

# Branding “Halal”: application of a certain religious emotion to attract a specific customer segment

Branding  
“Halal”

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Md Sajjad Hosain  
*Business School, Sichuan University, Chengdu, China*

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## Abstract

**Purpose** – The main purpose of this conceptual paper is to identify and explain the technique of branding “Halal” as a marketing strategy to reach and capture a certain market segment (niche), particularly Muslims.

**Design/methodology/approach** – The approach of this paper is descriptive based on literature survey as well as the author’s own opinion, experience and judgment.

**Findings** – In many cases, particularly in food market, the term “Halal” is being used to attract the Muslim customers’ religious feelings rather than providing them cost-effective value products.

**Research limitations/implications** – The paper is expected to contribute to the theoretical base, as it focuses on the use of religious sentiments in marketing that is worth further research conduction.

**Practical implications** – The arguments of this paper can be used by the producers of “Halal” products in including certain features that might satisfy the demands of religious Muslims regarding food products.

**Social implications** – This paper can be contributive for the greater needs regarding societal and Islamic values.

**Originality/value** – This paper is one of the initial attempts to highlight the religious feelings to attract a specific market segment.

**Keywords** Marketing strategy, Halal, Food industry, Muslim, Market segment

**Paper type** Conceptual paper

## Introduction

The widely used term “Halal” is an Arabic word which means “to be lawful and permitted to consume or to do” according to the Islamic philosophy. In contrast, “Haram” indicates anything illegal to consume or to do. The two important concepts have been originated from the Holy Quran, the sacred book that the Muslims perceive as their guideline in their everyday lives. By halal, the Muslims mean anything (object or action) that is free from the prohibition mentioned in the Holy Quran.

According to International Market Analysis Research and Consulting (IMARC) group, a firm that conducts market research worldwide, during 2019, the size of the global halal food market was worth USD 1.8tn ([imarcgroup.com](http://imarcgroup.com), 2020). However, such market is expected to grow at an estimated rate of 6.05% from 2020 to 2028 resultant from a surge in Muslim population and the

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rising consciousness among both the Muslim as well as non-Muslim people regarding halal foods, are the leading factors propelling market growth ([reportlinker.com](http://reportlinker.com), 2020) . Such an ever increasing trend can be explained from a number of views. First and foremost of all, “Halal” branding is getting popularity among the young Muslim people in many countries where they (young people) belong to the majority population. Second, many non-Muslims are also becoming forced to buy such halal products when they travel those Muslim-populated countries.

Therefore, with the existing Muslim community, the segment can be targeted, predicted and reached to a large extent possible by applying a certain religious technique such as “Halal branding” which can (and is) surely be an un-missable trigger. The statement is not only true for the Muslim majority–populated countries but also to the countries where they are in minority but possess a significant portion of the total population such as USA and the UK. The changes in demographics and purchasing power of Muslim customers and the success of Muslim entrepreneurs have started to deliver Islamic marketing a scholarly and managerially attractive field ([Sandikci, 2011](#)). As a result, the practice of halal branding as marketing strategy together inside and outside of the Islamic community is gaining significant impetus in academic community within the past few years ([Mohd and Wan, 2014](#); [Alserhan, 2010a](#)). The observable fact of such halal-based marketing and branding as a novel and individual subject matter has successfully concerned the notice of both academics and practitioners ([Wilson and Liu, 2011](#)).

In this descriptive paper, the author has highlighted the effort of “Halal branding” as a successful marketing strategy to reach out the market segment of the Muslim community. The author used the literature and highlighted some of his own arguments in support of his statement. The author argues that some firms are also using this technique merely to market their products in a premium price rather than adding value and/or implementing cost-effectiveness.

**Literature review**

The anticipated number of Muslims is 1.8 billion that represents around 23% of the global population and the number is rising with an average growth rate of 3% annually ([Dar, 2013](#)). Currently, there are 57 Muslim-led countries, whereas in many non-Muslim countries such as China, India, USA and the UK, there is a huge number of permanent Muslim residents that consist a substantial portion of their total population. By 2030, 79 countries are projected to hold a million or more Muslim inhabitants, contrasting to present 57 countries ([Pew Research Center, 2020](#)). The global Muslim population is estimated to grow by about 35% over the next 20 years, increasing from 1.8 billion in 2010 to 2.2 billion by 2030 which is 26.4% of the world’s total anticipated population of 8.3 billion. By 2050, the Muslim population could grow to 2.6 billion and represent nearly 30% of the global projected population ([Majlis, 2012](#)). A greater part of the world’s Muslims (more than 60%) will keep on residing in the Asia Pacific region, while about 20% will subsist in the Middle East and North Africa. Muslims will continue to be comparatively small minorities in Europe and North America, although will form a rising share of the total population in those regions ([Pew Research Center, 2020](#)) as highlighted in [Table 1](#).

