

CREATING GLOBAL COMPETITIVENESS THROUGH CULTURE AND RELIGION: AN INSIGHT INTO THE GLOBAL STRATEGIC EVOLUTION AND MARKETING OF THE HALAL FOOD INDUSTRY

Angelo A. Camillo - School of Business Woodbury University 7500 Glenoaks Blvd. Burbank, CA
91510 Phone: 818-394-3314 - Fax: 818-394-3311
E-mail: angelo.camillo@woodbury.edu

Svetlana Holt - School of Business Woodbury University - 7500 Glenoaks Blvd. Burbank, CA
91510 Phone: 818-394-3359 - Fax: 818-394-3311
E-mail: svetlana.holt@woodbury.edu

Joan Marques - School of Business Woodbury University 7500 Glenoaks Blvd. Burbank, CA
91510 Phone: 818-394-3391 Fax: 818-394-3311
E-mail: joan.marques@woodbury.edu

Jianli Hu - School of Business Woodbury University 7500 Glenoaks Blvd. Burbank, CA
91510 Phone: 818-252-5186 Fax: 818-394-3311
E-mail: Jenny.Hu@woodbury.edu

ABSTRACT

The Halal food industry is of fundamental significance to Muslims around as it assures safety and security in their dietary requirements and consumption which must be *Syariah* compliant. In Muslim countries especially, the Halal industry is a vital contributor to societal development and national economic growth. Additionally, over the last decade marketers around the globe, too, have been strategically promoting and strengthening the Halal food industry by targeting primarily critical geographic clusters with large Muslim population. Although the production, certification, and global coordination effort appears to be made largely by Malaysian and Indonesian authorities, the industry is still very fragmented and scholars attempting to obtain reliable and valid data face serious challenges. Nevertheless, data gathered from non-academic sources indicate that the global Halal market (food and non-food) is estimated to be in excess of US \$2.3 trillion and the volume of the global halal food sector alone is reaching US \$700 billion annually. The portion of the non-food sector is estimated to be even greater, with chemical, healthcare, cosmetics, and pharmaceutical industries to name just a few. Furthermore, the Sharia compliant services, which include finance and banking, logistic, warehousing and distribution, are rapidly gaining acceptance in the global Halal market. The Halal industry within the global context is an under researched field of study in scientific literature, in business, and in social science. This paper investigates the strategies used by marketers in the supply chain to globalize the Halal food industry with the aim to gain and sustain international competitive advantage. The results offer insights into global Islamic strategic marketing and contribute to existing marketing, strategy, and management literature by raising awareness and benefiting scholars in academia, together with all stakeholders in the retail food industry, farmers, processors, consumers and other constituents in the supply chain, by providing an in-depth understanding of this dynamically growing industry.

Summary of findings and discussion

The global Halal market (food and non-food) is estimated to be in excess of US \$2.3 trillion and the volume of the global halal food sector alone is reaching US \$700 billion annually. Published literature, although limited, shows that the dominant factors for the rapid expansion have a direct relationship to primary health related factors. Secondary factors are cultural and religious in nature. Certification authorities point out that the Muslim religion is indeed the driver of the global expansion. Halal is not only about following the law; it is a way of life. Without a doubt, religion moderates the social interactions in regards to unification and integration of people within societies. Within the Islamic religion the belief of the importance of cleanliness is vital in the spiritual sense. Therefore, food and drink products must be approved before consumption. Emphasizing the consumption of foods and drinks, Islamic scholars have laid down specific guidelines: 1. Consumption must include only Halal food and food products; 2. Food and food products must be obtained through Halal means; 3. The material in contact with the food or food products must not be harmful to health. Halal products, therefore, are determined based on their purity and cleanliness. Currently, the driving force for the dynamic growth of the Halal industry is the growing Muslim population, which will continue to increase demand for halal food products. In fact, the Islamic population is estimated to grow to 2.19 billion by the year 2030; therefore, market opportunity exists in all regional clusters with the highest concentration in Asia and Middle East. According to the Islamic Food and Nutrition Council of America, the Halal market opportunities are largely untapped, especially in the US. In order to achieve global competitive advantage, Halal marketers focus on specific strategies that aim at reaching specific objectives for the Halal industry. They promote the best foods in the world: “the Halal food products”; formulate and implement strategies for the most creative marketing campaign, using contemporary technologies and communication channels; gain global competitive advantage partnering themselves with the best Islamic financial service or product; sustain market growth and achieve global market dominance by providing certified Halal products; contribute to the community and environmental development through sustainability; promote travel, tourism and hospitality sectors by encouraging operators to use exclusively Halal products; become best halal-related service providers; promote and reward the best innovation in Halal industry; and promote and reward the individuals for outstanding personal achievements in the Halal industry. Nevertheless, marketers face difficult challenges ahead: consumer perception about Halal compliance, packaging and labelling, and distrust about fraudulent suppliers. An additional challenge is market fragmentation.

Topics for future research

Literature suggests that the Halal industry in general is an under researched area of study and further studies are necessary to connect suppliers and consumers and reach equilibrium of supply and demand. Topics of interest could be, but not limited to, the investigation of the impact of different product categories, social classes, gender, and Halal certification on consumer attitudes toward Halal products. Also Case studies about supply chain management and model development; Measuring perceptions of Muslim consumers in the supply chain; Product-brand awareness; Application of ISO standards and the Hazard Analysis Critical Control Point (HACCP) to Halal products; and the effect of Halal on environmental sustainability.

Key words: *Halal, food industry, marketing strategies, supply chain, globalization, dietary requirements, societal development, economic growth.*