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The Impact of Halal Food Scm Integration on Quality Performance (Case Study on Msme in Bandung City)

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Abstract

The purpose of this research is to find out how big and the impact of internal integration, supplier integration, customer integration which has a halal integrity dimension in it, namely halal raw material integrity, halal production integrity, and information integrity on quality performance in halal food SMEs in Bandung City. This research uses quantitative methods. The data was obtained through a survey method through an online questionnaire addressed to 100 halal food MSME owners in the Bandung City. The data analysis technique used is SEM-PLS using SmartPLS with measurement model and hypothesis testing using bootstrapping technique. Based on the data analysis technique carried out using SmartPLS, the findings in this study show that internal integration has a positive and significant effect on supplier integration and customer integration. Internal integration has no positive and insignificant effect on halal raw material integrity, but has a positive and significant effect on halal production integrity and information integrity. Supplier integration has a positive and significant effect on halal raw material integrity, but has no positive and insignificant effect on halal production integrity. Customer integration does not have a positive and insignificant effect on halal production integrity, but has a positive and significant effect on information integrity. Halal raw material integrity has no positive and significant effect on quality performance, but halal production integrity and information integrity have positive and significant effect on quality performance. This research provides new insights to the owners of halal food SMEs in Bandung City and provides advice to halal food SMEs in Bandung City based on the value of the greatest impact, to maintain and improve the implementation of information integrity in order to maintain the continuity and consistency of quality performance of halal food SMEs in the Bandung City.

Keywords
halal food; halal scm; halal food SMEs; supply chain integration; quality performance

I. Introduction

The halal food industry in Indonesia has become public attention in Indonesia because food is the basic need of society. The development of the halal food industry sector in Indonesia also shows positive developments, always showing additional data on halal food. A large number of consumers of halal products in Indonesia will cause the opportunity or potential to supply halal food to consumers will always increase (Waharini & Purwantini, 2018).

According to a report quoted from the State of the Global Islamic Report in 2018, Indonesia is a country that holds the title of the first ranked country in Muslim Food Expenditure with the achievement of US $170 billion and has been predicted to always increase per year and in 2025 will reach the US $247 billion (Suharko et al., 2018).

Through this important development potential, halal-certified food has become a basic need, and it allows Indonesia not only as a halal food market but also to act concurrently and move as a country producing halal food industry (Muhamed et al., 2019). A major achievement of the Indonesian halal food market is the opportunity to increase the production of halal food. Indonesia can meet the demand of not only the domestic market but also the international market, and is increasing year by year (Vanany et al., 2019).

Bandung became one of the cities in Indonesia that became a priority city for halal tourism in Indonesia in 2019. Bandung earned the nickname as a Muslim city, the reason being that the City of Bandung will implement various planning and design of the halal industry, such as halal street food, and has received support from the city government collaborates with all levels of society to make the city of Bandung a halal and thoyib tourist destination that makes it easier for Muslim communities to access and consume halal food (Gaffar et al., 2021). So that by holding a special program from the Bandung City Government regarding halal certification for food in MSMEs, benefits will be felt, namely ensuring product quality, safeguarding security from things that can interfere with the product's halal status, halal labeling and quality testing will make MSME products more secure. and provide satisfaction to consumers for consuming safe and guaranteed halal food (Puspa & Hyangsewu, 2021).

The discussion about Halal Supply Chain Management is the most topics discussed in the logistics sector, because of the equitable development of the number of Muslim communities and the necessity of a product that must be certified halal by the competent authority (Khan, 2018). The government also strongly supports the Indonesian halal industry to grow, by creating Sharia-based MSMEs to create a Halal Supply Chain (Shariff & Ahmad, 2019). So, with the distribution of Muslim statistical data and the number of consumption of halal goods, it is realizable for Indonesia to be able to survive in the market and take advantage of the potential that exists with the existence of Halal SCM (Haleem et al., 2021). So, companies can offer products and value to consumers without hesitation because they have been certified halal, which will also have an impact on company profits and the creation of good CRM (loyalty) (Muchamad et al., 2021).

The integration of halal food has various indicators, that is raw materials must be able to guarantee halal, because if the raw materials already contain non-halal components in food processing, the next stage will contaminate them into non-halal food. In the halal food supply chain, which has a systematic and regular process, special standards and regulations must be applied (Septiani & Ridlwan, 2020; Setyaningsih & Marwansyah, 2019). Must be concerned with maintaining the standard and quality of halal food so that the halal status is maintained and is not contaminated with things that can invalidate it (Purwanto & Sudargini, 2021).