**Table 1.**  
Projected global  
Muslim population  
by 2050

Year	Total Muslim population	% of Muslim population
2020	1.8 billion	23
2030	2.2 billion	26.4
2050	2.6 billion	30

Source: [Pew Research Center \(2020\)](#)

Because of the deep rooted religious values, many Muslims abide by the guidelines provided in the Holy Quran where they are strictly asked to take halal products and live in a halal manner. As a result, many (although not all of them) pious Muslims seek halal products, particularly regarding food and drinks. Therefore, the halal market obviously represents a significant portion of global food industry. Such a “Halal” branded market provides an enormous prospect for food producing and processing companies which is steadily growing in the Western and Asian states. Determined by growing demand, the halal food market continues to construct its impetus across the global food supply chain. According to the 7th Annual State of the Global Islamic Economy Report (2019/2020), Muslims spent USD 2.2tn in 2018 across the globe on food, pharmaceutical and lifestyle sectors that are impacted by Islamic faith-inspired ethical consumption needs ([The International Halal Accreditation Forum \(IHAF\), 2020](#)). Out of this huge expenditure, around 61% was estimated to spend on food and beverages.

The considerable and mounting Muslim consumer market across the earth will keep on fueling the halal industry’s twofold digit growth, creating an overabundance of opportunities in the market for halal products and services. Rising consciousness among Muslim customers on their religious obligations has also contributed to the mounting demand for halal products and services particularly regarding food and beverages. The halal market is rising as one of the most lucrative and dominant market arenas in the global food industry. The halal food market has developed robustly over the past decade and is now worth an estimated USD 667m ([imarcgroup.com, 2020](#)). Halal food represents near about 20% of the total global food industry. With predictable increases in both population and income of halal consumers, and attached with the anticipated augment in demand for food by more than 70% by 2050, the future demand for halal food is strong.

However, for a food or drink to be considered as halal, it needs to possess some unique characteristics. Such characteristics must be strictly present with that food or drink items to be certified as halal according to the Islamic Shariah Law. For example, an animal must be slaughtered with the name of Allah. Second, the animal (chicken, lamb or cow) must be completely healthy at the time of slaughtering. Third, the animal must not be killed with a gun; rather it should be slaughtered with a sharp knife or sword with 2.5 rounds. Fourth, the animal be without any blood at the time of processing, that is, all the bloods must be completely drained from if the food item is a meat product.

[Hussein \(2016\)](#) highlighted some of the key challenges for halal food industry. The first one was the created confusion by the importers and general consumers, as there are so many standard international measures and bodies who certifies halal. In this regard, the challenge for manufacturers is to decide which standard will essentially offer market access, and in so many cases, numerous certificates are required for exporters. The second one is the nonexistence of any practicable international schemes to accredit “Halal Certification Bodies (HCBs),” as the majority of halal food is being produced in non-Muslim majority countries and is certified by self-governing HCB’s functioning with slight dogmatic oversight. Existing accreditation initiatives, such as being developed by the Standards and Metrology Institute for Islamic Countries, Gulf Standard Specification and Emirates Standards and Metrology Authority are all moving in the correct track, additional harmonization among the accreditation bodies is desirable to evade needless repetition or competition. Finally, the author ([Hussein, 2016](#)) pointed to the complicatedness in obtaining Shariah-compliant funding. Companies desire to balance or to vertically amalgamate their supply chain come across challenges in getting Shariah-compliant funding.

Islam, as a well-accepted religion and life-style, certainly has an iconic representation. Islam, itself can be considered to be a brand, with some of its own religious strictness.

Nonetheless, such an image of Islamic brand is perceived in a different way by different natives in different places even though as the Muslim consumers. The scholarly society should consider whether all Muslims assume in an identical manner and behave in universal manner. In a similar way, [Sandikci \(2011\)](#) raised the question whether the Muslims wish for the identical products and services and most significantly, do they desire conservative brands or Islamic brands, as Islamic branding such as halal is a reality and not a fable. The differences between a halal brand and a conventional brand is that halal brand manufactures/processes in a righteous Islamic Shariah, whereas the sellers ask their buyers into a righteous life to connect in ([Alserhan, 2010b](#)). One of the most basic challenges to the expansion of halal branding is the achievement of brand consciousness while entering a packed marketplace subjugated by Western or conventional brand. Additionally, to educate consumers what halal means is too a challenge for marketers. Temporal (2011) pointed that in a Muslim to Muslims advertising viewpoint, having an established halal brand is significant, but from a Muslim to non-Muslim promotional standpoint, superior quality is an added necessity. Halal branding can bind the principles of the religion to construct brands of general plea to both Muslim and non-Muslim customers.

