

THE ROLE OF ISLAMIC MARKETING IN ENHANCING CUSTOMER ENGAGEMENT FOR HALAL PRODUCTS AMONG MILLENNIALS

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ABSTRACT

The increasing global awareness of halal products, which are no longer viewed solely as a religious necessity but also as part of a modern lifestyle, has become a significant trend. On the other hand, millennials, as the largest consumer group characterized by adaptability, digital-savviness, and value-consciousness, demand marketing approaches that are both relevant and ethically aligned. Islamic marketing, grounded in Sharia principles such as justice, transparency, and ethics, is believed to address these challenges effectively while enhancing customer engagement. This study aims to analyze the role of Islamic marketing in increasing customer engagement with halal products among millennials. The research findings indicate that Islamic marketing has a positive and significant impact on customer engagement with halal products. Religiosity and trust emerge as the primary factors strengthening customer involvement, followed by ethical marketing communication. These findings suggest that implementing Sharia-based marketing strategies can foster deeper emotional connections between brands and customers while simultaneously driving loyalty to halal products. This research provides practical contributions for halal business practitioners to integrate Islamic values into their marketing strategies to enhance customer engagement, particularly among millennials. Furthermore, the findings offer valuable insights for academics on the importance of Islamic marketing in the context of developing a sustainable halal product ecosystem.

Keywords: Islamic marketing; customer engagement; halal products; millennials

1. INTRODUCTION

The global halal market has experienced remarkable growth in recent years, driven by increasing awareness of Islamic values and the growing population of Muslim consumers (Halal Industry Development Corporation, 2019). This trend is not limited to Muslim-majority countries but has also expanded globally, as halal products are increasingly recognized as ethical, hygienic, and of high quality (Gul, M, etc, 2022). Millennials, who constitute a significant portion of the consumer market, play a pivotal role in driving this growth. Known for their technological savvy,

social awareness, and preference for products aligned with their personal values, millennials have become a key demographic for businesses aiming to thrive in the halal industry (Azam, M. S. E., & Abdullah, M. A., 2020).

In Indonesia, as the country with the largest Muslim population in the world, the halal industry holds significant economic and cultural value. The government's support for halal certification and the growing preference among millennials for halal products highlight untapped potential for businesses to enhance their engagement strategies (Harjadi, D., et al., 2021). Millennials in Indonesia are not merely passive consumers; they actively seek brands that align with their personal and religious values, creating a demand for marketing approaches that are not only effective but also ethical (Mahardiyanto, A., et al., 2022).

The importance of millennials as a primary demographic cannot be overlooked. First, millennials account for nearly 25% of the global population, making them the largest consumer group worldwide. Second, their increasing purchasing power makes them a driving force in various industries, including halal products. Third, their unique consumption behaviors—such as a desire for personalized experiences, engagement through social media, and alignment with brands that share their values—impact market trends as a whole. In the context of the halal market, this generation has the power to shape perceptions and demand for products that align with Sharia principles (Abbas, A., et al., 2020).

The development of the halal industry in Makassar, South Sulawesi (Sulsel) has shown significant progress in recent years, covering a range of sectors from food products to banking. As of September 2023, South Sulawesi has issued more than 40,000 halal certificates for products circulating in the region, demonstrating the region's commitment to ensuring products consumed by the public comply with halal standards (Badan Penyelenggara Jaminan Produk Halal, 2023). In addition, South Sulawesi became the first region in Indonesia to establish a halal culinary zone, which not only ensures that the food consumed is safe and healthy, but also fulfils the principles of sharia (Republika, 2023). In November 2022, Bank Indonesia South Sulawesi and the Halal Center of Muhammadiyah University of Makassar organised a meeting to encourage South Sulawesi to become the centre of the halal industry in Eastern Indonesia, demonstrating institutional support for the development of this sector (Firmansyah, 2023). In an effort to increase public understanding, UPT. Halal Centre UMI also held socialisation and education activities on the importance of halal awareness. As a strategic step, UPT. Halal Centre UMI signed a memorandum of understanding with PT Bank Syariah Indonesia (BSI) to develop the halal industry ecosystem in South Sulawesi (Universitas Muslim Indonesia, 2023). The halal industry in the region covers a wide range of sectors, including food and beverages, cosmetics, pharmaceuticals, banking, and tourism, which shows great potential for shariah-based economic growth (Institut Agama Islam Negeri Parepare, 2023).