The purpose of this research contributes to two things. The first is to expand and increase knowledge or literature regarding the influence of supply chain integrity which has an influence on halal food from quality performance. The second discusses a deeper dimension in internal integration in supply chain integration which discusses the integration of consumers, raw materials, and information on the performance of quality halal food. From a practical perspective, it will provide knowledge and expand the literature on the integrity of halal food so as to provide input and evaluation to the owners of halal food MSMEs in the city of Bandung to maintain the integration of the halal food supply chain in order to continue to achieve quality performance, food safety, and things that can contaminate product halal status in order to be maintained and sustainable in order to achieve customer satisfaction.

II. Review of Literature

2.1 Operation Management

Operations management (OM) creates value in the form of goods and services by inputting results (Heizer & Render, 2018). Activities related to the production of goods, services, or combinations thereof through the process of transforming production resources into desired results (Vanany et al., 2019).

2.2 Supply Chain Management

Supply chain management is a way to integrate the supply chain into your corporate strategy, including the decision to decide what to buy, who to buy, and under what conditions (Nunes et al., 2020). Supply Chain Management (SCM) provides inter-departmental and inter-company integration and materials, information, to transform and use SC resources along the entire supply chain value chain. And financial flow adjustments. In the most rational way for the supplier (Koberg & Longoni, 2019). The SC is a physical network (da Silva et al., 2019). That is, any company that plays a role in supplying raw materials, manufacturing goods, and shipping to consumers/ends user (Sodhi & Tang, 2021). There are three streams managed by supply chain management. The supply chain needs to control three flows: the flow of goods, money flow, and the information flow which flow from upstream to downstream (Bastas & Liyanage, 2018).

2.3 Supply Chain Integration

Supply chain integration (SCI) can be expressed as strategic process management that can play a role in creating a positional advantage associated with improving company performance that is consistent with the dominant flow of the latest SCI empirical characteristics such as information, technology, processes, and relationships for classifying SCI into three dimensions: supplier integration, internal integration, and customer integration (Pakurár et al., 2019). Organization must have a goal to be achieved by the organizational members (Niati et al., 2021). Supply chain integration allows organizations to strategically collaborate with supply chain partners to manage processes within and between organizations to effectively product and service, information, funding, and decision making. We aim to realize a high-speed flow, provide maximum value at low cost, and provide high speed to our customers (Lo et al., 2018).

Another opinion regarding SCI is supply chain integration is defined as a benchmark in measuring the extent to which all company activities from suppliers, customers, and other supply chain members are integrated with all interested parties (Pakurár et al., 2019). Supply chain integration is also described as an approach or method that a company can use as a reference in organizing and managing an effective collaboration process for all parties to improve company performance. Integration can be identified with various main activities such as cooperation, collaboration, information sharing, trust, partnership, and technology, due to the competitive environment becoming increasingly challenging, companies that make efforts to compete together various fields (Sarkar et al., 2020).

2.4 Halal Supply Chain Management

Halal supply chain management is managing the procurement, transfer, storage and handling of materials, parts, livestock and semi-finished products, food and non-food products process, and related information with documentation (Khan et al., 2018). The Halal Supply Chain is the plan and management of supply chain from halal procurement, halal distribution, to halal processing of halal products (Mohamed et al., 2020). Logistics,

halal certification process, halal product maintenance, and halal certification by monitoring the flow of halal products, Syariah-based information, and halal-based information. Financing includes the principles of Islamic cooperation and cooperation between well-cooperative supply chain stakeholders (Khan et al., 2018).

2.5 Halal Food Integrity

Food integrity includes the processes which ensure that food available for sale or sale to consumers would be not only safe and also from environment, ingredients, and quality predicted by consumers, but it also includes other aspects of food production, such as something is referenced, procured, or distributed, and just being honest about all these aspects to buyers (Vanany et al., 2020). Food integrity should be regarded iterms of food SC (Supian & Abdullah, 2019). Ali et al. (2017) proposed raw materials, production, service, and information integrity as four dimensions of food SC integrity.

