HALAL logistics: A marketing mix perspective

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Abstract: Ḥalāl is no longer understood as solely concerning food consumption or ritual slaughter. It is at the centre of the global Muslim food industry and logistics is one of its driving forces. The growing demand for ḥalāl food integrity contributes to the need for ḥalāl logistics. However, ḥalāl logistics operation has thus far not been warmly received by the industry thus hampering the availability of such services. This conceptual study attempts to illuminate the issue by addressing ḥalāl logistics from a marketing perspective. The concept of marketing mix and how it can be practiced by industrial players in marketing or promoting ḥalāl logistics services underpins our discussion. Existing literature is reviewed and discussed to ascertain the link between ḥalāl logistics and the 7Ps of its marketing mix, namely, product, place, price, promotion, people, process, and programme.

Keywords: Ḥalāl; ḥalāl logistics; ḥalāl marketing; marketing logistics; marketing mix.

Abstrak: Halal tidak lagi difahami sebagai satu-satunya bagi penggunaan makanan atau penyembelihan binatang untuk dimakan. Ia merupakan pusat industri makanan Islam secara global, dan logistik merupakan satu daripada...

**Kata Kunci:** Halal; logistik halal; pemasaran halal; logistik pemasaran; pemasaran campuran.

The Malaysian Standard for Halal Food – Production, Preparation, Handling and Storage – General Guidelines, MS1500:2009 (2009, p. 1), defines ḥalāl “as things or actions permitted by Shariah without punishment on the doer.” From a more linguistic perspective, ḥalāl is an Arabic word that translates into English as permissible while the opposite of ḥalāl is ḥarām (non-ḥalāl) which means prohibited. The ḥalāl industry is booming, indicating that it is regarded as a symbol of quality. Ḥalāl products and services are used by Muslims and widely accepted by non-Muslims since they signify hygiene and safety (Aziz & Chok, 2013; Gayatri & Chew, 2013; Marzuki, Hall, & Ballantine, 2012). This can be justified by the vast number of ḥalāl authorities from both Muslim and non-Muslim countries such as Malaysia, Singapore, Brunei Darussalam, the United Kingdom and Australia (Adams, 2011). Governments and firms are capitalising on the lucrative ḥalāl market which not only consists of food products but comprises non-food products (pharmaceutical and cosmetics) and services (logistics, banking and tourism). The Malaysian Investment Development Authority (MIDA) valued the ḥalāl market in 2006 at a staggering US$600 billion to US$2.1 trillion and predicted that the industry’s worth in 2030 will reach US$6.4 trillion. The growth of the ḥalāl industry is contributed to by the significant global Muslim population who are showing increased demand for ḥalāl products and services (Adams, 2011). This growth is fostered by greater demand for ḥalāl food products in Europe (Bonne & Verbeke, 2008; Lever & Miele, 2012). Research on ḥalāl within academic circles has also increased, with
many researchers exploring new areas of ḥalāl application. Studies on ḥalāl encompass various areas and disciplines such as ḥalāl certification, consumer behaviour, and ḥalāl branding (Alam & Sayuti, 2011; Wilson & Liu, 2010; Marzuki et al., 2012). In addition, a considerable amount of ḥalāl studies are conducted on the area of logistics, such as a ḥalāl supply chain, training in ḥalāl logistics, ḥalāl transportation, willingness to pay for ḥalāl logistics, and ḥalāl packaging (Pahim, Jemali, & Mohamad, 2012; Talib & Johan, 2012; Tan, Razali, & Desa, 2012; Tieman, van der Vorst, & Ghazali, 2012; Tieman & van Nistelrooy, 2014).

