

## ***Halāl* logistics: A marketing mix perspective**

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**Abstract:** *Halāl* 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 *halāl* food integrity contributes to the need for *halāl* logistics. However, *halāl* 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 *halāl* logistics from a marketing perspective. The concept of marketing mix and how it can be practiced by industrial players in marketing or promoting *halāl* logistics services underpins our discussion. Existing literature is reviewed and discussed to ascertain the link between *halāl* logistics and the 7Ps of its marketing mix, namely, product, place, price, promotion, people, process, and programme.

**Keywords:** *Halāl*; *halāl* logistics; *halāl* 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

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penggerak dan pemacuannya. Pertambahan keperluan untuk integriti makanan *halal* menyumbang kepada keperluan logistik *halal*. Walau bagaimanapun, operasi logistik *halal* setakat ini tidak diterima dengan baik oleh industri dan seterusnya menyekat kedapatan perkhidmatan-perkhidmatan tersebut. Kajian konseptual ini cuba untuk memperjelaskan dengan terang lagi isu terdahulu dengan mengambil kira dalam menangani logistik *halal* daripada perspektif pemasaran. Konsep pemasaran campuran dan bagaimana ia dapat dipraktikkan oleh pemain-pemain industri dalam pemasaran dan promosi perkhidmatan logistik *halal* dapat memperkukuhkan perbincangan ini. Sorotan literatur yang sedia ada telah dikaji dan dibincangkan untuk memastikan pertalian antara logistik *halal* dan 7P daripada pemasaran campuran tersebut, iaitu produk, tempat, harga, promosi, orang, proses, dan programme.

**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 *halāl* application. Studies on *halāl* encompass various areas and disciplines such as *halāl* certification, consumer behaviour, and *halāl* branding (Alam & Sayuti, 2011; Wilson & Liu, 2010; Marzuki et al., 2012). In addition, a considerable amount of *halāl* studies are conducted on the area of logistics, such as a *halāl* supply chain, training in *halāl* logistics, *halāl* transportation, willingness to pay for *halāl* logistics, and *halāl* 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 *halāl* 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), *halāl* 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 *halāl* 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 *halāl* industry is clearly described in the definition of *halāl* logistics by Tieman (2013, p. 5):

*Halāl* 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*.

However, one should not confuse between *halāl* logistics and conventional logistics. *Halāl* and conventional logistics operate with similar processes and serve the same functions. However, the difference is that *halāl* logistics requires its own *halāl* dedicated facilities or equipment. Unlike conventional logistics, non-*halāl* goods can be mixed together during transportation and storage. Second, *halāl* logistics only caters for *halāl*-certified goods. Goods that are not certified as *halāl* or considered as *harām* (e.g., swine and liquor) are prohibited to use *halāl* logistics services and are thus commonly distributed using conventional logistics. Furthermore, it is crucial to avoid the presence of *harām* substances because the mixing of *halāl* and *harām* 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- Nu‘mān ibn Bashīr in Jāmi` at-Tirmidhī (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, Ibrahīm, 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, Faisal, & 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 (Nghah, 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 *halāl* logistics, a marketing approach is deemed necessary. Hence, the objective of this conceptual study is to address *halāl* logistics from a marketing point of view, specifically linking *halāl* 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 *halāl* 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 *ḥalāl* logistics.