Halal food integrity is at risk if those four situations exist or occur in the SC: (1) the existence of forbidden animals (e.g., pigs, wild boars, pigs, meat - eating animals, and wildlife that die of natural deaths); JIMA (2) blood or dirt contamination (e.g., carrion and animal carcasses); (3) existence of an addictive substance (alcohol); and (4) inappropriate butchering or blessing (Tan et al. 2017). Halal food SC integrity is achieved by combining the halal concept with the 3 components of food integrity (raw materials, production, completeness of information) (Ali et al., 2021).

2.6 Quality Performance

Through internal and external integration by defining strategies for the heterogeneous allocation of strategic resources, a sustainable competitive advantage will be created. After achieving integration and competitive advantage, customers are considered an internal strategic resource that impacts their competitiveness and performance due to internal and external integration with their suppliers. The relationship with quality performance is that if the security and compliance of all internal and external parties through SCI in Shariah rules and requirements on halal food SCM, the integrity of halal food SCM becomes the main key in competitive capabilities that create superior competitiveness to improve food quality (Chen et al., 2020).

2.7 Theoritical Framework

Figure 1. is a theoretical framework of this research that shows SCI in the context of internal integration, supplier integration and customer integration and have the dimention of halal supply chain integration, there are 3 dimention of halal SCI including halal raw material integrity, halal production integrity and information integrity. It will lead to halal food quality performance. It depicts the hypotheses H1, H2, H3, H4, H5, and H7 as shown in Figure 1.

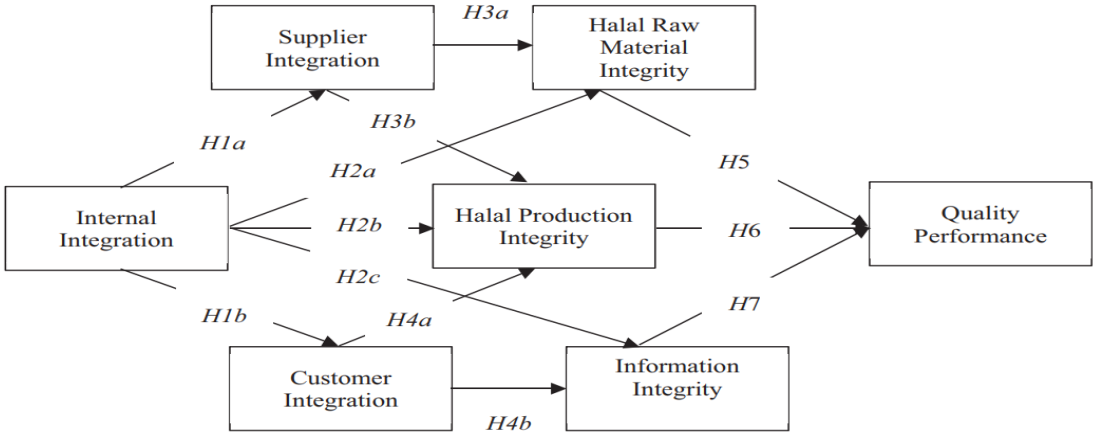

Figure 1. *Theoritical Framework (Sources: Ali et al, 2021)*

This research was adopted from former research by Ali *et al* (2021). The similarities of this research are both of them using the same variables to be observed such as internal integration, supplier integration, halal raw material integrity, halal production integrity, customer integration, information integrity, and quality performance. The difference can be seen in research objects. This study used halal food SMEs in Bandung, while the former study was taken place in halal certified companies in Malaysia. This research used purposive sampling rule in 10% signification so it took 100 halal food SMEs in Bandung, while the former study was using 275 halal certified companies in Malaysia.

III. Research Method

This research is a quantitative research with data sources obtained through a survey using an online questionnaire. The population of this study is the MSMEs of halal food in the city of Bandung. The sampling technique used non-probability sampling with purposive sampling so that the sample of this study was 100 managers and/or owners of halal food SMEs in Bandung, by distributing online questionnaires in the form of google form. The time of data collection was cross sectional from December 2021 to February 2022. The data analysis technique used SEM-PLS with measurement model and nonparametric bootstrapping using the software SmartPLS. The respondents were small halal food business owner in Bandung City. The criteria of small business which used in this research, were (1) sold halal food products, (2) at least run by individual, (3) at least 2 years operation, (4) at least sell five types of food, (5) at least has two employees and/or one owner, (6) highest net worth 50 million rupiah, and highest turnover fund is 300 million rupiah, and (7) the land and building which used to run the business was not counted.