All Muslims must consume and use only ḥalāl products and services, and at present, Muslim consumers are more aware of their food intake including food preparation (Bonne & Verbeke, 2008). According to Tieman (2011), ḥalāl products or services matter not only at the point of consumption or purchase (downstream) but also matters during preparation (upstream). This indicates that there are ḥalāl concerns over every aspect of the supply chain. Logistics act as the link between suppliers, manufacturer, retailers, and final consumers to ensure the constant flow of materials and services across the supply chain either upstream or downstream. The important role of logistics in ḥalāl industry is clearly described in the definition of ḥalāl logistics by Tieman (2013, p. 5):

\begin{quote}
Ḥalāl logistics is the process of managing the procurement, movement, storage and handling of materials, parts, livestock, semi-finished or finished inventory both food and non-food, and related information and documentation flows through the organization and the supply chain in compliance with the general principles of Shariah.
\end{quote}

However, one should not confuse between ḥalāl logistics and conventional logistics. Ḥalāl and conventional logistics operate with similar processes and serve the same functions. However, the difference is that ḥalāl logistics requires its own ḥalāl dedicated facilities or equipment. Unlike conventional logistics, non-ḥalāl goods can be mixed together during transportation and storage. Second, ḥalāl logistics only caters for ḥalāl-certified goods. Goods that are not certified as ḥalāl or considered as ḥarām (e.g., swine and liquor) are prohibited to use ḥalāl logistics services and are thus commonly distributed using conventional logistics. Furthermore, it is crucial to avoid the presence of ḥarām substances because the mixing of ḥalāl and ḥarām will contaminate the
entire ḥalāl logistics operation (Tieman, 2011). Although the intention is sensible (reducing the cost through single distribution by mixing ḥalāl and ḥarām cargo/shipment), such an act is unacceptable because the priority is to ensure the purity of the ḥalāl product.

The growth of the ḥalāl industry depends on the success of ḥalāl logistics. This is key for facilitating the manufacturing and trading of ḥalāl products and services. There are several reasons behind the need for ḥalāl logistics. First, concerns over the integrity of the modern complex supply chain can cast doubt among Muslim consumers who are demanding greater transparency during product sourcing and preparation (Tieman et al., 2012). To eliminate such doubts, firms are demanding suppliers to abide by strict ḥalāl guidelines to foster trust among consumers. Eliminating doubt is crucial in Islam because Prophet Muhammad (S.A.W.) said, as narrated by Al- Nuʿmān ibn Bashīr in Jāmi` at-Tirmīdī (12:1205):

The lawful (ḥalāl) is clear and the unlawful (ḥarām) is clear, and between that are matters that are doubtful (not clear); many of the people do not know whether it is lawful or unlawful. So whoever leaves it to protect his religion and his honour, then he will be safe.

Ḥalāl logistics is attracting public interest because it is a potentially lucrative business (Kamaruddin, Iberahim, Shabudin, 2012). However, few logistics service providers (LSP) are investing in ḥalāl dedicated facilities, such as warehousing and a transportation fleet specialised for ḥalāl products storage and distribution (Jaafar, Endut, Faisol, & Omar, 2011; Talib, Rubin, & Zhengyi, 2013). Although developing dedicated ḥalāl services involves substantial capital investment, LSP are prepared to invest because of the pressure from the consumers. In addition, the perceived benefits outweigh costs (Ngah, Zainuddin, & Thurasamy, 2014).

Additionally, according to the Malaysian Ministry of International Trade and Industry (MITI), although ḥalāl logistics is a lucrative business and is gaining public interest, there are very few LSP that offer complete ḥalāl logistics services. Talib et al. (2013) explained that the hindering factors to ḥalāl logistics adoption include insufficient government support, collaboration issues among LSP, lack of knowledge on ḥalāl issues, and the perception of additional costs. To do away with the perception that ḥalāl logistics is difficult to achieve and to promote
greater understanding of the benefits of ḥalāl logistics, a marketing approach is deemed necessary. Hence, the objective of this conceptual study is to address ḥalāl logistics from a marketing point of view, specifically linking ḥalāl logistics with the marketing mix concept. This endeavour is justified as there is an established relationship between logistics and marketing. As such, the potential of marketing mix elements (product, place, price, promotion) to help achieve greater adoption of ḥalāl logistics services (Lambert, Stock, & Ellram, 1998).

