Challenges of Halal Standards and Halal Certification for Islamic Marketing

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Abstract
Halal standards and certification continue to pose challenges for Islamic marketing. Resolving this is critical for the sector. This study uses the critical literature review (CLR) and systematic literature review (SLR) approaches by reviewing 76 published articles from Scopus-indexed journals between the years 2012 and 2023. Further, it analyses qualitative Quranic verses and content through the use of Stakeholder Theory (ST) and the ATLAS.ti qualitative data analysis software. Findings show that challenges facing halal standards and certification comprise heterogeneity, questionable raw materials, unethical practices, poor understanding of Islamic theology, communication gaps, acceptance variability, human resource management problems, supply chain obstacles, and improper Islamic marketing orientation. In addition to these common challenges, marketing problems, and poor brand positioning decisively hinder the growth potential of the halal industry. Importantly, the qualitative Quranic verses must satisfy Islamic scholars, certification boards, producers, halal marketers, and researchers to resolve the halal standards and certification-based challenges. All stakeholders must comprehend the insights arising from the general and special challenges facing the halal industry to synthesize the relevant and prescriptive Quranic verses as strategic tools. Stakeholders must further ponder future challenges regarding standards and certification on halal price, place, and promotion since current certification only focuses on products.

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1. Introduction

Halal ( onstage ) means what is permissible in Islamic law (shariah). The opposite of halal is haram (stage), meaning forbidden (Islam, 2022). Halal is applied to permitted and legal products that Muslims can patronize (Wilson & Liu, 2011).

1.1. The world halal economy

Islamic principles guide the global halal economy (Akram, 2022, 2020), whose economic value is more than 2.2 trillion USD (Dinar Standard, 2019). The growth of the halal economy has given birth to a wide range of halal products, including food and beverage, apparel, finance, travel and tourism, media and recreation, pharmaceuticals, and cosmetics (Izberk-Bilgin & Nakata, 2016). Of this, around 62% of the halal economy covers food, with 13%, 10%, 9%, and 4% for fashion, recreation, tourism, and pharmaceuticals, respectively. Halal cosmetics represent a growing sector, worth 61 million USD and contributing 2.88% to the halal economy (Dinar Standard, 2019).

1.2. Problem statement

Non-halal producers do not conform to Islamic principles and cannot satisfy the needs of the 2.4 billion global Muslim consumers (Sugibayashi et al., 2019). Muslim consumers show self-restraint in consumption by obeying Islamic regulations and trusting halal certification (Ashraf, 2019). Nevertheless, the halal certification has been criticized for fraudulent claims, dubious accreditation (Rezai et al., 2012), and poor authorization (Talib & Johan, 2012). Halal marketers also complain that fake halal certification (Zannierah et al., 2012), abuses of the halal logo (Premanandh & Bin Salem, 2017), lack of halal authenticity (Hong & Kamaruddin, 2020), mislabeling (Haleem et al., 2020) and scandals (Ahmad et al., 2018) disturb their halal businesses.

Consumption of halal products affects Muslims’ daily worship (ibadah) and belief (imaan) (Sama & Trivedi, 2019). Against this backdrop, halal marketers also perceive challenges associated with the contamination of halal with haram (Denyingyhot et al., 2022), questionable additives used as raw materials (Muneeza & Mustapha, 2021), haram chemicals (Karahalil, 2020), genetically modified organisms, and alcoholic requirements (Alzeer et al., 2020; Pauzi et al., 2019).

1.3. Aim, objectives, and research questions

The challenges to halal standards and certification include those posed by producers and policymakers, as well as consumer well-being and health, in addition to religion itself. Studies on challenges with halal standards and certification are uncommon. Therefore, this study intends to explore the challenges of halal standards and certification and suggest key focuses to map future research directions. To be precise, the objectives of this work are twofold:
• To investigate the overall halal certification and standards challenges and,
• To suggest measures to resolve the identified halal certification and standards challenges.

The following sections show the theoretical aspect of the study followed by the methodology used to undertake the research. The subsequent sections show the results of the research questions. After that, a rigorous Islamic principles-based analysis and discussions are presented. Finally, the conclusions provide the implications, limitations, and suggestions for future direction.

2. Theoretical aspects

Edward Freeman developed the Stakeholder Theory (ST) (Oruc & Sarikaya, 2011), which depicts an organization’s need to create value for the stakeholders (Gilbert & Rasche, 2008). The theory implies that an organization must incorporate the legitimate interest of all parties with direct or indirect stakes by creating value (Freeman, 1984). Thus, ST has become a focal discussion point of management (Antonacopoulou & Meric, 2005).