IV. Results and Discussion

4.1 Results

a. Assessment of the Measurement Model

This research used outer model to measure the variable's intercourse. Outer model is a measurement model which represent the connection between indicator and latent variable (Kim et al., 2018). Outer model through reflective indicator can be analysed and evaluated through convergent validity, discriminant, composite reability, and Cronbach Alpha on

their indicator block (Kamis et al., 2021). The Measurement Model (Outer Model) is one part to test the quality of the measurement model in a study, which is used to measure the convergent validity of a measurement instrument. The outer model analysis is carried out to ensure that the measurements used in the study are proven to be suitable for use as research. In the outer model analysis, an analysis is carried out to further specify the relationship between latent variables and various indicators in it. In other words, this model explains the relationship of each indicator to relate to this latent variable.

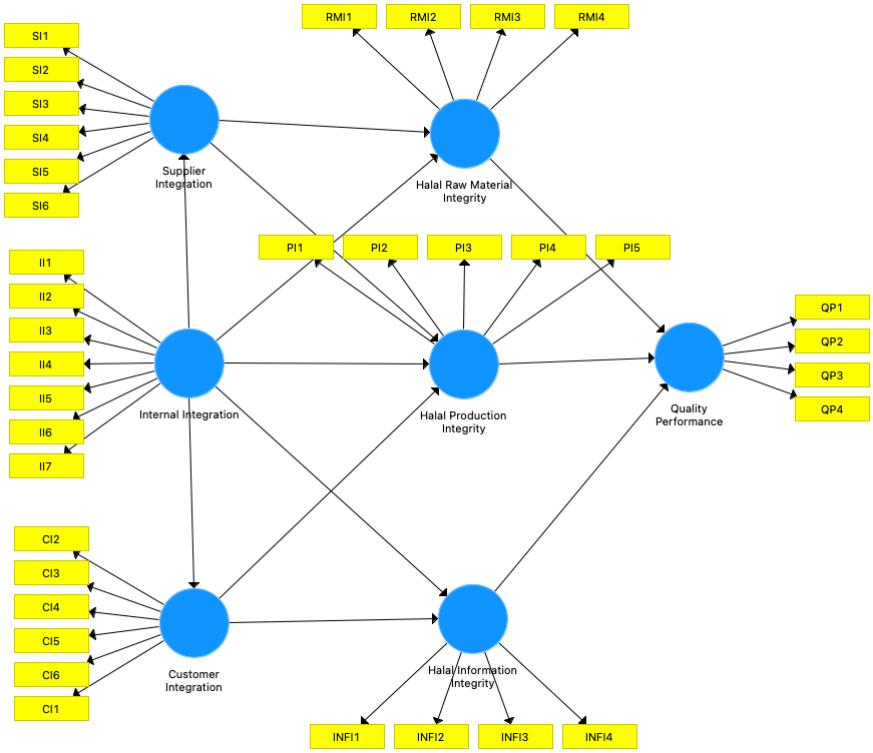

Figure 2. *Research Model*

b. Validity and Reliability Test

The validity test on SmartPLS is to look at the loading factor with a value > 0.7 (Kamis et al., 2021). Loading factor is a similar term to outer loading. If the loading factor value on the variable is > 0.7, the test is said to be valid. In the first convergent validity test, two indicators have an outer loading value > 0.7, namely the CI3 indicator (0.597) and SI3 (0.017). The trimming process is carried out twice to get convergent validity that meets the requirements. In addition to composite reliability, classification validity was assessed by making a comparison of the Average Variance Extracted (AVE) with the value of the latent construct. If the root of the AVE is greater than the correlation value (>0.5 and/or >0.7), the indicator is declared valid (Matthews et al., 2018) **(Table 2)**.

Besides AVE, discriminant validity was also determined through cross-loading. Cross loading can determine discriminant validity by measuring the indicator reflection with other construct blocks. The indicator value is declared to meet the discriminant validity value if the correlation value between the constructs and the indicator is higher than the correlation between indicators, the valid cross-loading value is > 0.7 **(Table 1)**.