**The logistics and marketing relationship**

The relationship between logistics and marketing is recognised in many researches and can be traced back to as early as 1912 (Svensson, 2002). Svensson highlighted that there is a dependence between marketing activities and logistics activities. Traditionally, transactional marketing was used to reflect business-customer transactions but due to the development of logistics and supply chain management, relationship marketing is widely referred to as firms will need to develop a long-term relationship with key customers and supply chain partners (Min & Mentzer, 2000). Moreover, Lynch and Whicker (2008) explained how understanding between marketing and logistics functions will contribute to greater business success while Murphy and Poist (1996) described how logistics contributes to customer service, a key component in marketing. This was well expressed by Emerson and Grimm’s (1996) seven dimensions in customer service. Their taxonomy consisted of three logistics dimensions (availability, delivery quality, and communication) and four marketing dimensions (pricing, product support, sales representative, and quality). Furthermore, Kahn and Mentzer (1996) stated that the collaboration between distribution (logistics) and marketing is needed in order to satisfy customer demand, avoid service disruption, and prepare for any surprise orders from customers. This is in line with Rinehart, Cooper, and Wagenheim (1989) who argued that the output of joint activities between logistics and marketing facilitates better customer service.

To further establish the relationship between logistics and marketing, a research by Alvarado and Kotzab (2001) suggested that in supply chain management Efficient Consumer Response (ECR) does not focus solely on the supply-side (logistics) but also on the demand-side (marketing). Accordingly, in terms of marketing strategy, firms can sustain competitive advantages by improving and taking leverage on ancillary services (logistics) (Mentzer & Williams, 2001). Additionally,
the relationship between logistics and marketing is well acknowledged in packaging since it is an important component for both logistics and marketing (Prendergast & Pitt, 1996; Sezen, 2005). In marketing, packaging is for promotional activities and educating consumers, and in logistics, packaging refers to ease of handling and protection (Vernuccio, Cozzolino, & Michelini, 2010). These two packaging functions must work in tandem in order to result in cost reduction, time saving, and improved service quality (Lambert et al., 1998).

The marketing mix

The concept of the marketing mix was first introduced in 1964 by Niel. H. Borden. Borden (1964) pointed out that marketing mix is an important element in helping marketers to formulate effective marketing strategies, and the marketing mix concept has been studied and developed by various researchers (Booms & Bitner, 1981; Magrath, 1986; McCarthy, 1960). Throughout the years, marketing mix has gone through different changes, and modifications to suit the ever-changing business situations and conditions. For instance, in the early formulation of the marketing mix, Borden (1964) initially introduced 12 elements, namely, product planning, pricing, branding, channels of distribution, personal selling, advertising, promotions, packaging, display, servicing, physical handling, and fact finding and analysis.

However, it has been simplified to four elements, termed “The Four Ps”. Later, Booms and Bitner (1981) and Magrath (1986) believed that the elements of the product, price, promotion, and place (4 Ps) introduced by McCarthy (1960) were insufficient and hence led to several additional elements. This is supported by the work of Brooks (1988) who included customer service as the fifth element in the marketing mix, Kotler (1986) who included public relations and politics as the sixth P, and Booms and Bitner (1981) who suggested the seven Ps in service marketing with the addition of people, physical evidence, and process.

The use of the marketing mix has been applied in various fields. Peattie and Peter (1997), for example, conducted a marketing mix research in the third age of computing while Pheng and Ming (1997) highlighted the use of the marketing mix, its importance, and the benefits of strategic planning on quantity surveying. In addition, Ivy (2008) conducted a study of the marketing mix in higher education and
Ginsberg and Bloom (2004) discussed the use of the marketing mix in green strategy. Furthermore, marketing mix is also found in small medium enterprise (SME) studies (Brooks & Simkin, 2012), and the fast food industry (Vignali, 2001). These studies are evidence that marketing mix is applicable in many fields and industries, thus signifying the relevancy to construct a marketing mix for ḡalāl logistics.

**Ḥalāl logistics marketing mix**

In line with the research objective, this conceptual study incorporates ḡalāl logistics with the marketing mix theory. Figure 1 depicts the ḡalāl logistics’ seven marketing mix and its sub-elements. The following section explains the ḡalāl logistics marketing mix in greater detail.

