

To Investigate Influential Factors on Halal Brand in the Global Markets

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ABSTRACT

Muslims population is increasingly rising and Islam as Muslims' religion is considered to be the most expanding religion in the world. The concept of Halal is regarded as an absolute criterion for Muslims' consumption. Therefore Halal brand possesses a significant place among customers around the world. Accordingly, the aim of the present study was to investigate the influential factors on Halal brand in the global markets. This investigation was carried out by grounded theory. The result showed that three categories of contextual, structural, and content factors are effective ones on Halal brand in the world market.

KEYWORDS: Halal brand, grounded theory, global market, Muslims' market

INTRODUCTION

Islam stands to commerce, because of various reasons, has received increasing importance in nowadays worldwide economy. Islam is a practical religion that with specific daily procedures shapes Muslim customers' attitudes and behaviors. Previous studies indicate that religion has a significant impact on values, habits, attitudes and lifestyle, and consequently affects the consumer's decision-making behavior (1).

In Islam, there is a set of rules for all aspects of life. Understanding these rules, commercial companies not only can meet the spiritual needs of the Muslim community but also can gain a unique position in the Islamic markets.

Muslim market encompasses approximately 21.01% from 1.666 billion of the world's population. Muslims form population in more than 50 countries in Asia, Africa and Europe and their religion, Islam, is the fastest growing in the world among all religions. Organization of the Islamic Conference (OIC) is consisted of economies members of 57 countries from which 50 countries are entirely Muslim. Though other members do not have the majority Muslim population, but they have large Muslim population. Halal market accounts for a significant share of the economies of these countries. Moreover, those countries which are not OIC members, but contain fewer Muslim population shares to some extend the Muslim world Halal market. The growth rate of this market is estimated at 15 percent made it as the fastest growing market (2).

Global Halal industry has increasing growth in many parts of the world. Halal food market gets bigger in the world every year. Muslim customers around the world have propensity for buying Halal productions which is a good sign for Halal Market (3).

Muslim countries' market is from major markets in the commercial world that failed to reveal its potential capabilities due to lack of consistency so far. Specifically in the food market, standards emphasizing Islamic countries culture are very determining, so that the Halal brand is more reliable among other brands (4).

In the future, food security and lawful and unlawful food in Muslims market would be indicating criterion Islamic leadership and management (5). Thus, Halal has become an important way to create and maintain Muslim identity in a world of global affairs (6).

Therefore, the aim of the present study is to investigate the effective factors on the Halal brand in global market through grounded theory. Because the study has a comprehensive approach to the study of factors affecting the status Halal brand in the global markets, therefore the results of this study would be so practical and beneficial for the commercial companies active in Halal brand. First of all we cover literature review then the procedure, results and finally conclusion would be covered.

II. LITERATURE REVIEW

Halal is an important concept which encourage Muslims to use production which that promote goodness in all aspects of life, they are safe for consumption and are produced in a clean and healthy environment. Halal products would be attractive to customers by looking for ethical high quality products. Food plays a main role in Islam. The estimations around the world show that 70% Muslims follow Halal Standards. Before meeting the needs of faithful Muslims, food suppliers should understand dietary restrictions that Muslims confront in their purchases. Although there are clear guidelines for Muslims dietary but there is no official worldwide supervisor on Halal standards. At the present moment there are 15 logos in Halal market (7).

Trying to understand and apply the concept of Islamic branding in the traditional sense of brand deprives companies from real trading opportunities in appealing Islamic market. This market specifies two sides: Muslims, those who do religious deeds and confirmed actions, and non-Muslims, those who based on the assumed presence of simplicity, sincerity, and altruism in Halal brand are encouraged and stimulated to consume such food. For Muslims brand is inseparable from religion which commands that all deeds should be divine; also one's adorations and aversions are directed by God based on his internal feelings not on his human tendencies (2). Religious brands like Halal could captivate the eager to sincerity which is beyond the faithful followers' responsibility. Many religiously obedient companies declare that not all of their customers are Muslims (7).

In Muslims' Book, Holy Quran, on the consumption of Halal food is greatly insisted. For instance, the main concepts taken from Holy Quran Commentary books (Tafsire Noor, and Tafsir Nemoneh) about Halal food are as follows.