Based on the results of cross-loading in table 1, it has met the requirements of convergent validity, that is, each indicator has fulfilled the role of thumb, that is, each indicator already has a value > 0.7. In addition, the overall value of the correlation indicator to the construct is already higher than the correlation value of other construct indicators. The Customer Integration variable has five statement items, all items already have a higher value than other indicators. The Internal Integration variable has seven statement items, all items already have a higher value than other indicators. The Information Integrity variable has four statement items, all items already have a higher value than other indicators. The Halal Production Integrity variable has five statement items, all items already have a higher value than other indicators. The Quality Performance variable has four statement items, all items already have a higher value than other indicators. The Halal Raw Material Integrity variable has six statement items, all items already have a higher value than other indicators. The Supplier Integration variable has five statement items, all items already have a higher value than other indicators.

Reliability tests can be tested and analysed by using the evaluation of two combinations, namely the value of composite reliability and Cronbach alpha. The assessment criteria for determining the research model to have high model reliability are if the composite reliability (CR) value is > 0.7 and the Cronbach alpha value is > 0.6.

Table 1. Loading and Cross Loading

	CI	II	PI	RMI	INFI	QP	SI
CI2	**0,873**	0,751	0,605	0,640	0,726	0,703	0,684
CI3	**0,905**	0,775	0,721	0,579	0,815	0,803	0,706
CI4	**0,876**	0,750	0,680	0,573	0,771	0,771	0,704
CI5	**0,921**	0,845	0,742	0,678	0,800	0,833	0,774
CI6	**0,898**	0,800	0,679	0,653	0,819	0,796	0,780
II1	0,883	0,844	0,746	0,641	**0,882**	0,853	0,761
II2	0,872	0,823	0,788	0,684	**0,879**	0,841	0,789
II3	0,754	0,713	0,693	0,726	**0,844**	0,735	0,746
II4	0,656	0,669	0,804	0,584	**0,848**	0,689	0,644
II5	0,671	0,588	0,771	0,510	**0,792**	0,692	0,582
II6	0,587	0,630	0,631	0,471	**0,769**	0,596	0,711
II7	0,615	0,652	0,589	0,618	**0,765**	0,619	0,788
INFI1	0,826	**0,924**	0,753	0,722	0,801	0,901	0,791
INFI2	0,745	**0,814**	0,681	0,610	0,763	0,717	0,716
INFI3	0,662	**0,845**	0,628	0,614	0,677	0,766	0,705
INFI4	0,852	**0,943**	0,705	0,712	0,782	0,905	0,817
PI1	0,616	0,635	**0,906**	0,594	0,786	0,711	0,668
PI2	0,655	0,716	**0,833**	0,667	0,752	0,727	0,725
PI3	0,722	0,704	**0,927**	0,605	0,769	0,802	0,651
PI4	0,678	0,719	**0,852**	0,599	0,769	0,708	0,716
PI5	0,700	0,677	**0,876**	0,491	0,742	0,775	0,605
QP1	0,821	0,890	0,799	0,708	0,825	**0,949**	0,791
QP2	0,841	0,898	0,816	0,717	0,818	**0,958**	0,814
QP3	0,798	0,861	0,785	0,627	0,830	**0,937**	0,727
QP4	0,871	0,915	0,829	0,703	0,862	**0,964**	0,808
RMI1	0,457	0,536	0,393	**0,797**	0,560	0,470	0,608
RMI2	0,763	0,762	0,711	**0,837**	0,734	0,737	0,785
RMI3	0,591	0,672	0,550	**0,935**	0,622	0,626	0,776
RMI4	0,554	0,604	0,616	**0,876**	0,606	0,626	0,712
SI1	0,689	0,739	0,638	0,669	0,761	0,697	**0,870**
SI2	0,752	0,804	0,647	0,686	0,818	0,745	**0,906**
SI4	0,836	0,832	0,824	0,677	0,857	0,848	**0,897**

	CI	II	PI	RMI	INFI	QP	SI
SI5	0,640	0,660	0,566	0,786	0,633	0,629	**0,814**
SI6	0,614	0,686	0,625	0,851	0,691	0,647	**0,852**

Note: bold values are lodings for items that are above the recommended value of 0,7