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**Figure 1: ḡalāl logistics marketing mix**

**Product (Service)**

The MITI categorises the ḡalāl industry into three components of food, non-food, and services. They regard ḡalāl logistics as part of the services category. In line with this classification, this study regards ḡalāl logistics as a product that manifests in logistical services provided to customers. This is supported by Kotler and Keller (2012) who argued that a product is either goods or services offered to the market to satisfy demand. ḡalāl logistics is similar to conventional
logistics activities such as transportation, warehousing, packaging, procurement, and material handling, with the major difference that it only caters for Sharī‘ah compliant shipments (Zulfakar, Jie, & Chan, 2012). According to Tieman (2013), one of the key activities in ḥalāl logistics is transportation because a good transportation system will promote service efficiency and quality. Riaz and Chaudry (2004) also deemed transportation and distribution activities the most crucial components in maintaining the integrity of ḥalāl products. As argued by Tieman et al. (2012), it is not only the transport vehicle that ensures the ḥalāl integrity of shipment, but containers or carriers also play a significant role in maintaining ḥalāl integrity during distribution. The slightest presence of harām substances will annul the ḥalāl status of transportation. This necessitates a separate transportation fleet in order to minimise and avoid any potential cross-contamination. The importance of transportation in ḥalāl logistics is also stressed by Miranda-de la Lama, Villarroel, Liste, Escós, and María (2010), who argued that animal welfare during transportation must also be given attention. Furthermore, the possibility for cross contamination requires the development of information and communication technologies (ICT) to closely track and monitor packaging, transport, and distribution processes (Tan et al., 2012).

Warehousing and storage services are also among the services provided in ḥalāl logistics. This facility is used as a storage area and switching facility. Activities performed in warehouses for ḥalāl products include packaging and labelling, which must be performed using dedicated facilities and equipment in order to avoid cross contamination between ḥalāl and non-ḥalāl products. Furthermore, several LSP in Malaysia offer cold chain warehouses dedicated for temperature sensitive shipments such as ḥalāl meats or poultries, in order to maintain its freshness. Apart from that, samak service (ritual cleansing), steam cleaning, and disinfection services for containers are several cleaning services offered by LSP in order to maintain customer satisfaction and ensuring total ḥalāl logistics (Jaafar et al.; Kamaruddin et al., 2012). However, for these services to achieve their desired outcomes, complete segregation must be practiced and training must be provided either by ḥalāl authorities or LSPs (Jaafar et al., 2011; Tieman et al., 2012; Pahim et al., 2012). Another service offered in ḥalāl logistics is ḥalāl tracing and tracking. Traceability is important as it ensures food quality and
improve food safety along the supply chain, thereby enhancing the integrity of ḥalāl products (Bahrudin, Illyas, & Desa, 2011).

**Place**

For firms to be successful, logistics and marketing functions must be integrated because the right product must be at the right price, advertised through proper promotions, and must be available at the right place. Customer dissatisfaction occurs if a desired product or service is reasonably priced but wrongly sent to another recipient or place. This scenario indicates that logistics creates place utility and the product must be made available where customers demand it. Kotler and Keller (2012) depicted location, inventory, and coverage as the components of place marketing mix. From a ḥalāl logistics perspective, terminal (location) and warehouse (inventory) are the components of ḥalāl logistics’ place marketing mix. This is consistent with Tieman et al. (2012) that warehouse and terminal operations are key disciplines in ḥalāl logistics. There are five critical areas of a ḥalāl warehouse, namely, loading and unloading bay, storage area, packaging, and cargo consolidation area. These five critical areas must be completely segregated from conventional warehouse operations either through designated partitions or dedicated facilities (Jaafar et al., 2011; Tieman et al., 2012).

A terminal can be a gateway of a nation, as it serves as a point for facilitating import and export activities. A ḥalāl terminal completes the ḥalāl logistics system, and is key to maintaining a high level of ḥalāl logistics integrity. A ḥalāl terminal functions as an inspection access point for various modes of transportation and acts as a storage or holding area similar to a warehouse. Furthermore, a ḥalāl terminal contributes to the quality, safety, and security of ḥalāl cargo. However, a ḥalāl terminal is difficult to operate as it requires physical segregation of ḥalāl shipments and constant information sharing among the stakeholders (Tieman et al., 2012). Therefore, Tieman et al. (2012) suggests that terminal users should practice physical segregation through coding, marking, and identification in order to ease ḥalāl terminal operations. In addition, the development of ḥalāl parks, monitored by Halal Industry Development Corporation (HDC) to help spur the ḥalāl industry’s growth by setting up communities of ḥalāl-oriented businesses across Malaysia, is also categorised as a place in marketing mix. This initiative will benefit the industry domestically and globally as it establishes Malaysia’s pioneer
role in *halāl* business while attracting multinational corporations to choose Malaysia as their preferred *halāl* business destination, including *halāl* logistics.