ST posits that knowledge and information distribution, typical trust, participation in the decision-making, and focus on stakeholder well-being in strategic plans generate more value for organizations (Langrafe et al., 2020). Moreover, public engagement with organizations fosters the value-creation process (Wojewnik-Filipkowska et al., 2021). ST also deals with managing a balance between society and business (Carroll & Buchholtz, 2000).

From an Islamic point of view, ST has great utility for institutional stakeholders, such as the board, management, customers, suppliers, employees, and pressure groups (Al-Nasser Mohammed & Muhammed, 2017). For this study, the authors adapted the Donaldson and Preston (1995) model, framing all stakeholders concerned with a mutual interest in halal management. The stakeholder mapping shows that the halal marketers have connected all possible stakeholders.

Figure 1. Stakeholders connected with halal marketers (Source: Adapted from the Donaldson and Preston (1995)'s model)
Figure 1 is the conceptualization of halal marketers with potential stakeholders, where halal is the center of stakeholder networking. The Shariah board, Islamic scholars, and researchers have a stake in halal. Further, consumers, certification boards, technical experts, legislative authorities, and the government are also connected to halal. Thus, ST can be used in halal research as different stakeholders have value and legitimate interests associated with halal.

3. Research methodology

3.1. Research approach

This study follows the critical literature review (CLR) approach that shows knowledge and research gaps through conceptual modeling (Yazdani et al., 2021). It is a descriptive and analytical method to advance the current body of knowledge that helps other researchers evaluate the concerned topic through a different lens (Jesson & Lacey, 2006).

Then, the systematic literature review (SLR) approach guided the selection of the articles for review. The PRISMA flow diagram was adapted from Page et al. (2020) for the SLR. Figure 2 shows a PRISMA flow diagram illustrating materials identified, filtered, and documented. Ultimately, only studies that specifically discussed the challenges of halal certification and standards were selected.

Articles were sourced through the university’s official identification. The primary search looked for the titles, abstracts, and keywords from the database. Search keywords included halal standards, halal certification, challenges to halal standards, and challenges to halal certification.

![PRISMA flow diagram](Source: Adapted from Page et al. (2020))
The first stage detected 210 papers based on keyword search. The second step removed 134 papers due to improper matches. Finally, the SLR results found 76 papers that met the study objectives.

3.2. Research design

Figure 3 conceptualizes the research design. First, the study captures the common challenges attributed to halal standards and certification. Second, the halal standards and certification challenges are reviewed. Common halal standards and certification challenges are highlighted and Islamic principles are used to address the significant challenges.

3.3. Data collection

This study reviews 76 published articles from Scopus-indexed journals related to halal standards and certification challenges published between 2012 and 2023. Qualitative and prescriptive Quranic verses were sourced from the simple English translation by Muhammad Muhsin Khan and Muhammad Taqi-ud-Din al-Hilali, available at https://noblequran.com/.

3.4. Data analysis

The study follows the content analysis technique to analyze the qualitative data. Contents of the articles about halal, certification, and standards are carefully studied, with relevant data being grouped and synchronized according to their relevant weight. ATLAS.ti qualitative data analysis software is used to do so.

Notably, this study uses verses of the Quran to guide addressing the standards, certification, and marketing challenges. The study also uses the contents of the stakeholder theory to link the crucial halal stakeholders.

The Quran refers to the guide for mankind (The Noble Quran, 2:185). Quranic verses are prescriptive, covering general topics through to very specific issues. To
minimize halal standards’ heterogeneity, a few verses must work as the rules of thumb. The study has critically captured those verses to guide halal policymakers for the betterment of halal standards.

Halal standards give birth to halal certification, which is subject to co-creation and collaboration. Some Quranic verses discuss consultation and co-creation. This study has logically outlined those verses to address the halal certification challenges.

4. Result

4.1. Crucial Issues of halal certification and Standards

4.1.1 Coordination and motivational challenges perceived by halal certifiers

Halal certifiers perceive challenges in managing halal certifications. Certifiers comprehend these problems as regarding collaboration among Islamic scholars (Suharko et al., 2018). Halal certifiers also do not have an expert workforce to run their seamless functions (Muhammad et al., 2020), so a poor working environment affects halal producers’ performances (Annabi & Ibidapo-Obe, 2017). Importantly, certifiers are concerned that producers tend to copy established halal standards rather than develop new standards (Kurth & Glasbergen, 2017).