This is certainly relevant to the concept of Islamic marketing, where Islamic Marketing integrates sharia principles in every aspect of business, focusing on transparency, fairness, and social responsibility, which are very much in line with the values upheld in the halal industry. The rapidly growing halal industry in Makassar provides a great opportunity for the application of Islamic marketing to build trust and strengthen relationships with consumers. This creates an opportunity for businesses to not only attract customers, but also build loyalty based on Islamic values that are highly valued by the millennial generation and Muslim consumers in general.

Unlike conventional marketing, Islamic marketing emphasizes transparency, fairness, and ethical responsibility, thereby building trust and fostering long-term relationships with consumers. However, while Islamic marketing has gained attention as a theoretical concept, its

practical implications—particularly in engaging millennials—remain underexplored. This gap provides an opportunity to investigate how Islamic marketing principles can be leveraged to enhance customer engagement, particularly for halal products (Wibowo, M. W., et al., 2022).

This study is motivated by the need to fill the gap in empirical evidence regarding the application of Islamic marketing in enhancing customer engagement with halal products. With a focus on millennials as the target demographic, this research aims to contribute to the development of knowledge related to Islamic marketing and its potential to transform the interaction between consumers and brands in the halal market.

2. METHODS

The study titled "The Role of Islamic Marketing in Enhancing Customer Engagement for Halal Products Among Millennials" was conducted in Makassar City, targeting a specific population of millennials ranging from 100 to 150 individuals. The research instruments were selected based on the study variables, followed by the sampling process. Observation, interviews, and questionnaires were utilized to collect data. The collected data were analyzed using quantitative and descriptive analytical tools. This study employed the SEM (Structural Equation Modeling) method as the primary approach to test and model the relationships between key variables, namely Islamic marketing, halal products, millennials, and customer engagement. This study employed a Likert scale, enabling the ranking of data from the lowest to the highest level. Instrument testing was then conducted to assess the validity and reliability of the questionnaire. (Sholihin, M., & Ratmono, D., 2021, h. 4).

This method enables researchers to identify and understand causal relationships between the variables more comprehensively, as well as to measure both direct and indirect effects among them. Consequently, SEM provides a robust analytical framework for understanding the complexity of interactions between factors influencing consumer behavior changes in the context of green economy implementation through the use of e-payment. Finally, the results are interpreted, conclusions are drawn, and recommendations are provided (Sarosa, S, 2021 h. 34-42).

3. RESULTS AND DISCUSSION

Hypothesis

H1: Islamic Marketing has a positive influence on Halal Product

H2: Islamic Marketing have a positive influence on Customer Engagement.

H3: Halal Product has a positive influence on Customer Engagement.

H4: Halal Products mediate the relationship between Islamic Marketing and Customer Engagement.

Data Analysis

1. Respondent Characteristics Analysis

The respondents in this study were millennials which is born between 1981 and 1996 in Makassar City. Data collection was conducted by distributing questionnaires to respondents using Google Forms, with a total of 150 responses collected. The data was collected in November 2024.

Respondents in this study were categorized into several characteristics, including Gender, Age, and Education Level. A summary of the respondents' characteristics is presented below.