**Price**

Price is the amount of money paid by customers for a product or service. In logistics, it refers to reducing costs while maintaining customer satisfaction. Charging customers the best price allows for greater revenue and improved sales. In logistics, customers are willing to pay more for top quality services. Meanwhile, Kotler and Keller (2012) suggested that by offering value pricing, a strategy of low pricing with high-quality offering, will win loyal customers. According to Kotler and Keller (2012), the five pricing objectives are survival, profit maximisation, market share maximisation, market skimming, and product-quality leadership objectives. There is a general paucity in *halāl* logistics pricing studies. To determine the pricing objective of *halāl* logistics services, it is best to view Kotler and Keller’s (2012) product life-cycle depicted in Figure 2. Since conventional logistics is already established, the concern now is how to integrate *halāl* into the logistics system (Iberahim, Kamaruddin, & Shabudin, 2012). For this, it is best to assume *halāl* logistics is currently growing. For a growth market, firms should lower their prices but improve the product quality, which will allow *halāl* LSPs to attract new and price-sensitive customers as well as instilling loyalty among customers (Kotler and Keller, 2012). Hence, it is suggested that the pricing objective of *halāl* logistics manifests in product-quality leadership objectives by offering value pricing to customers. This is supported by Tieman and Ghazali (2013) that pricing should not be unnecessarily high as it will influence access to *halāl* products.

It may be argued, however, that pricing of *halāl* logistics could be high as it involves additional tasks such as physical segregation of facilities, vehicles, equipment, *halāl* certification application, and renewal fees (Jaafar et al., 2011; Tieman, Ghazali, & van der Vorst, 2013). Furthermore, although Muslims are willing to pay a premium for *halāl* products and services, Tieman et al. (2013) confirmed that high *halāl* logistics costs are transferred to customers, and different prices apply to Muslim and non-Muslim countries. Consequently, policy makers and planners must perform their role in setting acceptable *halāl*
logistics prices so that customers are willing to pay for ḥalāl logistics (Kamaruddin et al., 2012). Ultimately, whatever prices are imposed onto ḥalāl logistics services, it must never cause difficulties or hardship as it will hinder customers from ḥalāl logistics services.

<table>
<thead>
<tr>
<th>Pricing</th>
<th>Introduction price</th>
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<td>Strategy</td>
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<td>Quality</td>
<td>Better-quality</td>
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<td>Advantage</td>
<td>Form loyalty among customers</td>
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Figure 2: ḥalāl logistics PLC-price
Source: Adapted from Kotler and Armstrong (2010); Kotler and Keller (2012)

Promotion

In order to persuade and convince target customers, promotional activities and tools are vital as it communicates the merits of the products and services (Kotler & Armstrong, 2010). As earlier suggested, ḥalāl logistics is in the growth stage of its product lifecycle. For promotional efforts, Kotler and Keller (2012) suggested that spending money on promotion is essential as it will help in securing a dominant market position. To achieve this, Wirtz, Chew, and Lovelock (2012) introduced the marketing communication mix where activities such as advertising, public relations, or trade
shows are effective communication tools to promote services. In logistics, advertising or personal selling is practiced to sell value added services offered by LSPs (Lambert et al., 1998). In relation to ḥalāl logistics, several promotional initiatives are undertaken such as trade shows. International trade shows and exhibitions such as the Malaysia International Halal Showcase (MIHAS), Halal Fiesta (Halalfest) (Malaysia), Halal Food Festival (England), and the Halal Expo and Global Halal Trade Summit (United Arab Emirates). Trade shows and events are productive promotional tools for ḥalāl logistics as business-to-business (B2B), business-to-consumer (B2C), and business-to-government (B2G) markets converge at a place where physical evidence, in the form of exhibits, samples, demonstrations, and brochures, are showcased in addition to the media interest it creates (Kotler & Keller, 2012; Wirtz et al., 2012).