1. In the word of God alongside the allowance of consumption there are conditions (8).
2. In the religion of Islam materials are an introduction to spirituals (8).
3. In nutrition, Islam concerns about hygiene (8).
4. Divine sanctions are not merely about health and care concerns, but sometimes due to reverence, belief, intellectual, and cultural reasons.
5. Being Halal food is a stable tenet in divine religions (9).
6. Islam is the religion of justice, not like the Westerns, it recommends excessive consumption of meat, or, like the Buddhists, forbids meat, and not like Chinese permits to eat meat of any animal in any way but it specifies some restrictions and conditions in eating meat(9).
7. The prohibition of any food is because of its manifest or latent evil/uncleanness (9).
8. Determining being lawful or unlawful is based on the divine commands (9).
9. Consuming unlawful food makes man susceptible to accepting devilish inductions (9).
10. We must be careful in eating food. As the first thing Satan misled Adam by was food (9).
11. Foods Like wine and pork are forbidden because they are intrinsically evil and unclean.
12. The condition of consumption in Islam is both apparent and inner purity (10).
13. Lawful tenet: any food that has not been proved to be prohibited, as long as not to be the source of corruption and loss for the individual and society is not lawful (9).
14. Purity has broad concept that involves any pure aliment whether it has material or spiritual aspects; personal or social aspects (11).

According to the doctrines of Islam with an emphasis on Halal consumption companies that are willing that their target market to be Muslim consumers should apply different marketing strategies in comparison with traditional target customers. Their strategies should accompany with Islamic values, standards, and guidelines and they should consider many factors that can affect the success of their operations in the market (7). Therefore understanding the factors that influence the position of Halal brands in the world market for these companies is very essential. Clearly through identifying the most important factors, we can carry out planning and desired actions to enhance the Halal brand position in the international arena. The research methodology, then findings and conclusions will be presented at the end.

III. METHODOLOGY

Regarding the aim this research was fundamental one and regarding data collection it was text-grounded theory (grounded theory). Grounded theory is one of the strategies in research through which theory is formed based on the main concepts of the data. This strategy applies one kind of posteriori approach, in that the theory formation is bottom-up strategy. The concepts are key elements because the theory is obtained from the conceptualization of the data not the summation of objective data (12).

To carry out this research in text-grounded method the following steps were done:

1. Studying the scientific texts on brand and Halal brand
2. Studying models related to brand and Halal brand
3. Finding the effective variables on Halal brand status and specifying its frequency
4. Merging mentioned variables while omitting repetitive variables
5. Selecting and classifying more important variables into three groups of content variables, structural variables, and grounded variables.

To analyze the collected data in steps 1 and 2, in third step, most frequent variables (4 & 5) were selected as important and influential variables on Halal brand status in global markets. The bases of the frequency of the variables were one of these two cases:

1. The degree of repetition of the variables evaluated based on their scientific background
2. Coefficients of these variables in terms of the researcher's point of view regarding various scientific researches in this field of study.

In next step, the groups of selected and extracted variables from scientific texts, as well as the models of brand and Halal brand were merged together and repetitive variables were eliminated. In final step, most significant variables

(with more weight), three categories of contextual, structural, and content variables were selected and proposed. For better understanding of the research processes, the following chart is presented.

