

Success Factors in Halal Marketing Mix

Chairul Saleh and Kamelia Salsabila

Faculty of Industrial Engineering, Universitas Islam Indonesia, Yogyakarta, Indonesia

Abstract: In this life, human always need the food and beverage. One of the human ways of life is following the rules from their religion, especially, Muslim. The life guide of Muslim is stated in Holy Quran and Hadith, in consume the food and beverage, Muslim is commanded to consume halal food and beverage. The rapid growth of Muslim push the business world to develop the halal supply chain management based on the Islamic regulations. Halal food and beverage is not only about raw material but also, the way of business process must follow the Islamic rules. This study proposes a systematic literature review that focused on halal marketing mix. Through the literature review, the researchers find the success factors of each core in combination between contemporary marketing mix (product, price, promotion, place, physical evidence, people and process) and halal marketing mix (pragmatism, pertinence, palliation, peer-support, pedagogy, persistence and patience). The goal of marketing is to increase the revenue and profit for the company while get value of product is the goal for the customer. So, in order to reach the customer satisfaction in this study, the researchers combine the pervious parameters with others halal marketing factors such as commitment, conformity, conscience, characteristic and customer centric.

Key words: Halal marketing mix, halal food and beverage, success factors, physical evidence, persistence and patience, pragmatism

INTRODUCTION

Nowadays, Muslim is growing rapidly in this world. Based on Worldometers the population of Muslim is about 23% from total population with the number of more than 1.5 billion persons. The data that showed in worldometers is adopted from Department of Economic and Social Affairs, population division of united nation. That number will be increasing continuously as time goes by.

As, we know that Muslim is obligated to obey every rule in every life's aspect based on Holy Quran and Hadith. The legal of activities that listed in Holy Quran and Hadith is including the regulation in running the business and the command to consume halal food and beverage. The rule that regulate about business and halal food and beverage is stated in Holy Quran, Al Baqarah 168: "O mankind, eat of the lawful and good from what is contained in the earth and do not follow the steps of Satan for surely the devil is a clear enemy". Refers to that verse, the human is commanded to doing the business through the right way. It means that the business that ran is profitable for supplier and customer.

The word "Halal" means something that allowed to do by Islam's followers (Rajagopal *et al.*, 2011). According to Surah Al Baqarah 173, the food raw material that prohibited to be consumed are stated: "He hath only forbidden you dead meat, blood, the flesh of swine and

animals (when slaughtered) is called (name) besides Allah. But whoever is forced (to eat) is he does not want it and not (also) exceeds the limit, then there is no blame on him. Allah is Forgiving, Merciful". According to that verse, Muslim has to avoid eat pork, blood and carrion (because there is no process of slaughtering that need to mention the name of God). The other verse that is Al Maidah 90 explained about the restriction for Muslim to consumed anything that contain alcohol, "O you who have believed, indeed, intoxicants, gambling (sacrificing on), stone alters (to other than Allah) and divining arrows are but defilement from the research of satan, so, avoid it that you may be successful."

Look at the number of Muslim in this world, halal food and beverage business is not niche market anymore (Zulfakar *et al.*, 2014). It is considered that Non-Muslim also can be consumed all halal foods and beverages. The impact from halal food and beverage industry has spread in supply chain management area. It is because the factors that influenced the purity of halal food and beverage not only from the raw material but also, involve all the actors of halal industry such as supplier, manufacturer (purchasing, producing, marketing, sales and others), the Government, the research institution and the competitors (Poniman *et al.*, 2015).

As mentioned before that marketing is the part of halal supply chain management those things have the relation to build the long-term relation with key customer

satisfaction from a firm (Hamid *et al.*, 2014). The long-term relation appear due to the customer satisfy with the product or service that served by the company, so that, they will be loyal customers (Ahmed and Rahman., 2015). The form of the customer's satisfaction can be a trust that make them remember about the brand, product of services in their mind. Through the marketing strategy, a company can place itself in what it wants to be for example it wants to be the company that served halal brand of food and beverage. Halal food and beverage marketing strategy should apply the Islamic way in deliver the information about the product that expected by customers (Arham, 2010).

One of the popular marketing strategies is marketing mix. Marketing mix is the controllable variable that used by a company to influence the target market (Khan, 2014). In this time, marketing mix is developed in 7P's (product, price, place, promotion, process, people and physical evidence), the concept is used to help the business determine the goal of the product or services will be sell to where should be sold how much the price and so on. In other words, marketing mix concept helps the company to placing its position in the market such as placing its brand on customer's mind. In halal marketing strategy, marketing mix can be applied by adopting the Islamic value in product criteria, pricing system, promotion system, placing system, process, people and physical evidence. Based on Hashim and Hamzah (2014), marketing mix consist of the combination between contemporary marketing mix and Islamic marketing mix as follow:

- Pragmatism and product: sell the product or services that needed by people with good quality
- Pertinence and promotion: honesty advertising
- Palliation and price: sell the product based on sales volume with the reasonable price
- Peer-support and people: build good relation between customer and stakeholder
- Pedagogy and physical evidence: be honest to convince the customer towards the offered product
- Persistence and process: continued the process in deliver the product or service in order to achieve the customer satisfaction
- Patience and place: marketers should obey the rule in distribute the product to customers

The success factor of each core in marketing mix is essential to be identified in order to gain the customers that believe in the product that they bought is fulfill halal standardize. In this research, the combination of marketing mix above will be the variable that used to find the Islamic marketing success factors.