Table 1. General Overview of Respondents

Gender	Frequency	Percentage
Male	65	43.33%
Female	85	56.67%
Total	150	100%

2. Measurement Model

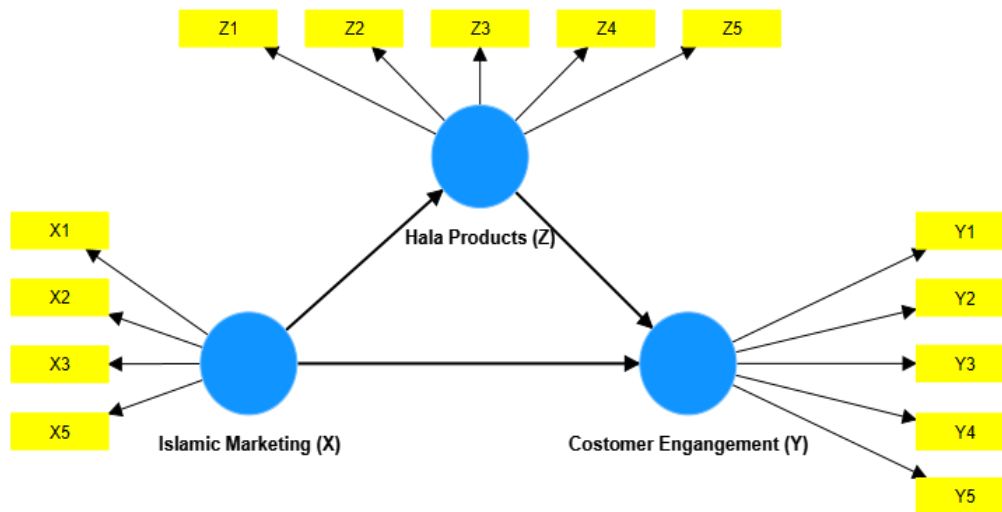


Figure 1. Measurement Model (Outer Model)

Based on Figure 1, the Convergent Validity test, model design, data input, and PLS Algorithm results indicate that some indicators were eliminated. The Islamic Marketing change variable (X) is represented by indicators X1, X2, X3, and X5. The Halal Products variable (Z) is represented by indicators Z1, Z2, Z3, Z4, and Z5. The Customer Engagement variable (Y) is represented by indicators Y1, Y2, Y3, Y4, and Y5.

a. Measurement Model Evaluation

The measurement model in this study consists of a reflective measurement model, where the variables of Consumer Behavior Change, E-Payment, and Green Economy are measured reflectively. According to Chin (1998), the evaluation of a reflective measurement model includes several criteria:

1. Loading Factor: ≥ 0.60 , indicating the relevance of the indicator to the construct being measured.
2. Composite Reliability: ≥ 0.70 , ensuring internal consistency of the construct.
3. Cronbach's Alpha: ≥ 0.60 , as a measure of the instrument's reliability.
4. AVE (Average Variance Extracted): ≥ 0.50 , indicating that more than 50% of the variance in the construct is explained by the indicators.

Additionally, discriminant validity evaluation is conducted using criteria such as Fornell and Lacker and HTMT (Heterotrait Monotrait Ratio) below 0.90.

Table 1. Measurement Variable

Variable	Item Measurements	Indicator	Outer Loading	Cronbach's Alpha	Composite Reliability	AVE
Islamic Marketing (X)	X1	Compliance with Sharia principles	0.708	0.679	0.804	0.506
	X2	Compliance with Sharia principles	0.722			
	X3	Application of Islamic business ethics	0.717			
	X5	Understanding and applying principles of justice, honesty, and social responsibility	0.699			
		Z1	Halal certification			
Halal Products (Z)	Z2	Product conformity with halal standards	0.616	0.778	0.849	0.530
	Z3	Clarity of halal label on product	0.762			
	Z4	Product conformity with halal standards	0.732			
	Z5	Halal products that meet the needs of Muslim consumers	0.761			
	Customer Engagement (Y)	Y1	Active consumer interaction with the brand on social media			
Y2		Consumer participation in campaigns or promotions	0.831			
		Y3	Consumer loyalty to halal product brands	0.810		
Y4		Consumer satisfaction with products and services provided	0.855			
		Y5	Positive feedback and reviews given by consumers on products	0.804		