Moreover, ḥalāl logistics can apply Kotler and Armstrong’s (2010) push-pull promotion strategy. From Figure 3, product manufacturers and retailers can apply a push strategy by opting for ḥalāl LSPs to “push” or transport the products to final consumers, especially if the products are for Muslim markets, thus indirectly promoting ḥalāl logistics services. As for a pull strategy, if consumers demand ḥalāl products advertised by product manufacturers, ḥalāl LSPs will assist in “pulling” the products from producers to consumers, as the use of ḥalāl logistics for delivery will enhance the products’ ḥalāl status and integrity. Furthermore, public relations promotional efforts and promotional alliance (Kotler & Keller, 2012) can also be a good platform for ḥalāl LSPs to advertise their services ultimately securing customers. For instance, a promotional alliance between ḥalāl LSPs and government is the way forward as exemplified by Kontena Nasional, a government-link company (GLC) in Malaysia, that is dedicated to ḥalāl logistics operations. Meanwhile, Malaysia Airlines, the national flag carrier, ensures the inflight caterings are ḥalāl. Both are good examples of LSP and government alliance in promoting ḥalāl industry, specifically ḥalāl logistics. Government involvement in logistics is apparent and comes in various forms including infrastructure development, policy making and regulation, logistics and ḥalāl education, financial support, and promoting the logistics industry for foreign direct investment (Gunasekaran & Ngai, 2003; Saidi & Hammami, 2011).
People

Development and retention of talents is a challenge in global logistics and supply chain as young graduates perceive the industry to be unattractive with limited career opportunities (Fearne & Hughes, 1999). Additionally, in service marketing, people are an integral aspect of marketing success and even with the technological development, human interaction between customers and employees remains essential (Kotler & Keller, 2012; Wirtz et al., 2012). Besides, the presence of loyal, skilled, and motivated employees in logistics and supply chain can be a source of competitive advantage, a driver towards service objectives, providing greater customer satisfaction, better on-time delivery, and contribute to revenue growth (Mothilal, Gunasekaran, Nachiappan, & Jayaram, 2012; Wirtz et al., 2012). Furthermore, the link between skilled employees, marketing, and logistics is explained by Piercy (1995) who explained that logistics is a barrier in achieving market objectives (customer satisfaction, low prices, higher revenue, and service quality), which can be overturned through quality training and management support. Hence, ḥalāl and logistics related training and top management support are important components in ḥalāl logistics promotion marketing mix.

According to Pahim et al. (2012) and Tieman et al. (2012), the need for training in both ḥalāl and logistics knowledge is vital in order to foster the industry’s growth. In contrast, lack of knowledge
and expertise in *ḥalāl* logistics stunts the development (Talib et al., 2013). To address this, the “people” factor must be fully addressed, and more training and support must be on the blueprint and in actual practice. The authors categorised training in *ḥalāl* logistics into *ḥalāl* training (breeding, slaughtering, supervision, etc.), logistics supply chain (packaging, distribution, transportation, storage, equipment, handling, etc.), and administration (certification, policy, regulation, marketing, etc.). To relate *ḥalāl* practices, people and logistics, during *ḥalāl* product preparation (slaughtering, cleaning, packaging, warehousing and transportation), the presence of Muslims is a must as they will assume supervisory and inspectional roles (Riaz & Chaudry, 2004). In addition, this requirement will ease auditing and certification applications or renewal processes. Furthermore, in the context of *ḥalāl* certified logistics operations, it serves as a marketing tool for LSPs and product manufacturers.

Top management support is crucial in *ḥalāl* logistics as organisational support will increase service quality (Hernandez & Miranda, 2011). Top management support in *ḥalāl* logistics and marketing can be in the form of reward and resource allocation, motivation and encouragement, financial and IT support, setting priorities, training and recruitment, and many more (Lin & Lin, 2011; Davies & Chun, 2012; Lin, Kuei & Chai, 2013). For example, in terms of recruitment, *ḥalāl* LSPs should balance the number of junior and senior employees (Davies & Chun, 2012) to project better branding. Rezai, Mohamed, and Shamsudin (2012) argued that consumers (employees) aged 40 years and above have a higher level of religiosity and are more sensitive towards *ḥalāl* products. Meanwhile, managers in *ḥalāl* LSPs should motivate and encourage the employees by creating a pleasant work environment as working in the service industry can cause emotional exhaustion that might influence customer care and satisfaction (Poddar & Madupalli, 2012).