Previous research: There are some previous researches that have discussed about marketing mix based on Islamic

perspective. Hashim and Hamzah (2014) set out the concept of combining the conventional marketing mix and Islamic marketing mix. The cores concept of marketing mix combinations are pragmatism and product, pertinence and promotion, palliation and price, peer-support and people, pedagogy and physical environment, persistence and process, patience and place. Those cores will be the reference to determine the success factors in every stage of Islamic marketing mix.

The second previous research is discussing the effect of marketing mix in Islamic perspective to customer satisfaction (Ahmed and Rahman, 2015). In this research, the researchers only used 4 cores of marketing mix, those are product, place, price and promotion. Every core that used is related with the customer satisfaction. The researcher also set out the position of every core in Islamic perspective with the reference in Holy Quran as the basic rules. This research will be the reference in determined the success factor in Islamic perspective using parameter above.

The third is about the success strategies in Islamic marketing (Abdullah *et al.*, 2015). The researcher were using the quantitative study by spreading the questionnaire in order to collect the data. Based on the calculation, the finding is the success factors such us conformity, commitment, characteristic, conscience and customer centrisism. Further, this research is used as the reference in order to find the success factors for the combination of contemporary and Islamic marketing mix. All the previous researches did not mention about the specific area of the topic. All the previous reseracher only explained the concept of marketing mix in Islamic perspective in general term. Therefore, this research is focused on the specific area of halal marketing mix that is halal food and beverage business.

MATERIALS AND METHODS

In order to find the success factors of halal marketing mix in food and beverage business, the researcher collected the data based on the literatures that have the related topic. The relevant data is placed in the suitable core of marketing mix based on the criteria. The researcher used past 5 years literature to draw the newest state-of-art in that area (Soni and Kodali, 2013). In this research, the concept of halal marketing mix is combining the concept from the previous research that mentioned before, so that, the success factors of halal marketing mix is more obvious to be implemented in the real business.

The first step of data collection is determining the scope limitation of the research by using the 5 past years research and the related topic of journal and study. Second, the researcher conduct the selection of the journal and study that gained from science direct and ProQuest. The next step is put the related data from every

selected journal and study to be placed in every core of halal marketing mix, the data selected is suitable to be applied and food and beverage business. Then, the output of this step is the success factors of halal marketing mix.

RESULTS AND DISCUSSION

In this study, the researchers explained about the combination of the Islamic marketing mix from the previous researches that mentioned before. In every combination of the core, there are the success factors that is the essential thing to reassure the purity of halal marketing mix concept in halal food and beverage business.

Product: Product is something that offered by a company in the market to fulfill the customer need and to satisfy the customer (Khan, 2014). In halal food and beverage business, the product that offered must be fulfilled the halal food and beverage standard. Based on the concept of combination between contemporary and Islamic marketing mix which are product and pragmatism, the product that offered must be real, not imaginary product (Hashim and Hamzah, 2014). So that, the transaction will be clear and the customers do not feel cheated. The product of food and beverage that offered must be the products that have a good quality. Prophet Muhammad SAW prohibits to sell the product from mixing between bad quality and good quality (Ahmed and Rahman, 2015).

Islam has regulated the food and beverage that should be avoided to eat. In selling the halal food and beverage product, a company must take attention about the things below as the success factor in halal food and beverage business:

- Avoid to sell food and beverage that containing alcohol (Tieman and Che Ghazali, 2013)
- Avoid to sell food and beverage that containing all ingredients from swine, blood, carrion and fanged beast (Syazwan Ab Talib and Abdul Hamid, 2014)
- Serve food and beverage in clean condition as the characteristic of the halal product (Abdullah *et al.*, 2015)
- Make sure the process of making the food and beverage product is based on the Syariah (Tieman and Ghazali, 2014)

Promotion: Promotion is the activity in order to deliver the value or the information of the product that offered to the customers. The promotion's tools can be advertising, public relations, sales promotions, direct marketing and personal selling (Abdullah *et al.*, 2015). The pair of promotion with Islamic marketing mix is pertinence. The

meaning of that combination is a company must promote the food and beverage product that offered according to the actual circumstances (Wilson, 2012). Promotion activity is very important because through this activity, the customer will know the product that offered clearly. Promotion also helps the company place its products in customer minds (Abdullah *et al.*, 2015).