**Ḥalāl logistics marketing mix**

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

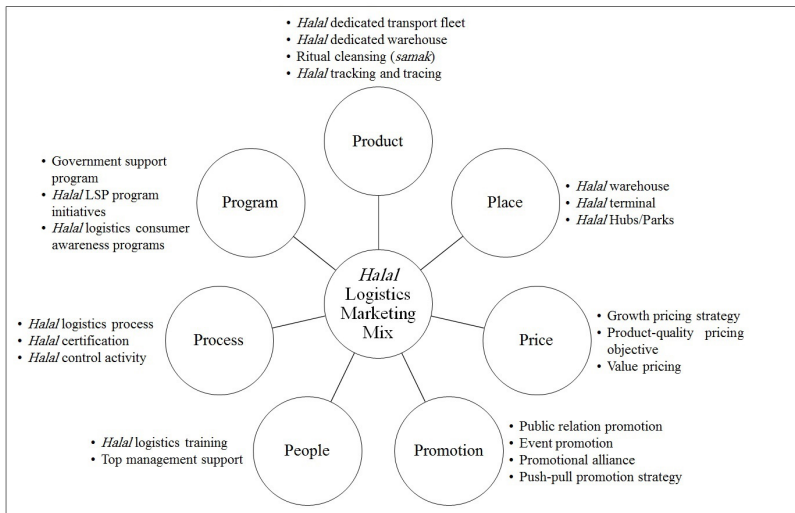


Figure 1: *Ḥalāl* logistics marketing mix

*Product (Service)*

The MITI categorises the *ḥalāl* industry into three components of food, non-food, and services. They regard *ḥalāl* logistics as part of the services category. In line with this classification, this study regards *ḥalāl* 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. *Ḥalāl* 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 *halāl* 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 *halāl* products. As argued by Tieman et al. (2012), it is not only the transport vehicle that ensures the *halāl* integrity of shipment, but containers or carriers also play a significant role in maintaining *halāl* integrity during distribution. The slightest presence of *harām* substances will annul the *halāl* status of transportation. This necessitates a separate transportation fleet in order to minimise and avoid any potential cross-contamination. The importance of transportation in *halāl* 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 *halāl* logistics. This facility is used as a storage area and switching facility. Activities performed in warehouses for *halāl* products include packaging and labelling, which must be performed using dedicated facilities and equipment in order to avoid cross contamination between *halāl* and non-*halāl* products. Furthermore, several LSP in Malaysia offer cold chain warehouses dedicated for temperature sensitive shipments such as *halāl* 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 *halāl* 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 *halāl* authorities or LSPs (Jaafar et al., 2011; Tieman et al., 2012; Pahim et al., 2012). Another service offered in *halāl* logistics is *halāl* 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.

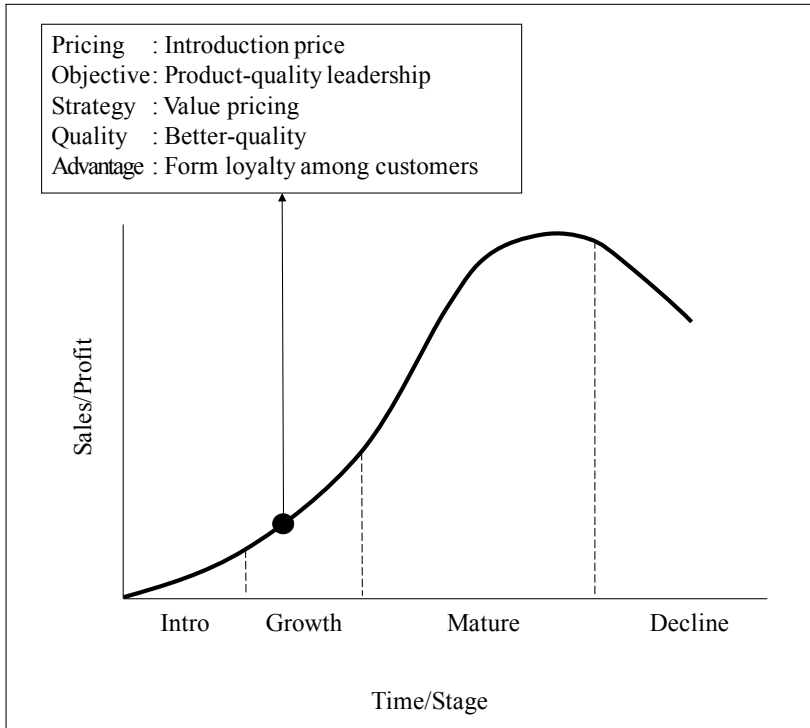


Figure 2: *Ḥalāl* logistics PLC-price  
 Source: Adapted from Kotler and Armstrong (2010); Kotler and Keller (2012)