Table 2. Results of Measurement Model

Measurement Items		Cronbach's Alpha	Loading Factor	Composite Reliability (CR)	Average Variance Extracted (AVE)
CI	**CI2**	0,938	0,873	0,953	0,801
	CI3		0,905		
	CI4		0,876		
	CI5		0,921		
	CI6		0,898		
II	**II1**	0,922	0,882	0,938	0,684
	II1		0,879		
	II3		0,844		
	II4		0,848		
	II5		0,792		
	II6		0,769		
	II7		0,765		
INFI	**INFI1**	0,905	0,924	0,934	0,780
	INFI2		0,814		
	INFI3		0,845		
	INFI4		0,943		
PI	**PI1**	0,926	0,906	0,945	0,773
	PI2		0,833		
	PI3		0,927		
	PI4		0,852		
	PI5		0,876		
QP	**QP1**	0,966	0,949	0,975	0,907
	QP2		0,958		
	QP3		0,937		
	QP4		0,964		
RMI	**RMI1**	0,885	0,797	0,921	0,744
	RMI2		0,837		
	RMI3		0,935		
	RMI4		0,876		
SI	**SI1**	0,918	0,870	0,939	0,754
	SI2		0,906		
	SI4		0,897		
	SI5		0,814		
	SI6		0,852		

c. Assessment of Structural Model

Abdillah & Hartono (2015; 187), defines the inner model as the relationship that shows the specification of the causal relationship between latent variables (structural model). According to (Matthews et al., 2018), suggest that in evaluating the structural model by looking at two criteria, namely the R-Square value and the path coefficient significance level. The R-Square is used to determine the magnitude of the variation in dependent variable that can be explained by the variation of the independent variable; the portion cannot be described by parameters not included in this research model. The R-Square values range from 0 to 1. The R-Square values are shown in Table 3. To test the

hypothesis, a nonparametric bootstrap was applied. All routes have been found to be important and all hypotheses are supported (Figure 3 and Table 4).

Table 3. R-Square for Every Variable

	R-Square	R-Square Adjusted
Customer Integration	0,774	0,772
Halal Information Integrity	0,802	0,798
Halal Production Integrity	0,755	0,747
Halal Raw Material	0,710	0,704
Quality Performance	0,910	0,907
Supplier Integration	0,756	0,753

Table 4. Hypotesis Testing

Hypothesis	Relationship	Original Sample	Sample Mean	SD	T statistics	p-values	Decision
H1a	II → SI	0,869	0,872	0,027	31,813	0,000	Supported
H1b	II → CI	0,880	0,884	0,023	37,828	0,000	Supported
H2a	II → RMI	0,019	0,027	0,150	0,124	0,902	-
H2b	II → PI	0,830	0,823	0,185	4,492	0,000	Supported
H2c	II → INFI	0,375	0,393	0,111	3,378	0,001	Supported
H3a	SI → RMI	0,827	0,821	0,145	5,686	0,000	Supported
H3b	SI → PI	0,038	0,042	0,204	0,186	0,853	-
H4a	CI → PI	0,007	0,007	0,133	0,051	0,959	-
H4b	CI → INFI	0,547	0,530	0,127	4,293	0,000	Supported
H5	RMI → QP	-0,015	-0,013	0,056	0,271	0,786	-
H6	PI → QP	0,297	0,287	0,079	3,753	0,000	Supported
H7	INFI → QP	0,714	0,722	0,084	8,468	0,000	Supported