1. The Islamic Marketing Variable (X) is measured by four valid measurement items with outer loadings ranging from 0.699 to 0.722, indicating that all four items accurately reflect the measurement of Islamic Marketing (X). The reliability of the variable is acceptable, demonstrated by a Cronbach's alpha above 0.60 and composite reliability above 0.70, confirming its reliability. The convergent validity, shown by an AVE value of 0.506 (>0.50), meets the criteria for good convergent validity. Overall, the variable's measurement items account for 50.6% of the variance. Among the four measurement items, X3 (Application of Islamic business ethics) and X2 (Transparency in communication) have the highest outer loadings at 0.717 and 0.722, respectively, indicating that these two items are the most frequently used measures
2. The variable Use of Halal Products (Z) is measured by 5 (five) valid measurement items with outer loading between 0.616-0.762, which means that the five measurement items are valid to reflect the measurement of the Use of Halal Products (Z). The level of variable reliability is acceptable as indicated by Cronbach's alpha above 0.60 and composite reliability above 0.70 (reliable). The level of convergent validity indicated by the AVE value of 0.530 > 0.50 has met the requirements for good convergent validity. Overall, the variation of measurement items contained by variables reaches 53%. Among the four measurement items, measurement items Z5 and Z3 have the highest outer loading (0.761) and (0.762) which indicates that the two measurement items, namely halal products that meet the needs of Muslim consumers and clarity of halal labels on the most frequently used products.
3. The Customer Engagement Sustainable Practices (Y) variable is measured by 5 (five) valid measurement items with outer loading between 0.749-0.855, which means that the five measurement items are valid to reflect the measurement of Customer Engagement Sustainable Practices (Y). The level of variable reliability is acceptable as indicated by Cronbach's alpha above 0.60 and composite reliability above 0.70 (reliable). The level of convergent validity shown by the AVE value of 0.657 > 0.50 has met the requirements of good convergent validity. Overall, the variation of measurement items contained by variables reaches 65.7%. Among the four measurement items, measurement items Y2 and Y4 have the highest outer loading (0.831) and (0.855) which indicates that the two measurement items, namely consumer participation in campaigns or promotions and the level of consumer satisfaction with the products and services provided are most frequently used.

Table 2. Fornell and Lacker Criteria

	Customer Engagement (Y)	Halal Products (Z)	Islamic Marketing (X)
Customer Engagement (Y)	0.811		
Halal Products (Z)	0.551	0.728	
Islamic Marketing (X)	0.557	0.667	0.712

Evaluation of discrimination validation needs to be done by looking at the Fornell and Lacker criteria. This criterion is that the variable AVE root is greater than the correlation between variables. The Customer Engagement (Y) variable has an AVE root of 0.811 greater than the correlation with Halal Products (Z) and Islamic Marketing (X), then the Halal Products (Z) variable is 0.728 greater than the correlation with Customer Engagement (Y) and Islamic Marketing (X) and

finally Islamic Marketing (X) has an AVE root of 0.712 greater than the correlation of Customer Engagement (Y) and Halal Products (Z). These results indicate that the discriminant validity of the Islamic Marketing (X), Customer Engagement (Y) and Halal Products (Z) variables is fulfilled.

Table 3. HTMT (Heterotrait-Monotrait Ratio)

	Heterotrait-monotrait ratio (HTMT)
Customer Engagement (Y) <-> Halal Products (Z)	0.640
Islamic Marketing (X) <-> Halal Products (Z)	0.888
Islamic Marketing (X) <-> Customer Engagement (Y)	0.691

The results of HTMT testing below were found for each pair of variables to be below 0.90 so that discriminant validity was achieved. The variable dividing the variation of the measurement item on the measuring item is stronger than dividing the variance on other variable items. This can be seen in the following table:

Table 4. Cross Loadings

	Customer Engagement (Y)	Halal Products (Z)	Islamic Marketing (X)
X1	0.407	0.449	0.708
X2	0.413	0.571	0.722
X3	0.293	0.396	0.717
X5	0.448	0.454	0.699
Y1	0.749	0.366	0.277
Y2	0.831	0.370	0.417
Y3	0.810	0.563	0.523
Y4	0.855	0.473	0.483
Y5	0.804	0.411	0.492
Z1	0.442	0.759	0.445
Z2	0.252	0.616	0.406
Z3	0.402	0.762	0.431
Z4	0.447	0.732	0.572
Z5	0.426	0.761	0.545

b. Structural Model Evaluation

Structural model evaluation is related to testing the hypothesis of influence between research variables. The structural model evaluation check is carried out in three stages, namely:

First, checking the absence of multicollinearity between variables with the inner VIF (Variant Inflated Factor) measure. Inner VIF values below 5 indicate that there is no multicollinearity between variables, Hair et al (2021).

The second is hypothesis testing between variables by looking at the t statistic or p-value. If the p-value of the test results is smaller than 0.05 then there is a significant influence between variables. In addition, it is necessary to convey the results and 95% confidence interval of the estimated path coefficient parameter.

The third is the f square value, namely the effect of direct variables at the structural level with the criteria (f square 0.02 is low, 0.15 is moderate and 0.35 is high), Hair et al (2021) and the f square of the mediation effect is called f^2 which is obtained by squaring the mediation coefficient, Lachowicz et al (2018) which is interpreted in Ogbeibu et al (2022) as a low mediation effect (0.02), moderate mediation effect (0.075) and high mediation effect (0.175).

Tabel 5. Inner VIF

	VIF
Halal Products (Z) -> Customer Engagement (Y)	1.802
Islamic Marketing (X) -> Halal Products (Z)	1.000
Islamic Marketing (X) -> Customer Engagement (Y)	1.802

Before testing the hypothesis of the structural model, it is necessary to see whether there is multicollinearity between variables, namely with the inner VIF statistical measure. The estimation results show that the inner VIF value is <5, so the level of multicollinearity between variables is low. These results strengthen the results of parameter estimation in SEM PLS is robust (unbiased).

Tabel 6. Hypothesis Testing

Hypothesis	Path coefficient	p-value	95% Confidence Interval of Path Coefficient		F ² Square
			Upper Limit	Upper Limit	
Islamic Marketing (X) -> Halal Products (Z)	0.667	0,000	0.583	0.753	0.802
Islamic Marketing (X) -> Customer Engagement (Y)	0.342	0,000	0.193	0.498	0.102
Halal Products (Z) -> Customer Engagement (Y)	0.323	0,000	0.162	0.487	0.091

Based on the results of the hypothesis test above, it is known as follows:

1. The first hypothesis (H1) is accepted, namely that there is a significant effect of Islamic Marketing (X) on Halal Products (Z) with path coefficient (0.667) and p-value (0.000 > 0.05). Any change in Islamic Marketing will increase Halal Products in the 95% confidence interval, the effect of Islamic Marketing in increasing Halal Products lies between 0.583 to 0.753. Changes in consumer behaviour in increasing the use of e-payment have a high influence at the structural level (f square = 0.802).
2. Hypothesis Two (H2) is accepted, indicating a significant influence of Islamic Marketing (X) on Customer Engagement (Y), with a path coefficient of 0.342 and a p-value of 0.000 (< 0.05). This means that any change in Islamic Marketing will positively enhance Customer Engagement within a 95% confidence interval, where the effect size of Islamic Marketing on Customer Engagement ranges from 0.193 to 0.498. However, despite the significance, the structural level of influence is relatively low, as indicated by an f-square value of 0.102.
3. Hypothesis Three (H3) is accepted, indicating a significant influence of Halal Products (Z) on Customer Engagement (Y), with a path coefficient of 0.323 and a p-value of 0.000 (<

0.05). This suggests that any improvement in Halal Products will enhance Customer Engagement within a 95% confidence interval, where the effect size of Halal Products on Customer Engagement ranges from 0.162 to 0.487. However, the influence of consumer behavior changes in promoting sustainable green economy practices is relatively low at the structural level, as indicated by an f-square value of 0.091.