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

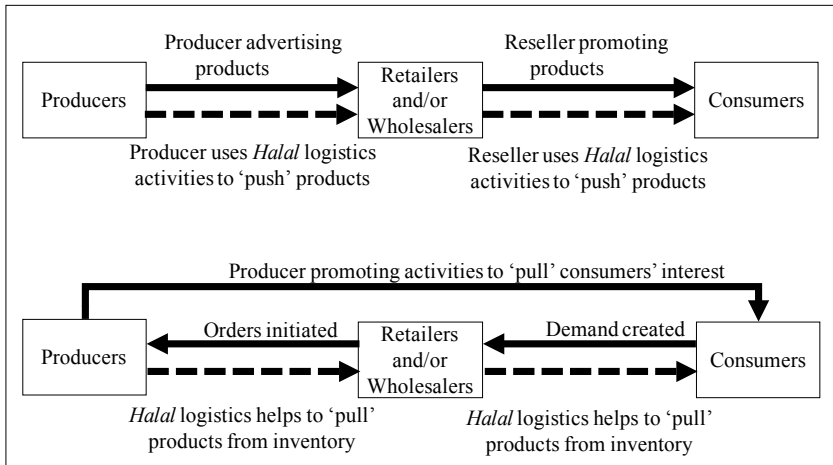


Figure 3: Halal logistics Push-Pull Strategy in promotion  
 Source: Adapted from Kotler and Armstrong (2010)

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, *halal* and logistics related training and top management support are important components in *halal* logistics promotion marketing mix.

According to Pahim et al. (2012) and Tieman et al. (2012), the need for training in both *halal* and logistics knowledge is vital in order to foster the industry's growth. In contrast, lack of knowledge

and expertise in *halāl* 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 *halāl* logistics into *halāl* training (breeding, slaughtering, supervision, etc.), logistics supply chain (packaging, distribution, transportation, storage, equipment, handling, etc.), and administration (certification, policy, regulation, marketing, etc.). To relate *halāl* practices, people and logistics, during *halāl* 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 *halāl* certified logistics operations, it serves as a marketing tool for LSPs and product manufacturers.

Top management support is crucial in *halāl* logistics as organisational support will increase service quality (Hernandez & Miranda, 2011). Top management support in *halāl* 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, *halāl* 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 *halāl* products. Meanwhile, managers in *halāl* 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 *halāl* products is shown in Figure 4. Figure 4 indicates that *halāl* logistics is the intermediary function that links channel members with one another. For *halāl* products to retain its *halāl* status and integrity, the logistics process from supplier to consumer must be *halāl* and *Sharī‘ah* compliant (Jaafar et al., 2011; Tieman 2011; Tieman et al., 2012). Furthermore, *halāl* processes must be transparent, traceable, instil confidence, and avoid excessive ambiguity. To achieve this criterion, *halāl* certification is the most vital aspect of any *halāl* 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).