4.1.2 Heterogeneous standards perceived by Producers

Halal producers are primarily worried about the difference in halal standards (Akram 2020; Johan & Schebesta, 2022; Abdallah et al., 2021; Fuseini et al., 2021; Haleem et al., 2020; Pauzi et al., 2019). Other challenges include inadequacy (Annabi and Ibidapo-Obe, 2017), strictness (Wannasupchue et al., 2021), and poor knowledge of standards (Md Nawi et al., 2022).

4.1.3 Questionable ingredients

Halal manufacturers perceive risks associated with the contamination of halal with haram (Abdur Rashid & Bojei, 2020; Denyingyhot et al., 2022), questionable additives (Muneza & Mustapha, 2021), haram chemicals (Karahalil, 2020), genetically modified organisms, and alcoholic treatment (Alzeer et al., 2020; Pauzi et al., 2019; Kurth & Glasbergen, 2017). On top of that, pig and its by-products (Martuscelli et al., 2020), the detection complexity of pork DNA (Al-Kahtani et al., 2017), haram gelatin (Ali et al., 2018), and apparatus shortages (Vanany et al., 2019) severely concern halal manufacturers.

4.1.4 Unethical practices

Halal producers also face challenges due to fraudulent and dubious accreditation (Rezai et al., 2012) and unauthorized halal certification (Talib & Johan, 2012). Producers note that fake halal certification (Zannierah et al., 2012), abuses of the halal logo (Premanandh & Bin Salem, 2017), lack of halal authenticity (Hong &
Kamaruddin, 2020), mislabeling (Haleem et al., 2020) and scandals (Ahmad et al., 2018) all disturb halal business.

4.1.5 Poor Understanding of Islamic Theology

Variance in Islamic jurisprudence about istihalah (Jahangir et al., 2016) and inconsistent interpretation of Islamic principles is challenging to halal business (Ahmad et al., 2018). Even differences in Islamic thought (madhab) around the globe (Soon et al., 2017), and different beliefs (van der Spiegel et al., 2012) result in questions about halal norms. Additionally, the unavailability of sufficient halal experts discourages producers from adopting halal certification (Talib, 2021).

4.1.6 Communication gaps

Producers perceive that there are communication gaps among certifiers, auditors, Shariah experts (Muhammad et al., 2020), and legal authorities (Wills, 2020) and that these prolong the halal certification process. In addition, proper alignment between Islamic experts and certifiers is absent (Zailani et al., 2017).

4.1.7 Double standards

Muslim managers’ perceptions entail that halal certification is spiritually and economically positive and worthwhile pursuing, while non-Muslim managers perceive halal certification as rigid and costly to adapt and sustain (Marzuki et al., 2014). Non-Muslim marketers perceive high investment costs (Wannasupchue et al., 2021), limited government support, and weak enforcement are the leading barriers to adopting halal certification (Sapry et al., 2020). Interestingly, there are also preferences for different origins of certification, with halal certification and logos from Saudi Arabia and Kuwait receiving more priority than those of Malaysia and Indonesia (E. Rios et al., 2014).

4.1.8 Human resource management problems

Producers recognize that there are human resources problems related to halal certification management, such as inadequate halal knowledge (Usman et al., 2021) and lack of awareness (Ahmad et al., 2018). Likewise, lack of commitment (Khan et al., 2019; Md Nawi et al., 2022), limited training (Magsi et al., 2020), suspicion (De Boni & Forleo, 2019), and poorly skilled employees (Vanany et al., 2019) limit halal business progress.

4.1.9 Supply chain challenges

The major problem for halal business success is the absence of halal supply chain management (Khan et al., 2022). Producers believe that halal traceability (Premanandh & Bin Salem, 2017), dedicated halal assets (Abdul Rahman et al., 2018), and a halal supply chain (Tseng et al., 2022) is crucial to managing halal certification. Specifically, producers are concerned that a lack of halal integrity
(Abdur Rashid & Bojei, 2020; Hong & Kamaruddin, 2020) may make the halal status null and void (Ab Talib, 2021).

4.1.10 Absence of Islamic marketing orientation

The absence of including halal marketing principles is a fundamental shortcoming in sustaining halal certification. Undifferentiated branding strategies (Haleem et al., 2020), the continuing rise of consumerism (Takeshita, 2020), non-Muslim halal brands (Mohd Nawawi et al., 2020), and the absence of brand loyalty (Jaiyeoba et al., 2020) are critical for halal trade.

Figure 4. Content analysis of the literature

Figure 4 illustrates the core concepts focused on within the analyzed literature. ‘Halal’ sits in the center, mentioned more than 200 times, followed by ‘certification’ (75 times), ‘standard’ (54 times), and ‘challenges’ (32 times). Hence, the previous studies have mainly concentrated on the challenges coupled with halal certification and standards and the measures to resolve them.