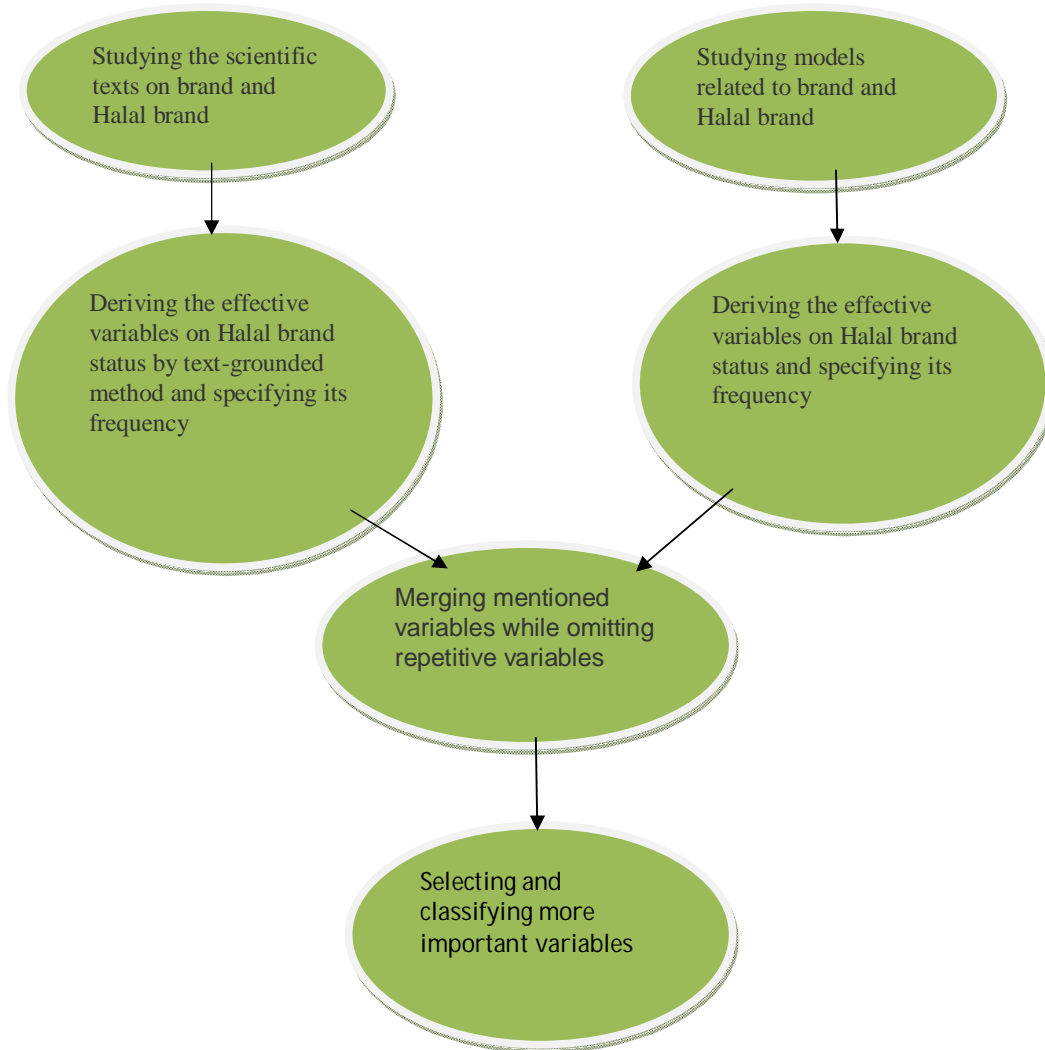


Figure 1- Research Processes

IV. Findings:

In this section obtained results would be presented in three steps.

A. Main derived variable resulted from literature review about brand and Halal brand:

Studying and investigating different scientific texts, the researchers found the following variables as influential factors on Halal brand status:

1. Association and compatibility of Halal brand (13),
2. Reputation and popularity of Halal brand (14),
3. The hygiene of Halal brand (7),
4. To be pure and clean, regarding Halal food (7),
5. Existing single logo for Halal products in global markets (7),
6. The existence of a committee supervising Halal products in global markets (7),
7. The philanthropy of Halal brand (2),
8. The simplicity of Halal brand (2),
9. The integrity of Halal brand (2),
10. Seeking fulfillment and satisfaction of God through the use of Halal brand (2),
11. The presence of sincerity in Halal brand (6),
12. The presence of affection and kindness in Halal brand (6),
13. Wisely entering of Halal brand into global markets (6),
14. Comprehensive understanding of the cultural and religious motivations regarding Halal brand (6),
15. Human resources of Halal brand (15),

16. Results of the performance of Halal brand (15).

B: major variables extracting from the investigation of the models related to Halal brand:

These groups of variables were derived by studying eight models of more important models in brand and Halal brand. The results are presented in Table 1.