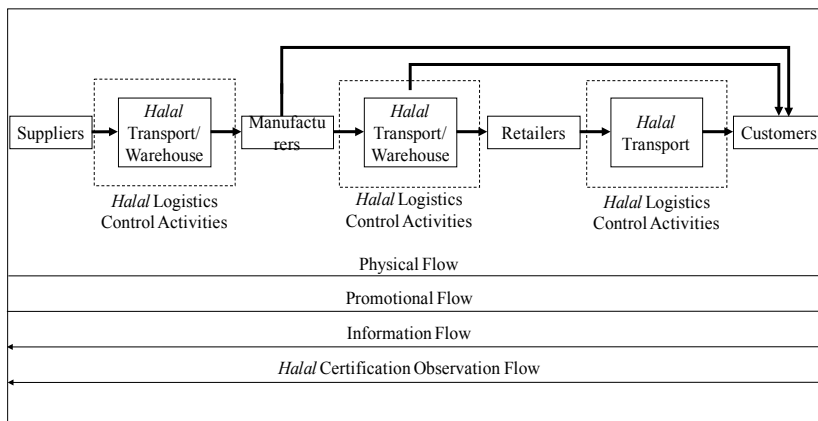


Figure 4: *Halāl* logistics process  
 Source: Adapted from Kotler and Keller (2012)

*Halāl* certification is essential for *halāl* products and services as it signifies trust, safety, and purity (Marzuki et al., 2012). Besides, *halāl* certification affects the purchase intention and consumer confidence as consumer demand for *halāl* products and services are the driving force behind *halāl* certification applications among product manufacturers and service providers (Aziz & Chok, 2013; Rezai et al., 2012). For *halāl* logistics, *halāl* 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, *halāl* certified LSPs boasts their services are the best in terms of safe and clean operation. However, if firms are *halāl* certified by international or local *halāl* authorities, maintaining the *Sharī'ah* compliant operation remains a challenge. Tieman et al. (2013) recommend a series of *halāl* logistics controls and assurance processes for both Muslim and non-Muslim countries. The *halāl* logistics control and assurance process involves the key activities in *halāl* 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 *halāl* warehousing, cleaning, segregating, and documentation for *halāl* transportation, and inspection, storage, consolidation segregation, and documentation for *halāl* 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 *halāl* logistics chain, firms must ensure that their suppliers abide by the strict *halāl* 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 *halāl* logistics chain. Therefore, this study asserts that the procurement processes must be in line with the principles of *Sharī'ah* before other *halāl* 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 *halāl* products while the former is closely related to *halāl* services (logistics). Therefore, this study categorises government support, firm initiatives, and enhancing consumer awareness as the elements of program-marketing mix. In *halāl* 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 *halāl* 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.

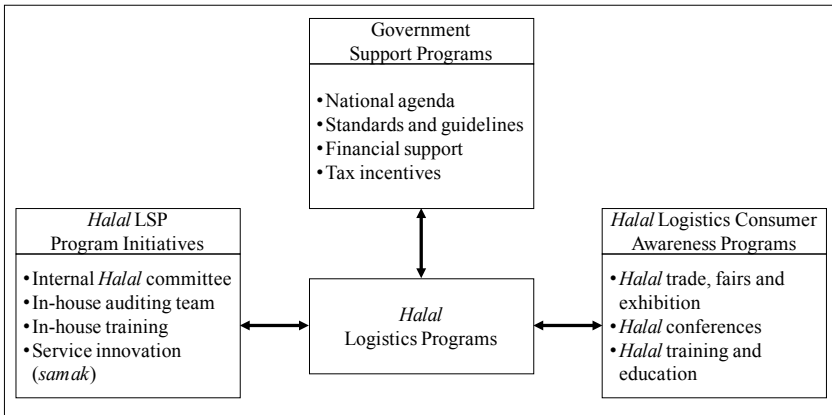


Figure 5: *Halal* logistics programmes

Source: MITI (2006); Jaafar et al. (2011); Talib et al. (2013)

## Conclusion

As earlier mentioned, the aim of this conceptual study is to seek the link between marketing mix and *halal* logistics. Through the explanations, supported by relevant literature, this study achieved its objective by listing 7 Ps in *halal* 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 *halal* logistics from a marketing mix perspective. Hence, this study contributes to the existing knowledge on *halal* 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 *halal* 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 *halāl* 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 *halāl* 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 *halāl* logistics. Concurrently, we recommend that future studies analyse the *halāl* logistics market by performing SWOT analysis, since studying the environments will greatly benefit *halāl* logistics and its marketing opportunities.

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