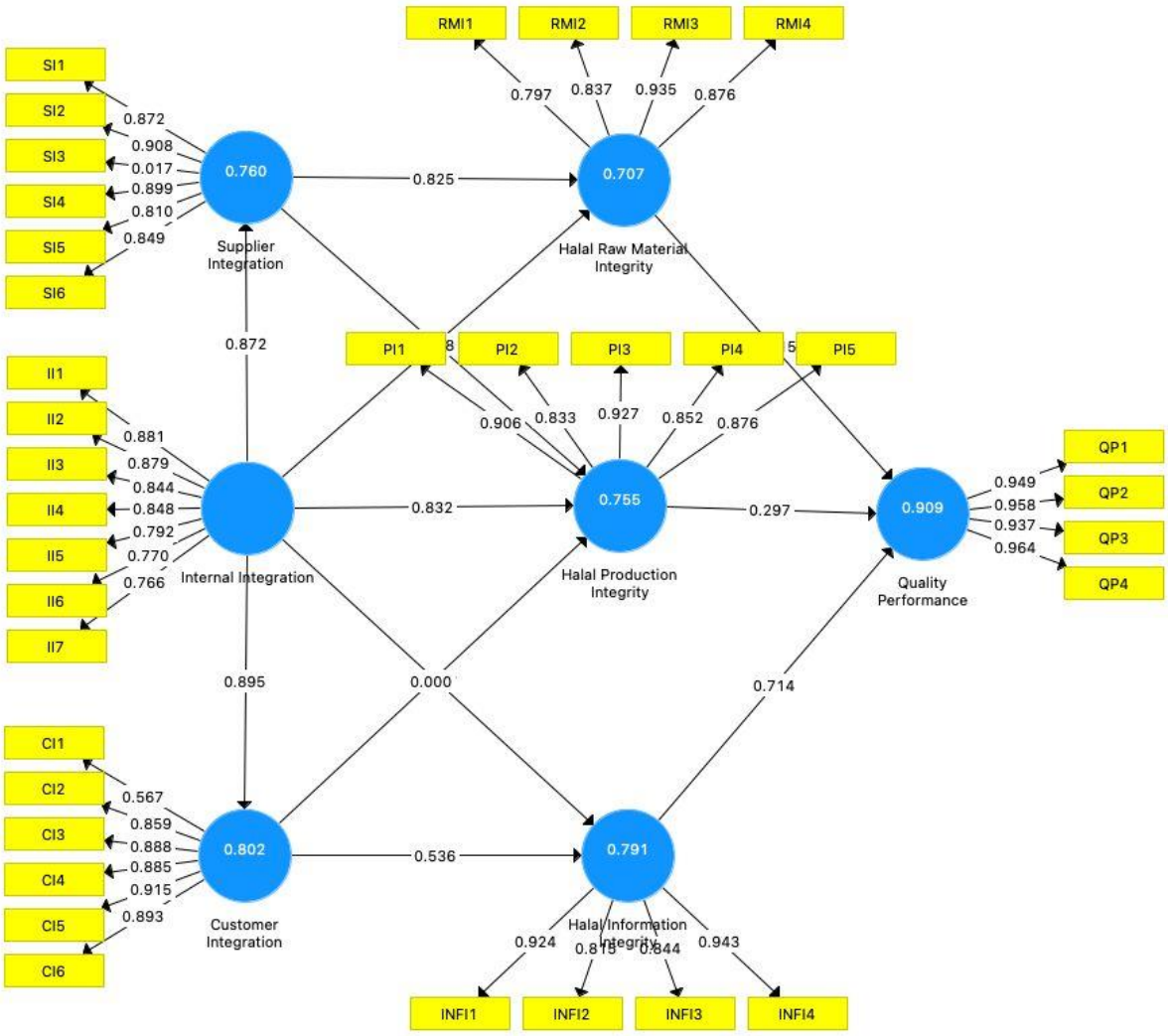

Figure 3. *Results of the Path Analysis*

4.2 Discussion

Based on the results of testing the first hypothesis, because the t-statistic value is 31.813 and the p-value is 0.05, Internal Integration has a positive effect on Supplier Integration and Customer Integration. This is because the internal parties of the Halal Food MSMEs in Bandung City already have rules, an integrated data management system for all employees, already have a system that unites all employees and internal parties within MSMEs in managing Halal Food SCM, and conduct cross-team team meetings. functions with various divisions within MSMEs in managing information between members, managing physical products of halal food, as well as assessing each management assessment process and in maintaining quality and halal food, as well as in planning the development of new foods. Internals also frequently monitor developments between internal divisions. So that from all the activities carried out from the previous explanation, these actions and implementations have an effect on Supplier Integration, namely being able to obtain information exchange, quality production improvement processes, good cooperative relationships, and active roles with suppliers.

The perceived influence of Customer Integration is being able to analyse and evaluate the results of the satisfaction assessment survey to improve and maintain customer loyalty, close contracts, and maintain active and good interactions between employees and consumers. By maintaining integration with consumers, Halal Food MSMEs in Bandung City already have various strategies and special programs from the internal team to continue to achieve customer satisfaction after consuming halal food produced from every Halal Food MSME in Bandung City. Therefore, it is very important to manage and maintain the performance of the Internal Integration to affect the Customer Integration and Supplier Integration.

Internal Integration doesn't affect Halal Raw Material Integrity but has a positive effect on Halal Production Integrity and Information Integrity. The reason for rejecting this hypothesis is because in determining the raw materials for halal food, the Internal Halal Food MSME in Bandung City does not interfere in obtaining and processing raw materials, but directly buys finished raw materials from suppliers of raw materials for halal food. Meanwhile, in the halal food production process, Halal Food SMEs are directly involved in the processing and processing of raw materials to prevent each stage of production that can contaminate and disrupt the halal status of food, as well as being able to eliminate various risks of producing food sourced from non-halal sources to keep achieving halal food production. the quality standard of halal food.