Table 7. Mediation Hypothesis Testing

Hypothesis	Path Coefficient	p-value	95% Confidence Interval of Path Coefficient	Upsilon (v)
Islamic Marketing (X) --> Halal Products (Z) --> Customer Engagement (Y)	0.204	0.000	0.093 - 0.315	0.042

The mediation effect (F^2) is calculated using the Upsilon (v) formula as follows:

$$v = \beta_{YMX}^2 - (R_{YMX}^2 - p_{YX}^2)$$

$$v = \beta_{YMX}^2 \beta_{YMX}^2$$

$$v = (0,655)^2 \times (0,312)^2$$

$$v = 0,429 \times 0,097$$

$$v = 0,042$$

- Hypothesis Four (H4) is accepted, indicating that Halal Products (Z) significantly act as a mediating variable, mediating the indirect effect of Islamic Marketing (X) on Customer Engagement (Y), with a mediation path coefficient of 0.215 and a p-value of 0.000 (< 0.05). However, at the structural level, the mediation effect of Halal Products is relatively low, as reflected by a mediation influence value (upsilon v) of 0.046 (Ogbeibu et al., 2020). Within a 95% confidence interval, enhancing Halal Products could increase the mediation effect up to 0.336.

c. Model Fit Evaluation and Compatibility

1) R-Square

The R-square statistical measure can evaluate and describe the extent of the variation in the endogenous variable explained by other exogenous/endogenous variables in the model (Wetzels et al., 2019). According to (Hair et al., 2021), as cited in Yamin (2023), R-square values are categorized into three levels: below 0.25 (low impact), between 0.25 and 0.50 (moderate impact), and from 0.50 to 0.75 (substantial impact).

Table 8. R Square

	R-square	R-square adjusted
Halal Products (Z)	0.368	0.359
Customer Engagement (Y)	0.445	0.441

Based on the above analysis, it can be concluded that the influence of Islamic Marketing on Halal Products is 35.9%, categorized as a moderate effect. Furthermore, the influence of Islamic

Marketing on Customer Engagement through the mediation of Halal Products is 44.1%, also categorized as a moderate effect.

2) Q-Square

Q-square measures predictive accuracy, evaluating how well changes in exogenous/endogenous variables can predict endogenous variables (Hair et al., 2021). This serves as a validation of predictive relevance in PLS models. A Q-square value greater than 0 indicates the model has predictive relevance. According to Hair et al. (2019) as cited in (Shwedeh et al., 2022), Q-square values are interpreted qualitatively as follows: 0 (low), 0.25 (moderate), and 0.50 (high).

Table 9. Q Square

	Q2 Predict	RMSE	MEA
Halal Products (Z)	0.426	0.766	0.622
Customer Engagement (Y)	0.290	0.855	0.669

Based on the above processing results, the Q-square value for the Halal Products variable is $0.426 < 0.50$, which indicates that the predictive accuracy is approaching high. Meanwhile, Customer Engagement has a Q-square value of $0.290 < 0.25$, meaning that the predictive accuracy is moderate.

3) Standardized Root Mean Square Residual (SRMR)

SRMR stands for Standardized Root Mean Square Residual. According to Yamin (2022), these metric measures model fit, representing the difference between the data's correlation matrix and the estimated model's correlation matrix. As explained by Hair et al. (2021), an SRMR value below 0.08 indicates a good model fit. However, Karin Schermelleh et al. (2003) state that SRMR values between 0.08 and 0.10 suggest an acceptable model fit.

Table 10. SRMR

	Estimated Model
SRMR	0,106

Based on the table above, the model estimation result is 0.106, indicating that the model has an acceptable fit. The empirical data adequately explains the relationships between variables within the model.

4) Goodness of Fit Index (GoF Index)

The GoF Index evaluates the overall model, combining both measurement and structural models. The GoF Index is calculated as the square root of the geometric mean of the communalities and the mean R-square. According to Wetzels et al. (2009) as cited in (Shwedeh et al., 2022), GoF Index interpretation is categorized as follows: 0.1 (low), 0.25 (medium), and 0.36 (high).