**Process**

Kotler and Keller (2012) described the process in service marketing mix as a structure that guides and establishes the right set of services and marketing activities that mutually benefit a long-term relationship. Meanwhile, Lambert et al. (1998) referred to logistics as the collective process of activities for goods and services for the purpose of customer satisfaction. The term “marketing channel” is derived from a combination
of these two descriptions, as interdependent organisations are involved in the process of making products or services available for consumers or business customers (Kotler & Armstrong, 2010). The channel members involved in the marketing channel for ḍhalāl products is shown in Figure 4. Figure 4 indicates that ḍhalāl logistics is the intermediary function that links channel members with one another. For ḍhalāl products to retain its ḍhalāl status and integrity, the logistics process from supplier to consumer must be ḍhalāl and Sharī‘ah compliant (Jaafar et al., 2011; Tieman 2011; Tieman et al., 2012). Furthermore, ḍhalāl processes must be transparent, traceable, instil confidence, and avoid excessive ambiguity. To achieve this criterion, ḍhalāl certification is the most vital aspect of any ḍhalāl business as it is a document issued by an Islamic organisation certifying that the listed products or services meet Sharī‘ah standards and guidelines (Riaz & Chaudry, 2004; Tieman & Ghazali, 2013; van der Spiegel, 2012).

![Figure 4: ḍhalāl logistics process](image)

Figure 4: ḍhalāl logistics process  
Source: Adapted from Kotler and Keller (2012)

Ḥalāl certification is essential for ḍhalāl products and services as it signifies trust, safety, and purity (Marzuki et al., 2012). Besides, ḍhalāl certification affects the purchase intention and consumer confidence as consumer demand for ḍhalāl products and services are the driving force behind ḍhalāl certification applications among product manufacturers and service providers (Aziz & Chok, 2013; Rezai et al., 2012). For ḍhalāl logistics, ḍhalāl certification is a process since the application and reapplication involves an exhaustive process of visits, audits, discussions and many corrective measures
(Jaafar et al. 2011). For this reason, ḥalāl certified LSPs boasts their services are the best in terms of safe and clean operation. However, if firms are ḥalāl certified by international or local ḥalāl authorities, maintaining the Shari‘ah compliant operation remains a challenge. Tieman et al. (2013) recommend a series of ḥalāl logistics controls and assurance processes for both Muslim and non-Muslim countries. The ḥalāl logistics control and assurance process involves the key activities in ḥalāl logistics (terminal, transport and warehousing) and the control processes are stricter in Muslim countries. The control process involves layers of activities such as receiving, put-away, storage, cross-docking, order picking, and shipping for ḥalāl warehousing, cleaning, segregating, and documentation for ḥalāl transportation, and inspection, storage, consolidation segregation, and documentation for ḥalāl terminals.

The most crucial process is the initial purchasing of raw materials and supplies. Purchasing is part of marketing and logistics discipline. To achieve a complete ḥalāl logistics chain, firms must ensure that their suppliers abide by the strict ḥalāl standards (Tieman & Ghazali, 2013). For example, the purchasing of unnecessarily high priced goods and the acceptance of riba (interest) in Islam is prohibited and could jeopardise the ḥalāl logistics chain. Therefore, this study asserts that the procurement processes must be in line with the principles of Shari‘ah before other ḥalāl logistics elements such as transportation and warehousing take place.