Table 1. Main derived variable resulted from literature review about brand and Halal brand		
Model Name	Variables	Model Presenter
Selecting Halal production Model	Halal brand Attitude, Subjective Norm	Lada 2009:70. (16)
Brand Analysis Model	Halal brand quality, Halal brand loyalty, Halal brand awareness, brand image, Halal brand association & consistency, purchase intention	Doaee et al 2009:26. (17)
Influential factors on realization of Halal food	Religion believes, religion commitment, Halal brand, Being Muslim	salman,2011,642. (18)
Halal food purchase intention model	Behavioral control	Alam 2011:12. (19)
Sweini & Swite Model	trust in Halal brand, satisfaction from Halal brand, continuous commitment	Dehdashti et al 2009:69. (20)
Theory of planned behavior model for consumption of Halal meat	Be used to buy Halal products	Karijan, B. 2007:371. (21)
Fish bone model	Halal products, Halal products price, Halal product promotion, distribution of Halal products, process of issuing Halal certification	Shaari, 2010, 458 (22)
Brand equity/specific worth model	Flexibility of Halal brand	

C - Significant variables derived from the integration of two groups of variables in steps A & B and elimination of repetitive variables:

Identifying the most important factors that influence the place of Halal brand, through studying multiple related texts as well as reviewing the models considering brand and Halal brand, the two groups were extracted, the two groups were merged and repetitive variables were omitted.

1. Contextual variables: set of social processes that involve complex networks of social actors and social contexts/environments which have influence on brand promotion is Halal brand status in global markets. The variables in this category included 11 variables, as follows:

- 1 - Halal brand reputation,
- 2 - People's view on Halal products,
- 3 – actions of promoting Halal products as a mixed element of marketing ,
- 4 – the rate of reminding Halal brand,
- 5 – the amount of Human resources skills involving in the production of Halal products,
- 6 - the loyalty of customers who buy Halal products,
- 7 – continuous work commitment of producers and suppliers of Halal food,
- 8 - Trust in Halal brand,
- 9 - religious commitment of producers and suppliers of Halal brand,
- 10 – the amount of match between Halal products with human rights laws,
- 11 - Achieved satisfaction in buying Halal products.

2. Structural variables: sets of vision, mission and goals of the governmental system and society conditions which influence Halal brand promotion in global markets e are included in this section. These variables include four cases, as follows:

- 1 – notifying people of Halal brand,
- 2 - Islamic structure for the distribution of Halal products in the global market,
- 3 - IU logo on the global market for Halal products,
- 4 - The presence of an international supervising committee to produce Halal products in the global market,

3. Content variables: this set includes internal factors, enabling factors, and general evaluation criterion of Halal brand which have an influence on the promotion Halal brand position in the global market. These variables consist of 10 items, as follows:

- 1 – the quality of Halal brand products,
- 2 –Halal products packing,
- 3 - The price of Halal products,
- 4 - the purity of Halal products,
- 5 – The amount of adaptation of Halal product manufacturing process with Sharia law,
- 6 - The hygiene of Halal products,
- 7 – the purity and cleanness of Halal products,
- 8 – the degree of sincerity in the process manufacturing by Halal brand producers,
- 9 - The degree of accommodation between Halal products quality with Shariah law,
- 10 - Halal products promotional activities,

- 11 – labeling of Halal products,
- 12 - transparency of Halal products manufacturing process to customers,

V. Conclusion

"Halal" is not merely a religious subject but a field of commerce and trading which is transforming into a global sign to grantee the quality and into a chosen lifestyle (15). The only argument that can be raised about Halal is that the intentions of those involved in the provision of Halal products are defined and precise. They conduct consumers to a way of life (religion or Din in Arabic) which is Islam. So, a brand is always supported or rejected by an Islamic standard. Although this matter is developing and it is subjected to various interpretations, but in its main core, it remains absolute (23).

Due to the increasing development of Halal industry in many parts of the world, studying influential factors on the position of this global brand is very significant. Accordingly, this study aims to investigate the factors influencing position of Halal brand in global markets through applying grounded theory. The results of the research indicated three effective factors on the place of Halal brand in the global market: contextual, structural, and content factors. contextual factors include social and environmental processes, structural factors include perspective, mission, governmental system goals, and social status, and content factors include internal factors, enabling factors, and the general Halal evaluating criterion. Based on the obtained results these three sets of factors are most important factors influencing the status of Halal brand in the global market.

Studying of the records showed that studies carried on Halal were more partial and nothing with comprehensive approach found on Halal in previous research. However, in case of access to promoting factors of Halal brands status in the world market with a comprehensive approach, we can identify a more accurate understanding of the subject; on the other hand, businessmen, industrialists and politicians from different countries can manage better planning and control in the supply of Halal products to global markets. Finally, it must be said that having mentioned factors are helpful in design and implementation of different models of Halal brand in the global markets levels.

It is very important for all food industries that Muslims are more than 2 billion people of the world and more than 70 percent of them believe in halal brand.

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