Chapter 2

Halal Branding: A New Trend in Islamic Marketing

Ali Shahnazari
Payame Noor University, Iran

ABSTRACT

Muslim and Islamic marketing is very important on the global level. This chapter investigates Muslim’s food market. In the first section, the foundations of Halal food are explained, and the roots of the concept of Halal and the challenges facing it are described. The second section includes Islamic branding and the foundations of Islamic branding. The Islamic foundation of Halal is a subject that comes together with the description of Halal food in the Holy Quran and is the subject of the third section. In the fourth section, Halal branding is explored, and in the fifth section, the legal and practical issues of Halal branding are analyzed. The final section includes models of Halal food and brand in which six models are put forward. The most recent of these models includes all the essential concepts of the previous models.

INTRODUCTION

While many people believe that Muslims live mainly in the Middle East, in fact it is wrong. Based on the report made by Pew Forum in 2011 regarding people’s religion and general life, around 1.56 billion people are Muslim. This number is 23% of the whole population of the world. It has been estimated that 60% of the Muslims live in Asia, 20% in North Africa and Middle East, and the remaining 20% live in other places across the world. Although the population of Muslims in the Middle East is considerable, great populations also live in Indonesia, Malaysia, India, Pakistan, Turkey, Nigeria, and other countries. Muslim customers have expanded over the Middle East countries. The Muslim population in Europe has grown 140% within a decade and that growth is more than the growth of non-Muslims. Around 30 million Muslims live in the Russian Federation. The Muslim population across North and South Americas is expanding, too. In the U.S. there are around 2.6 million child and adult Muslim which comprises 0.8% of the population of the U.S. It has been predicted that up to 2030, this number will reach 6.2 million which equals 1.7% of the whole population of the U.S. (Rarick, 2011). The Muslims’ market includes 20.01% of the whole population of the world. Muslims include the population of more than 50

DOI: 10.4018/978-1-5225-5187-4.ch002

Copyright © 2018, IGI Global. Copying or distributing in print or electronic forms without written permission of IGI Global is prohibited.
Halal Branding

countries in Asia, Africa, and Europe and Islam has had the fastest rate of growth among all religions of the world. The biggest Islamic organization (Islamic Conference Organization) consists of 57 countries among which 50 countries are completely Muslim. Although in the other countries Muslims are not the major population, they have big populations. These 57 countries altogether have an $8 trillion GDP which equals that of the U.S. (before the oil boom in 2008). Halal market comprises a significant share in the economy of these countries.

Also, the countries which are not members of the Organization of Islamic Cooperation but have access to smaller populations of Muslims have shares in the global Halal market to the extent that recently it has been estimated around $760 billion. The growth rate of this market has been estimated as 15% and this makes it the fastest-growing market in the world (Al-Serhan, 2010: 105).

FUNDAMENTALS OF HALAL FOOD

Origins of Halal

Halal is an Arabic term which is connected to the Islamic tradition. Generally, Halal can be defined as “allowed” or “permitted”. The acceptance and understanding of what means Halal is at the center of Muslims’ beliefs. The opposite of Halal in Arabic is the term “haram” or unlawful. Islamic tradition considers everything as Halal unless the opposite has been proven. So, a Muslim must distinguish between Halal and unlawful foods. On the other hand, it seems that “haram” causes much strong feelings in people. That is because the voluntary consumption or involvement in unlawful activities will lead to spiritual or physical punishments. So, Muslims prefer to avoid such activities when they are doubtful. For Muslims, Halal is not just a brand but a part of their belief system and ethical program in their everyday lives. The literature review in the current study points to the exact and uniform definitions of Halal. Generally, such definitions fall into the field of marketing. However, experts claim that “Halal” as a concept contains some characteristics that give it the features of a phenomenon and spirituality. Anything which is presumed as Halal is driven by the spiritual world and as a result cannot be confined to the physical dimensions of branding (Wilson, 2010:115).

The Origins of the Concept of Halal

If the nature of Halal exists for the theories of brand and product, a questions arises as whether Halal can be defined successfully as forming a commercial product, a brand, or a combination of both? Experts believe that Halal is a concept that cannot be placed completely within the framework of these concepts. More than being a philosophy for brand marketing and product development, the concept of Halal is involved with such principles as the organizational behavior, cultural anthropology, and sociology. The origins of Halal date back to the times before the formation of branding and marketing activities. So, attempts to place it within these concepts are a cumbersome task. In fact, branding and marketing thought should attempt to adjust themselves to what really is Halal and not vice versa. If Halal be considered as a brand, the chances are not so high for the name “Halal” to be accepted completely. So, usually it is proposed that Halal be determined as a synthetic brand or a synthetic word in which case the role of a co-brand will be assumed for that. A global organization by the use of a “co-brand” can start a section which can use the term “Halal” . However, this may cause more intense scrutiny over the activities of