4.2. Measures to resolve critical challenges of halal standards and Certification

4.2.1 Suggestions to resolve halal standards-based Challenges

Multiple researchers have recommended uniform halal standards (Johan & Schebesta, 2022; Abdallah et al., 2021). On top of that, pressure from governments (Zulfakar et al., 2018) and incentives for manufacturers (Giyanti et al., 2021), combined with minimizing communication barriers between different sources of jurisprudence (Majeed et al., 2019), could generate a common halal standard.

Technology can handle halal meat-based business issues. Technologies such as pork DNA tracers (Al-Kahtani et al., 2017) and cost-efficient polymerase chain reaction (PCR) tests (Denyingyhot et al., 2022; Nikzad et al., 2017) is critical to detect contamination. Moreover, developing fish-based gelatin (Ali et al., 2018)
could resolve the halal standards-based challenges posed by the wide use of pork-based gelatin.

Genetically modified organisms (GMOs), animal components, and alcohol appear critical to Good Agricultural Practices (GAP). Under this circumstance, compatibility between GAP and halal standards can result in a win-win situation to alleviate the challenges for agricultural researchers (Alzeer et al., 2020).

Training programs for all stakeholders (Magsi et al., 2020) and measures to separate halal production from non-halal production (de Araújo, 2019) will facilitate halal integrity. A global standard supply chain can help resolve the challenges of halal heterogeneity (Soon et al., 2017).

As the halal and halal business has emerged from the Quran (The Noble Quran, 2:275; 4:29), those responsible for halal standards and halal certification must collaborate and accelerate halal business.

4.2.2 Measures to resolve halal certification-based Challenges

Halal researchers have been working to develop a simplistic halal certification to foster the halal industry. Studies have found that robust halal standards (Annabi & Ibadapo-Obe, 2017), halal source-based GMOs (Karahalil, 2020), and strict adherence to the goodwill of certification (Omar et al., 2017) can all be critical factors for halal certification success (Bashir et al., 2019).

Additionally, developing brand value (Jaiyeoba et al., 2020) and the learning experience of halal marketers (Katuk et al., 2021) are critical variables in managing halal certification. In addition, increasing halal awareness (Khan et al., 2019), filling in the stakeholders’ knowledge gaps (Razalli et al., 2013), training and upskilling for halal auditors (Muhammad et al., 2020), and developing halal transportation, warehouse, and other dedicated resources (Ab Talib, 2021) will increase certification effectiveness.

Halal certification will be more effective through business innovation (Salindal, 2019), knowledge development (Vanany et al., 2019), and internal halal assurance systems (Abd Rahman et al., 2017). Further, halal marketers’ commitment (Othman et al., 2016), disclosing of halal discourses (Takeshita, 2020), and boosting coordination of all stakeholders (Noordin et al., 2014) will accelerate halal certification value.

The institutionalization of the halal industry requires alignment among the government, industry, and individual firms. Consequently, collaboration is the key issue to resolving the challenges that halal standards and certification are facing (Islam et al., 2023).

5. Analysis and discussion

5.1. Heterogeneous halal standards

Marketers perceive differences in halal standards regarding halal production and marketing. The differences are primarily related to the interpretation of Islamic
theology about production inputs used in manufacturing halal. Authentic Islamic interpretation can help resolve other problems to a greater extent, but adhering to different Islamic thoughts will broaden the standard gaps. Unconditional obedience to the Quran and authentic hadiths by Islamic scholars can resolve scholarly jurisprudence issues.

Islamic scholars, of course, will opine about Islamic affairs as they have legitimacy. Nonetheless, many scholars around the globe produce different thoughts on Islamic issues concerned with halal, but their remarks should not be seen as shariah. The Quran and the Prophet’s Sunnah must be given priority to dismiss scholars’ differences of opinion. Although the Quran ordains to obey Islamic scholars, in case of any contradiction, differences, or ambiguity, the explicit guidelines of Allah and His messenger are final, the best options for all (The Noble Quran, 4:58-59).

Having a wide array of different Islamic thoughts may make the journey of halal business difficult. Generally speaking, differences in Islamic understanding have resulted from picking up a single narrative of Islam on any issue, even though other viable options were also available to embrace. For instance, one scholar has chosen one particular source, and his opinion has become the benchmark for certain standards. In this way, too many minds have made exacerbated the issue of defining halal standards. But Allah orders us to accept all the narrations with His messenger and acknowledge the best alternatives (The Noble Quran, 59:7).

