

# Islamic Branding in Food Service Industry: Qualitative Study of Sellers' and Consumers' Perceptions

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## Abstract

**Purpose:** To explore sellers' and consumers' perception of Islamic branding and to assess which aspects Islamic branding are generally practiced by sellers'.

**Design/methodology/approach:** Qualitative study were conducted using semi-structured interviews. 15 restaurant owners (sellers) and 22 consumers participated in the study. Data was analyse using narrative analysis.

**Findings:** From the interviews result, it is noted that seller's and consumer's understanding and perceptions of Islamic branding is impressive. However, effort in promoting Islamic branding is still little among sellers. On the consumer's side, they believe that Islamic branding improvements are needed.

**Research limitation:** This study only limited to sellers' and consumers' perceptions in food service industry in Klang Valley. Data collection in other locations might reflect different results.

**Practical implications:** Considering the research results, halal certification process conducted by legal body are highly emphasized.

**Originality/value:** The deeper information about Islamic branding from both seller and consumer perspective with regard to Islamic branding practice in Malaysia.

**Keywords:** Perception, Islamic Branding, Halal, Muslim, Food

## **Introduction**

A brand, which is commonly associated with a logo or a name, it represents the personality of the company and its audience (Davis, 2017). The practice of Islamic branding has been gaining considerable momentum in academic circles within the past few years, both within and outside of the Islamic world (Alserhan, 2010). According to Alserhan (2010, 2011), Islamic branding could be used to describe brands that is Shariah-compliant (Islamic brands by religion), originate from an Islamic country (Islamic brands by country of origin), targeting the Muslim consumer (Islamic brands by destination).

Islamic marketing, on the hand, can be defined as “The process of identification and implementation of value maximization strategies for the welfare of the stakeholders in particular and the society in general governed by the guidelines given in Quran and Sunnah” (Hussnain, 2011). It is also described as the wisdom of satisfying customer needs via the good conduct of delivering Halal products and services.

In marketing literature, however, there is a confusion regarding the “Islamic” terminology for marketing and branding. Some thought that Islamic marketing is the marketing of Islam religion. However, it is responded by Jafari (2012) that the purpose of Islamic marketing is not to marketise Islam as a religion, but it is more to analyze how the Muslims interpret Islam itself and reflects it in their daily live. The same goes to Islamic branding, that is not meant to brand the Islam as religion, but to make sure that the brand is compliant with sharia principles. Because Muslims want a brand that speak to them (Power and Abdullah, 2009).

Above confusion might leads to mislead practice, especially if the Islamic brand is targeted to non-Muslim consumers (Temporal, 2011). For Muslim consumers, the brand that is halal (originate from Islamic country) is a compulsory, but to non-Muslim consumers, halal value is not enough. Quality for them is imperative (Yusoh and Jusoh, 2014). The Islamic brand for Muslim consumers are treated as emotional, meanwhile for the non-Muslims it is treated as rational. Consequently, some brands are smartly mix the emotional and rational aspects to be accepted by specific consumers. This practice will later harm the purity of Islam as religion.

Since the understanding of Islamic branding might influence practice, it becomes important to know how the sellers and consumers perceive and define Islamic branding. Therefore, that is the main research question this paper tries to answer.

## **Literature Review**

### ***The Concept of Halal in Islamic Branding***

Halal is a Quranic word meaning lawful or permitted. It is commonly referring to dietary standards, and is an absolute key to consumption by Muslim consumers (Alam and Sayuti, 2011). Other than food, the concept of halal is implemented in two other main categories, which are lifestyle and services, including finance, hospitality, and logistics, among others (Alserhan, 2010).

In relation to food, it is stated in the Quran that all foods are halal except those that are specifically mentioned as Haram, which is prohibited or unlawful. Among Haram foods are

liquor, pork, blood of animals and the meat of animal sacrificed in the name of other than Allah (Al-Bukhari, 1976; Al-Qaradawi, 1999; De Run *et al.*, 2010). Current literature indicates that the word halal is synonym within product marketing, including in the food service industry (Wilson and Liu, 2010).

### ***Islamic Branding and Its Importance***

Brands have values and characters, just like a human. In finding and selecting someone to be close friends or spouse, human will fit his/her values and characters with those of the others. So does with the brand. People choose their brands the same way they choose their friends (Azoulay and Kapferer, 2013). Brands are closely linked to emotions, even more so when religion is involved (Usunier and Stolz, 2016; Alserhan, 2010). Accordingly, Muslim consumers will seek the brand embedding Islamic value, that is to ensure that they consume or use only halal products.

Muslim market is so huge, its potential is inevitable. No wonder if many research predicted that the halal market is promising and growing (Aji, 2018, Alam and Sayuti, 2011, Soesilawati, 2010). The halal-conscious consumers perceive Islamic brand as emotional rather than rational. They are risk averse, discerned and high-involved in behavior (Wilson, 2011). This can be the main reason of why the brands must bring Islamic value to target Muslim halal-conscious consumers.