Supplier Integration has a positive effect on Halal Raw Material Integrity but does not affect Halal Production Integrity. The reason for the rejection of this hypothesis is because the suppliers of MSME Halal Food before becoming MSME suppliers have carried out the process of exchanging information about raw materials which will be forwarded to MSMEs for further manufacturing processes regarding halal food. Suppliers have a role to exchange information about quality food, increase production, and have good cooperative relationships with MSMEs, to regulate the process of obtaining and producing halal food raw materials. Supplier Integration does not affect the production process, because it acts as a supplier to exchange or pass on halal raw materials to SMEs. After all, halal food production is carried out by SMEs internally.

Customer Integration doesn't affect Halal Production Integrity but has a positive effect on Information Integrity. The reason for the rejection of this hypothesis is because consumers do not affect the production process of food raw materials into quality halal food to consumers, this is the role of the internal parties of each MSME. However, in disseminating information regarding the validity of MSMEs that have been certified halal and trusted, it is the role of consumers because they have felt how MSMEs feel the results of close contracts and satisfaction between MSME services and halal food products to consumers, as well as good interaction with consumers. These various benefits will provide benefits for disseminating food information and business information to increasingly widespread consumers, as well as valid halal-certified food product information.

Halal Raw Material Integrity doesn't affect Quality Performance. This means that the raw materials for halal food SMEs in Bandung do not affect the quality performance of the food consumed by consumers. The reason for the rejection of this hypothesis is because there are things that can cause contamination with halal food raw materials that can affect the halal status of the raw materials to be continued in the halal food production process from Halal Food SMEs in Bandung City.

Halal Production Integrity affects Quality Performance. This shows that the halal food production process will affect the quality performance of the food at the Halal Food MSMEs in Bandung City. The production process that follows the rules and regulations according to the SOP to produce halal food output will be in line with the quality

performance of the food perceived by consumers from Halal Food SMEs in Bandung. MSME Halal Food will carry out production processes such as prevention of procedures that are dangerous and can interfere with halal status, as well as maintain production quality from risks that occur so that it will meet halal food standards that can meet high-performance food products, meet halal product standards, be sustainable and consistent.

Information Integrity affects Quality Performance, this means that information from MSME Halal Food affects quality performance at MSME Halal Food in Bandung City. The reason is that Information Integrity regulates and manages information for each Halal Food MSME in Bandung City such as sharing quality and valid halal food business information, MSME information that has been certified halal so that by sharing this information with customers and connoisseurs of halal food, it will make the quality performance of food consistently maintained to maintain the quality and sustainability of halal food from Halal Food SMEs in the city of Bandung.

V. Conclusion

This study only considered in Halal Food small business in Bandung, so this conclusion does not apply generally to objects that are outside this research. Research only on Supply Chain Integration on the Internal Integration side, does not involve external integration.

Based on data analysis and discussion descriptions, it can be concluded that supply chain integration, which includes internal integration, supplier integration, and customer integrity, is an important source of halal food industry which has three advanced dimentions such as halal raw material integration, production integrity and information integrity which can lead into halal food quality performance. Internal integration is one of supply chain integration base so it should be built and enhanced before upgrade supplier integrity and customer integrity. The effect of PI and INFI to quality performance are to remove any risks or probability which interfere internal team who take care of food traceability, well management from upstream to downstream, and able to communicate with customer to reach the satisfaction and halal food quality, so it’ll impact on halal food industry in Bandung. Internal integration and customer integrity has a positive correlation with information integrity, then in the future it must be arranged in the form of coordination in order to foster and retain customers, foster good relationships in order to maintain relationships with customers and continue to provide and share valid and up-to-date information regarding the halal status of products and propective product development. A regular and periodic dissemination of information will maintain and foster relationships with consumers. High integration will always connect with consumers.

Future studies should investigate whether supplier development can such as training, talent management, supplier monitoring, supplier incentives, supplier collaboration has an effect or not in maintaining halal status and halal food quality in improving food safety. It is also suggested that in the future the distribution of halal food can be based on the status of the type of food eaten such as vegan, vegetarian, pescatarian, beegan, flexitarian but with halal status so that it is not general in general but there are classifications in it, as well as researching factors, strategies, or various considerations for halal food SMEs to be able to integrate into the company's internal and external in the integration of the halal food supply chain.

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