Some scholars follow Qias (established judgments) for any issues of halal and haram, bypassing the clear Quranic verse and authentic hadiths. In fact, this practice worsens the gaps in halal standards. In this respect, Allah threatens that the people shall not be true believers until they accept the last prophet as the settler of the disputed affairs (The Noble Quran. 4:65). Notably, people will be misguided about halal if they emphasize self-opinions and other personalities compatible with the Quran and hadiths (The Noble Quran, 33:21, 36). Specifically, the Quran instructs halal stakeholders to adhere to the orders of Allah and the sayings of His messenger, not to go forward against the Quran and Sunnah or raise their voices before the words of Allah and His prophet (The Noble Quran, 49:1-3).

Halal researchers have blamed the wide variety of standards for the challenges facing the halal industry and its progress, resulting in loopholes and questionable principles. The Quran and hadiths, the two sources the last messenger advocated holding close, can assist in defining agreed standards. In contrast, incorrect Qias and scholars who are not mainstream Muslims will cause the halal standards to become questionable, slowing down the whole halal industry.

5.2. Co-creation and Collaboration for halal certification

Marketers complain about the lengthy process of obtaining and managing halal certification, as well as the lack of coordination among stakeholders. Halal
certification stakeholders include the government, Islamic scholars, the Shariah board, legal authorities, and scientific experts regarding the concerned products or industry. Halal marketers can form an internal halal assurance panel to facilitate halal certification, comprising available human resources management and Islamic scholar(s) from mainstream Islam. This may be called co-creation and is done in coordination with the external halal certification body.

An internal ‘mini’ halal certification board is absent from many institutions cultivating halal business. This dedicated halal assurance team will collaborate with the government-run halal certification authority to minimize various challenges. Consultation (The Noble Quran, 3:159; 42:38) among internal certification boards, government agencies, and national certification boards can close the halal certification-related gaps between producers and other stakeholders.

5.3 Stakeholder Mapping of halal standards and Certification

The conceptual stakeholder mapping illustrates halal standards, halal certification, and halal certification users. Figure 5 shows the relation among the halal stakeholders.

![Stakeholders' mapping on halal standards and certification](image)

The Quran and hadiths produce Islamic principles to result in accepted halal standards. Halal standards lay the foundation of halal certification, balancing among government, scientists, and Islamic scholars. Halal certification will therefore be easily usable for both Muslim and non-Muslim marketers. Importantly, non-Muslim marketers must always be connected to mainstream Islamic scholars for the improved functioning of the halal certification process. Thus, both standards and certification must entertain the interests of all concerned stakeholders to facilitate the trillion-dollar halal industry, meaning stakeholder theory can reinforce the
process to add shared value for all.

6. Conclusions

This study shows significant perceived gaps among certifiers toward halal standards and certification. Producers observe challenges concerning heterogeneity, questionable raw materials, unethical practices, poor understanding of Islamic theology, communication gaps, human resource management problems, supply chain obstacles, and improper Islamic marketing orientation when it comes to halal standards and certification.

Apart from the general limitations of halal standards and certification, halal industries encounter challenges coupled with consumers’ religiosity and varied perceptions, product contents, the origin of producers, and producers’ low level of commitment towards pursuing halal notions. Marketing is also a crucial problem since a lack of effective marketing will result in low demand. Finally, the inadequate brand value of individual halal products will decisively hinder growth potential.

The halal industry must ensure collaboration with Islamic scholars, the scientific community, certifiers, producers, and academics. As Islamic principles govern halal business, understanding the related Quranic verses and authentic hadiths with an open mind is crucial. Hence, an accurate understanding of Shariah will help close the perceived gaps among stakeholders.

This study’s findings can assist halal stakeholders in performing their roles. Particularly, stakeholders working with uniform halal standards can strategically think about how to close the gaps. Halal certifiers can trace their challenges and collaborate to facilitate halal standards. Likewise, halal producers can form internal halal certification systems to link standards and certification. Last but not least, integrating the stakeholder theory approach in halal studies may help overcome the lack of relevant theoretical lenses.

The study is not without limitations. Only Scopus database-published articles have been analyzed, meaning some sources may be missing. Standards and certification challenges are presented as common challenges, overlooking the individual difficulties of different halal industries, such as food, tourism, hotel, restaurants, and meat, cosmetics as well as the difference between standard and halal certification bodies. Therefore, future studies may focus on niche halal sectors outlining the sectors’ specific halal standards and certification challenges and suggesting appropriate measures. Finally, halal stakeholders must ponder future challenges regarding standards and certification on halal price, place, and promotion.
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