In halal marketing mix of food and beverage business, promotion should fulfill the promises that contained in the product such as the explanation about the real quality, the guarantee and others characteristic of the offered product. To gain the customers satisfaction, especially for Muslim customer, the way to promote halal food and beverage product must follow the Islamic rules. The success factors in halal promotion below can be implemented in the halal food and beverage industry:

- The technique in promoting the product must be honest, transparent and show real condition of the product (Ahmed and Rahman, 2015)
- Avoid to use woman posing (sexual desire) in promoting the product because it can degrading to woman and it is are not allowed in Islam (Ishak and Abdullah, 2012)
- In promoting the halal food and beverage product, a company should use the conscience to avoid losses of the others company's businesses (Abdullah *et al.*, 2015)

Price: Price is the essential thing to be considered by a company in selling the product. The price that determined should be suitable with the quality of product that offered. The combination of price and palliation means that the company should set the reasonable price, so that, the customer is willing the offered product (Hashim and Hamzah, 2014). Price is the important thing for the company because it can help the company reach its position in the customer's mind (Abdullah *et al.*, 2015). Same with the promotion technique, the pricing technique must use the conscience. Islam is not allowed its followers to be greedy, this rules can be applied in set out the price of the halal food and beverage product. So, the result is the reasonable price that most of people can buy the product. The more customers can reach the price, the company will reach the more revenues and profits. The success factors of halal pricing is shown as:

- Do not apply riba in the pricing system (Arham, 2010)
- Do not raise up the price to set the discount
- Lower the price but do not decrease the quality (Khan, 2014)

Physical evidence: In common condition, the first judge from customer for the product is start from the physical evidence. The physical evidence of halal food and

beverage should convince the customer about the purity of that product (avoid from unclean things or haram materials). Pedagogy is the pair of physical evidence in combination of contemporary and Islamic marketing mix. It means that the company must be honest in providing the halal food and beverage product from many aspects (Wilson, 2012). The transparency can be from the raw material that used to produce the food and beverage or the making process. The transparency is addressed for the customers and also the stakeholders.

In maintaining the halal food and beverage business, a company has to has the strong commitment to keep purity of halal. The keys to keep food and beverage in halal condition are shown as:

- The environment must be clean from non-Halal product
- The ingredients of halal food and product must be stated clearly in order to avoid the non-Halal contamination

Process: The process in marketing mix is how the way a company gives the services to the customers. Process is paired with persistence, it means that marketers should not give up in achieving the mutual agreement to the customer (Wilson, 2012). Transparency in transaction with the customer is reflecting the Islamic perspective in the process. To reach the customers satisfaction, the process must:

- Make the customers feel comfortable in negotiation process
- There is no element of coercion to the customer to buy the product
- The explanation about the product must be appropriate wit the real condition (Abdullah *et al.*, 2015)

People: People are the employees that produce, provide and deliver halal food and beverage to the customer. In halal marketing mix concept, people are paired with peer-support. The employees that involved in marketing process must have the knowledge about halal food and beverage. For example, knowledge is essential for waitress when giving the explanation about halal food and beverage.

Human resource manager should have the commitment to make sure the employee give the best service to the customer (Abdullah *et al.*, 2015). Good services that given make the customer feels like to coming back. The success factors to build good human resource are:

- Give the training about how to treat the customer using Islamic perspective
- Motivation is the factor that make the employees increase their productivity

Place: Place or distribution channel is where the customers can find the product that they want to buy. The place becomes important in the marketing system because it affects in the accessibility for customer to get the product (Ahmed and Rahman, 2015). In combination of contemporary and Islamic marketing mix, place is paired with patience. In the process of delivering the product to the customer, it allows to meet many obstacles (Wilson, 2012). It can be the distance of distribution center is quite far, so, the product is easier to damage. The other example is the place condition can influence the real condition of product such as the cooked sticky rice can produce the alcohol if the temperature of the storage is too high.

Customer is the main heart in the marketing success in placing the distribution channel a company must consider about customer oriented strategy (Abdullah *et al.*, 2015). The focus of the place in halal marketing mix should be developed because the existence of Muslim not only Islamic country but it is spread all over the world. The success factors of halal place is stated as:

- The place or distribution channel must be accessible (Abdullah *et al.*, 2015)
- The display where halal food and beverage place must be clean (Zailani *et al.*, 2015)
- In the distribution process, product of halal food and beverage have to kept in a good condition until that product is delivered to the customer (Ishak and Abdullah, 2012)

CONCLUSION

Halal marketing become importance, since, the process of halal food and beverage business penetrated to supply chain management. The development of halal concept in marketing is important to gain the customer satisfaction. The rapid growth of Muslim make halal food and beverage business is prospective to be developed. However, the process of halal marketing is not only about offering halal product. It involves all the actors of marketing actors such as product, place, price, promotion, people or employees, process and physical evidence. The in the implementation, the marketers should add the Islamic value such as pragmatism, pertinence, palliation, peer-support, pedagogy, pertinence and patience. The

result of this research shows that in halal marketing, the most importance success factor is transparency in buying and selling activity.

To gain the customer satisfaction, a company should focus on Muslim customer need and commit to keep the purity of halal food and beverage as the characteristic. The customer should get the conformity from the product that they really need. In Islamic perspective both seller and buyer must get fair mutual profit. In set out the price, based on Islamic rule a company is not allowed to be greedy by taking too much profit, it is because not all customers can reach the high price. In the other word, a company should use the conscience in running the business to achieve the common prosperity. To advance the business that based on Islamic perspective, the researchers suggest to develop others activities in halal supply chain management for the further research.

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