In a recent literature, [Shahabuddin et al. \(2020\)](#) argues that the business-oriented utilization of the Quranic word halal has now become abstract since the diffusion of halal product ideas has no longer been limited to only the food products but also into many businesses such as the pharmaceutical, cosmetic, leisure and entertainment industries. Therefore, there are reasons to believe that many firms are using the notion “Halal” as the only mean to reach the mass Muslim consumers rather than complying with Sharia-compliant features. Additionally, the author argues that such products often lacks the added value or rational pricing policies, as such products often charges premium price owing to high popularity among the religious Muslims.

### **Methodology**

To write this paper, the author used several journal articles, working papers and reports that highlighted the issue of “Halal Branding” on the food items. Those selected papers/reports were collected from the “Google Scholar” using the most repeated keywords “Halal.” This is purely a descriptive paper in nature and the author’s arguments are based on the literature and findings of those papers.

### **Findings and author’s observation**

Based on the theoretical findings and literature arguments of the selected papers, the author argues that because of the rising popularity of halal brands to both Muslim and non-Muslim consumers, some firms are expertly mixing the lucid and touching characteristics of their brand personality to contract the brand character to outfit the target audience they are addressing to. In such a case, although the brands can attract their target market, they can damage the purity and the message of halal. The study of halal, exclusively those features involving in branding and marketing, is yet in their development stage making it imperative for intellectual scholars to discover out concerning halal brands ([Wilson and Liu, 2011](#)). [Alam and Sayuti \(2011\)](#) pointed that a single product class offers numerous dissimilar brands either locally identified or globally accepted. Some of the local brands emerge to confine their own niches by foretelling themselves as halal brands where it is additionally giving an indirect signal the halal type of their products. In such a case, it would be religiosity incorrect and unethical if the same products that are not Sharia-compliant branded as halal ([Alserhan, 2010b](#)).

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### **Theoretical and practical implications**

“Halal” is a widely used term which is not only attached to religious sentiments of the Muslims; rather it has become a lifestyle for many of them. It has become one of the popular words in different product category such as food and drink, cosmetics, pharmaceuticals, banking and many more. Additionally, we are slowly used to the new term “Halal Tourism.” But unfortunately, with the rapid pace of such a brand development in product and service markets, research evidence concerning this practice is still surprisingly absent. Therefore, more and more researches, theoretical or empirical should be initiated regarding this phenomenon. As a descriptive literature, this paper is expected to contribute to the theoretical base, as it focuses on the use of religious sentiments in targeting a specific market segment that is worth further research conduction.

On the other hand, the arguments of this review paper can be useful for the producers/processors of “Halal” products in including certain features that might satisfy the demands of religious Muslims regarding food products. The companies can expect to reach towards the greater Muslim consumers only if they maintain the Shariah-based complaints appropriately, based on a unified agreed standard. Regarding the halal certifying organizations, the author argues that an unified, clear-cut and transparent certification system should developed based on Islamic Shariah-based guidelines that can make it easy for the producers and consumers to uphold halal practice for the greater Muslim community around the world. An organized board consisting Islamic scholars should be formed responsible to draft and implement the guidelines. Such board should inspect the policies, procedures and practices of different companies involved with halal branding as their core operation.

### **Research limitations and further scope**

As a kind of descriptive in nature, the scope of this paper is limited to theoretical discussion only. As a relatively recent and untapped area, this issue requires further research investigations preferably including empirical data and necessitating the examination of extensive cross-disciplinary sources and stakeholder engagements. Particularly such empirical studies are suggested to include the consumers and producers and/or suppliers of halal products or elements of such products.

### **Conclusion**

The term “Halal” is not merely a word; it is an emotional attachment to many practicing Muslims. Many firms have adopted this emotion to gain the attention of Muslim consumers as a marketing strategy. A number of global companies have started to consider the Muslim market need sincerely. Nestle, Colgate, Carrefour, Unilever and other well-known firms have invested significant resources to serving this market. At the World Halal Forum, we can now discover business representatives in Western business attire talking to robed and bearded Islamic scholars as they converse the prospect of this mounting and potentially rewarding market.

However, although halal branding seems to be an effective marketing strategy for many food producing firms, it should be understood that many consumers are still in a grave confusion about the procedures of halal accreditation of brands and the practices that been implemented by the producers in introducing such brands. Therefore, it can be argued that halal accreditation from the approval bodies are very important to gain consumer’s faith and assurance. Nonetheless, an appropriate execution and endorsement should be completed by any proper authorization bodies that concerned in ensuring that any future concern of consumers can be addressed. Further, vigilant monitoring should be critically considered

by such pertinent authorities to use the precise “Halal Logo.” By having and satisfying Sharia-compliance is not only reliant on the manufacture of raw materials but also in terms of production, promotion strategies, work principles, employees and business plan requirements to be considered.

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### Corresponding author

Md Sajjad Hosain can be contacted at: [sajjad\\_hosain@yahoo.com](mailto:sajjad_hosain@yahoo.com)