**Programme**

A programme encompasses the traditional marketing mix (product, place, price, promotion) and other marketing activities and is performed towards consumer- and firm-directed activities (Kotler & Keller, 2012). The reason “program” is preferred over the popular “physical evidence” is because the latter is more appropriate of ḥalāl products while the former is closely related to ḥalāl services (logistics). Therefore, this study categorises government support, firm initiatives, and enhancing consumer awareness as the elements of program-marketing mix. In ḥalāl logistics, a government support programme comes in the form of a national agenda, such as the Malaysian Third Industrial Master Plan (IMP3) 2006-2020 (MITI, 2006). The ḥalāl industry has been pinpointed by the Malaysian government as a potential growth sector
by harnessing the lucrative international and domestic ḥalāl market. For instance, the mission to establish Malaysia as an international ḥalāl hub is one of the strategic thrusts in IMP3. To achieve this, the Malaysian government established its own internationally recognised ḥalāl standards such as MS1500:2009 (Halal Food – Production, Preparation, Handling and Storage – General Guidelines), MS2400-1:2010 (Halalan-Toyyiban Assurance Pipeline – Part 1: Management System Requirement for Transportation of Goods and/or Cargo Chain Services) and MS2400-2:2010 (Halalan-Toyyiban Assurance Pipeline – Part 2: Management System Requirement for Warehousing and Related Activities) along with international standards such as Good Manufacturing Practice (GMP) and Hazard and Critical Control Points (HACCP).

The government support programme includes logistics for small-medium enterprises (SMEs) by providing financial support in securing ḥalāl-compliant facilities and equipment such as cold-chain facilities, transportation, handling and forwarding, and warehousing services, as well as offering competitive rates for ḥalāl logistics for SMEs to build premises at strategic locations in ḥalāl parks nationwide. Besides that, government intervention comes in the form of grants and tax incentives. The Malaysian government, for example, allocated a maximum of RM150,000 for companies to venture into the ḥalāl market including ḥalāl logistics businesses. In terms of tax incentives, special inducements are given for the establishment of international sales offices, ḥalāl certification, registration of patents and trademarks, product licensing, and web-site development. Additionally, to create awareness among business customers and consumers, various ḥalāl related programmes were initiated ranging from trade fairs, conferences, training, and education. For example, the World Halal Forum, Malaysia International Halal Showcase (MIHAS) and Malaysia International Halal Conference (INHAC) are some programmes that aim to create product, service, and brand awareness among consumers. Moreover, ḥalāl logistics programmes are also undertaken through LSPs’ own initiatives. Programmes include in-house training, internal ḥalāl auditing committees, and samak (Jaafar et al., 2011; Talib et al., 2013) services. The various programmes seek the betterment of ḥalāl logistics as depicted in Figure 5.
Conclusion

As earlier mentioned, the aim of this conceptual study is to seek the link between marketing mix and *halāl* logistics. Through the explanations, supported by relevant literature, this study achieved its objective by listing 7 Ps in *halāl* logistics marketing mix, namely, product (service), place, price, promotion, people, process and programme. Furthermore, it is worth stating that this study is the first of its kind in studying *halāl* logistics from a marketing mix perspective. Hence, this study contributes to the existing knowledge on *halāl* logistics and appraises the marketing mix concept. It underlines marketing mix as a tool for teaching and solving business problems, and an aid in better understanding of marketing.

Through this conceptual study, we discovered that the dynamic relationship among the stakeholders, consisting of suppliers, manufacturers, service providers, retailers, final consumers and governments, plays a significant role in the marketing mix. Furthermore, a successful business practice consists of seven Ss’ categorised into two elements, the “hard” elements (strategy, structure, system) and the “soft” elements (style, skills, staff, and shared values). In *halāl* logistics, the “soft” elements are the product, place, price and promotion while the “hard” elements are people, process, and programme. To achieve business success, the “hard” and “soft” elements must work simultaneously.
Likewise, for firms to adopt ḥalāl practices in logistics operations and achieve business success, a virtuous cycle that involves all seven elements of the marketing mix should materialise. For example, a motivated employee leads to greater effort (people); which leads to better services (product and place); which in time contribute to higher customer satisfaction (process); and leads to a larger market, revenue, and profit (product and price); ultimately resulting in repeat business and greater business opportunities (promotion and program).

It is hoped that future studies will focus on testing the relationship between ḥalāl logistics, marketing mix, and the seven elements. Besides that, an empirical study should be conducted in order to rank or prioritise which of the seven marketing mix elements are significant in ḥalāl logistics. Concurrently, we recommend that future studies analyse the ḥalāl logistics market by performing SWOT analysis, since studying the environments will greatly benefit ḥalāl logistics and its marketing opportunities.

References


