other companies' edamame products. Differentiation with halal value chains has not been completely theorized. Halal value chain is an idealized theorization in the halal certification process. Achieving a halal value chain is the most perfect achievement, because halal certification does not only lie in halal labeling, but all elements starting from raw materials, production processes, packaging, to marketing must follow halal principles.

Halal value chain is not yet a standard theory, halal value chains can be implemented if halal logistics are met. The differentiation carried out on edamame products is not just differentiation on the product or on one unit. However, all units are involved in the differentiation process. Porter's theory of differentiation can be proven in edamame products, but it needs to be refined with the halal value chain concept. Porter's differentiation theory requires value in every process. The edamame product at every stage has halal value, meaning that halal edamame is strictly observed in every

process. Professionally audited and controlled to obtain products that are truly halal and in accordance with regulations.

The findings in this research are different from the theory expressed by Kotler which states that product differentiation lies in the appearance and final product used by consumers. Kotler in his marketing theory prioritizes end products as a form of differentiation, meaning he eliminates the role of the production process of a product. So, a product is said to be different or unique, if the product's physical appearance and appearance are attractive, regardless of the raw materials or process in making the product. Porter is not like that, in order to achieve competitive advantage or win market competition, a company must be able to provide value from upstream to downstream, meaning from raw materials to service to buyers after consumption. Differentiation is not only in the product, but there is value from the beginning of the process of creating a product until it reaches the hands of consumers. Based on this, the following can be described regarding the development of the edamame industry using halal branding;

The presence of SJH makes it easier for PT Mitratani Dua Tujuh to penetrate markets such as Japan, Vietnam, Singapore, Europe, America, the United Arab Emirates, Kuwait and Dubai. So, when the market share expands, the volume also increases. The following is data on the sales volume of edamame products, namely:

Table 1.1

Edamame Sales Volume Table

No	Year	Sales Volume
1	2012	5273
2	2013	5468
3	2014	5298
4	2015	5981
5	2016	6416
6	2017	7937
7	2018	7870
8	2019	7960
9	2020	7970
10	2021	8100

Source: PT Mitratani Dua Tujuh documentation

From the documentation above, fluctuations in edamame sales volume can be seen. In 2016, it can be observed that there was an increase in sales, this was due to the increasingly wider market share. Previously it was only the Japanese market, that year it began entering the European, American and Middle Eastern markets.

Competitive Advantage Analysis of Halal Certified Food in International Trade by PT Mitratani Dua Tujuh Jember Regency

The position of PT Mitratani Dua Tujuh could be an oligopoly company with several market competitions, including competitors from Vietnam, Thailand and Singapore. This company always penetrates and expands the market in order to increase profits and increase production scale. According to Walter Nicholson, in order to reach a competitive market, companies must have a barrier to entry. Barriers to entry aim to make the producer the sole producer in the edamame trade.

These barriers are barriers to entry into other regions. Oligopoly power is due, among other things, to obtaining preferential resources, enjoying cost efficiency and obtaining oligopoly from the government. PT Mitratani Dua Tujuh provides obstacles to companies that arise, including:

- a. Patents and monopoly rights (legal barrier to entry). The government often creates monopoly power through patents and monopoly rights, including the use of laws or government regulations that regulate company privileges.
- b. Economical production scale (economic barrier to entry). Companies that are efficient or have economic production scales are a barrier for other companies to enter the market. The characteristics can be seen from the production amount which is almost close to the demand in the market.

Indirectly, PT Mitratani Dua Tujuh has created these two things in its trading practices. However, barriers to entry are not just the two things above. In competitive advantage-based trade, the creation of barriers to entry is aimed at obtaining low cost economies or cheaper costs. Creation of a barrier to entry to prevent competitors from joining the competition in the edamame product market.

According to A. Koutsoyiannis (1982), cost minimization is a product advantage and can be a barrier to entry for the product. Apart from that, costs are also linked to

regulations issued by the government to create barriers to entry for other companies. A. Koutsoyianis (1982), at least divides the cost relationship into several items, namely:

- a. Costs and barriers to entry
- b. Costs and market structure
- c. Costs and company growth policies
- d. Industry costs and regulations

From the several existing barriers to entry, from the edamame trading practices that are carried out, these two theories are not the only ones that create barriers to entry. From the results of interviews and observations carried out, barriers to industry entry that have not been discussed in theoretical references are based on the results of previous research and thought studies. So, this research contributes to the barrier to entry model, namely the service barrier to entry. Service barrier to entry is a challenge in itself for companies.

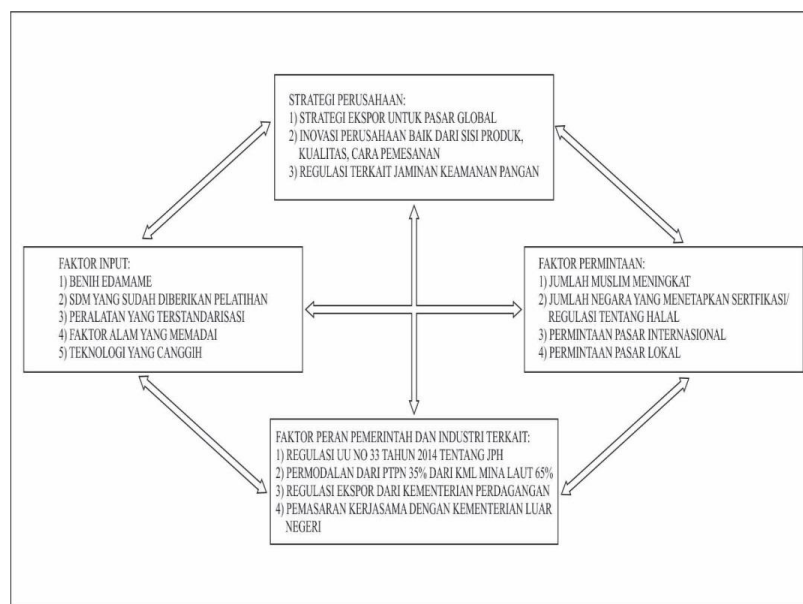


Figure 4.13 Competitive Advantage Analysis in the Edamam Industry

It can be seen from the results of the analysis that PT Mitratani Dua Tujuh not only carries out halal branding based on government regulations, but also looks at market demand. The production scale has increased after the presence of halal branding at PT Mitratani Dua Tujuh. So from this research, if according to A. Koutsoyiannis (1982), there are two barriers to entry to create an oligopoly market, namely legal barriers to entry and economic barriers to entry, then according to the findings of this

research there is one more thing that can be a tool for Winning the market is a safety barrier to entry. This means that service that complies with procedures and is good can produce good products. This service is based on consumer needs, so that every need and market trend can be fulfilled by the company. So if analyzed using competitive advantage it will be depicted as follows:

CONCLUSION

Based on the research objectives above, it can be concluded that first; The factors that caused PT Mitratani Dua Tujuh to carry out halal certification, namely: *First*; the quality assurance factor is healthier and guaranteed, secondly, through halal certification PT Mitratani Dua Tujuh can penetrate the market not only to Japan but also to Muslim countries, thirdly; Halal certification can create product differentiation, so that products have different advantages from other products. Fourth, profit margins are higher than before because the market is much wider. Second; Competitive advantage analysis in the edamame industry can be seen from input factors, demand factors, company strategies in winning the market and the role of government and related industries.

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