Table 11. GoF Indeks

Mean Commuality	Mean R-Square	GoF Index
0,569	0,358	0,270

Based on the table above, the GoF index calculation results show a value of 0.270, which falls into the moderate category. This indicates that the model is a good fit for the data.

5) PLS Predict

Hair et al. (2019) state that PLS is a type of SEM analysis aimed at prediction. Therefore, it is necessary to develop a validity measure to assess the predictive strength of the proposed model. PLS predict functions as a validation tool for testing the predictive power of PLS. To demonstrate that PLS results have strong predictive power, they must be compared with a baseline model, such as a linear regression model (LM). A PLS model is said to have high predictive power if the RMSE (Root Mean Squared Error) or MAE (Mean Absolute Error) is lower than that of the linear regression model.

- If all PLS model measurement items have lower RMSE and MAE values than the linear regression model, the PLS model has high predictive power.
- If most of the items do, it has medium predictive power.

Table 12. PLS Predict

Indicator	PLS-SEM RMSE	PLS-SEM MAE	LM RMSE	LM MAE
Z1	0.456	0.396	0.460	0.408
Z3	0.663	0.549	0.671	0.556
Z4	0.472	0.406	0.447	0.376
Z5	0.535	0.407	0.541	0.409
Y1	0.522	0.387	0.533	0.390
Y2	0.652	0.505	0.657	0.510
Y3	0.566	0.417	0.573	0.427
Y4	0.516	0.408	0.496	0.370
Y5	0.490	0.377	0.501	0.383

Based on the results from analyzing 20 observations of RMSE and MAE, 14 measurement items showed higher values compared to the linear regression model, while 6 measurement items exhibited lower values. This indicates that the proposed PLS model demonstrates medium predictive strength.

Table 13. Linearity Testing

Quadratic Effect	Path Coefficient	p-value	Interpretation
E-Payment Usage (Z) -> Sustainable Green Economy Practices (Y)	0.149	0.072	Linearity Achieved
Consumer Behavior Change (X) -> Sustainable Green Economy Practices (Y)	-0.006	0.907	Linearity Achieved

Heir et al. (2019) state that examining the linearity of relationships between variables is necessary. The assumption made in the influence between variables is that it is linear. This examination is part of the robustness of the SEM PLS model. The analysis conducted involves testing the quadratic effect of the variables (QE = Quadratic Effect). Based on the results, the quadratic effects of Islamic Marketing and Halal Products on Customer Engagement are not

significant, meaning that the influence of Islamic Marketing and Halal Products on Customer Engagement is linear, and the model's linearity effect is met (robust).

1) Islamic Marketing Has a Positive Influence on Halal Product

Based on the data analysis, it can be concluded that Islamic Marketing has a significant impact on Halal Products. Hypothesis 1 (H1) is accepted, indicating that the application of Islamic values-based marketing strategies can enhance the image and acceptance of halal products in the market. This influence is reflected by a strong path coefficient (0.667) and a highly significant p-value (0.000), indicating a real and not coincidental relationship between Islamic Marketing and Halal Products.

Furthermore, the influence of Islamic Marketing on Halal Products demonstrates a substantial impact on the attributes or image of halal products. With a 95% confidence interval, the effect is estimated to be between 0.583 and 0.753, showing the stability of this influence. Structurally, this impact is categorized as high, with an f square value of 0.802, indicating a very strong effect of Islamic Marketing on Halal Products.

Overall, the findings of this study emphasize the importance of implementing Islamic Marketing in improving the quality, image, and acceptance of halal products in the market, which in turn can strengthen the competitiveness of halal products among Muslim consumers.

2) Islamic Marketing Have a Positive Influence on Customer Engagement

The results from Hypothesis 2 (H2) indicate that Islamic Marketing (X) has a significant positive effect on Customer Engagement (Y), as evidenced by a path coefficient of 0.342 and a p-value of 0.000 (which is less than 0.05, indicating statistical significance). This means that Islamic Marketing, which includes practices rooted in ethical, religious, and socially responsible values, leads to an increase in Customer Engagement. Specifically, the confidence interval for this effect (between 0.193 and 0.498) suggests that the strength of this influence is moderate but consistent.

However, despite the positive effect, the structural level impact of Islamic Marketing on Customer Engagement is considered low, as indicated by an f-square value of 0.102. This means that while Islamic Marketing influences Customer Engagement, the overall effect size is not as large as other potential drivers of engagement. The f-square is a measure of effect size, and values below 0.15 indicate a small effect, with values around 0.35 indicating a medium effect and values above 0.35 showing a large effect.

3) Halal Product Has a Positive Influence on Customer Engagement

Hypothesis Three (H3) is accepted, indicating a significant influence of Halal Products (Z) on Customer Engagement (Y), with a path coefficient of 0.323 and a p-value of 0.000 (< 0.05). This suggests that any improvement or change in halal products will enhance customer engagement. Within a 95% confidence interval, the effect size of halal products on customer engagement ranges from 0.162 to 0.487. This means that the better halal products meet consumer expectations, the greater the consumer engagement with the brand or product.

However, despite the significant effect, the influence of changes in consumer behavior on promoting sustainable green economy practices is considered low, as reflected in the f-square value of 0.091. This low f-square value indicates that while halal products significantly affect customer engagement, their influence on green economy practices remains relatively small at the structural level. This suggests that other factors, such as Islamic value-based marketing, might play a more prominent role in driving consumer behavior changes towards a green economy.

4) Halal Products Mediate the Relationship Between Islamic Marketing and Customer Engagement

The acceptance of Hypothesis Four (H4) indicates that Halal Products (Z) significantly acts as a mediating variable, meaning it mediates the indirect effect of Islamic Marketing (X) on Customer Engagement (Y). This is demonstrated by the path coefficient of 0.215 and the p-value of 0.000 (< 0.05), which confirms that the influence of Islamic Marketing on Customer Engagement is partially explained through the role of Halal Products. In other words, Islamic Marketing affects Customer Engagement indirectly by improving the perception and characteristics of the Halal Products offered, which in turn enhances customer engagement.

However, at the structural level, the mediating effect of Halal Products is considered low, as indicated by the value of $\nu = 0.046$. This suggests that while Halal Products do mediate the relationship between Islamic Marketing and Customer Engagement, their mediating role is not very strong at the structural level. The confidence interval shows that by improving Halal Products, this mediating role can increase to 0.336, implying that further development and alignment of halal products with consumer expectations could enhance their impact as a mediator in the relationship between Islamic Marketing and Customer Engagement.

4. CONCLUSION

Islamic Marketing plays a foundational role by influencing both Halal Products and Customer Engagement. By focusing on principles such as transparency, ethics, and social responsibility, Islamic Marketing drives the development and positioning of Halal Products in the market. These values resonate with Muslim consumers, encouraging them to engage more deeply with brands that align with their beliefs and principles. As such, Islamic Marketing fosters not just the creation of Halal Products, but also strengthens the emotional and ethical connection between consumers and the brand, enhancing customer engagement. Halal Products, in turn, act as a bridge, mediating the relationship between Islamic Marketing and customer engagement. These products, by aligning with Islamic values, directly impact how engaged consumers feel with the brand, reinforcing the connection that Islamic Marketing has built. However, while Halal Products significantly contribute to customer engagement, their role as mediators is less influential compared to their direct effect. This is evidenced by a weaker structural mediation effect, suggesting that while these products facilitate engagement, their influence in shaping the overall customer behavior at the structural level is more modest. The overall model indicates that Islamic Marketing has a dual effect on Customer Engagement, influencing it both directly and indirectly through Halal Products. The direct influence of Islamic Marketing on customer engagement is moderate to strong, while the mediating influence of Halal Products, although important, is relatively modest in altering the underlying structural patterns of consumer engagement. This highlights that other factors, beyond just the products themselves, contribute to customer behavior, and the role of Islamic Marketing remains central in driving deeper consumer connections.

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