### ***Malaysian Food Industry***

The food service industry in Malaysia is generally divided into two major sub-sectors which are the commercial food services and non-commercial food services. The commercial food services are those whose primary business is food and beverage services and the place for the business is officially named as food dining. It exists to generate profits from sales of food and beverages products. Some examples of commercial food service in Malaysia are restaurants, central kitchens, food kiosks, food courts, street food, cafeterias, night markets, and highway R&R. Meanwhile, the non-commercial food are self-operated food services in the establishments whose primary business is something other than food and beverages services and the financial goal does not involve generating profits from sales of food and beverages products. The examples of noncommercial foodservice are hospitals, hotels, elderly homes, boarding schools, colleges, prisons, school canteens and army.

Restaurants in Malaysia were segmented into three types; fine dining, casual dining and fast food restaurants. Fine dining caters to an upscale client and provides the highest quality of food. A fine dining restaurant has a formal atmosphere, is almost always a sit down restaurant, and has a fancier menu than most restaurants. Casual dining restaurant, on the other hand, serves moderately-priced food in a casual atmosphere while fast food restaurant, also known as a quick service restaurant (QSR) within the industry, is a specific type of restaurant that serves fast food cuisine and has minimal table service.

## Methods

### *Respondents and interview procedure*

40 casual dining restaurant owners (sellers) were randomly approached by telephone to set an appointment date; 16 were too busy and declined without giving a reason, and 9 were not contactable. Of the 15 sellers, all are located in Kuala Lumpur. The interview sessions with sellers were conducted face to face between 20 to 45 minutes. Interviewees were relatively brief that all the information given will be treated with high confidentiality. Interviews with sellers included questions about understanding and perceptions of Islamic branding, current selling practices which

22 consumers participated in the study. The consumers were randomly interviewed. The face to face interview session took about 10-30 minutes. The consumers were asked about (1) understanding and perceptions of Islamic branding; (2) experiences and views about current halal branding in casual dining restaurant; (3) suggestions for improving halal branding.

All the interviews were conducted in Malay. Both consumers' and sellers' were told that the purpose was only to examine their understanding on the concept of Islamic branding. The interviews were all voice recorded to allow the researcher to transcribe and better analyse the results. Prior collecting the interview data, the semi-structured interview questions were piloted to three sellers and three consumers. Few questions were removed and added after the pilot test.

### *Analysis*

Narrative analysis was used to analyse the data. According to Jeong (2016), narrative analysis is based on narrative cognition that attends to the particular and special characteristics of human action that takes place in a particular setting. It is useful in noticing the differences and diversity of people's behaviour (Polkinghorne, 1995).

## Findings

### *Respondents*

Of 15 sellers, 9 were male and 6 were female. The age group and education level of the seller (founder) were presenter in Table 1, including the characteristics of the restaurants such as years of restaurant's operation and number of employees. Buyer characteristics; gender and age group is also provided in Table 1 below.

Table 1: Sellers and Consumer's Details

	<b>Criteria</b>	<b>Category</b>	<b>Number</b>	<b>Percentage</b>
Seller	Gender	Male	9	42%
		Female	6	58%
Age Group		25-29	1	6.7%
		30-34	5	33.3%
		35-39	3	20%
		40-44	4	26.6%
		45-49	1	6.7%
		50-54	1	6.7%

Education Level	Undergraduate	6	40%
	Master	8	53.3%
	PhD	1	6.7%
Years of restaurant's operation	up to 5	1	6.7%
	6 – 10	11	73.3%
	11-15	2	13.3%
	16-20	1	6.7%
Number of employees	6 - 10	1	6.7%
	11-15	12	80%
	16-20	2	13.3%
Buyer Gender	Male	13	59%
	Female	9	41%
Age Group	25-29	4	18.18%
	30-34	7	31.8%
	35-39	3	13.65%
	40-44	5	22.73%
	45-49	3	13.64%
	50-54	0	0%

### *Interviews Results with Sellers*

#### *i. Understanding and Perceptions of Islamic Branding*

There were a number of explanations were provided by the sellers that could exhibit their understanding and perception regarding Islamic branding:

“Any activity related to the branding and marketing of countries, products and services to Muslim consumers.”

“Islamic branding is a way of building brands applicable to the Muslim consumer,”

“Islamic branding represents Islamic view and belief, Halal foods, Shariah compliance products, etc.”

#### *ii. Islamic Branding Practices*

11 of the sellers saying that they did nothing than displaying halal logo at the front of their restaurant.

“I'll ensure approved halal logo can be easily seen at the entrance”. Said one of the respondents.

Another 4 respondents, on the hand has put extra efforts in ensuring their restaurants image represent Islamic branding.

“Other than halal logo, restaurants logo and restaurant’s interior that represent Islamic branding, my restaurant has prayer room for Muslims.”

### ***Interviews Results with Consumers***

#### ***i. Understanding and Perceptions of Islamic Branding***

All of the consumers are in a view that the concept of “Halal” is core of the Islamic Branding. For example, one of the respondent said:

“In Islam, Halal is part of a belief system.... It can be consider as branding, whereby people, mostly Muslim will be looking for Halal logo especially when it is related to food.”

Another respondent affirmed that:

“It doesn’t just refer to brands that originate from Islamic countries, but also to any brands that are seeking to address the needs of Muslim markets.”

Meanwhile another respondent said that ‘...following whatever Shariah requirements.’”

#### ***ii. Experiences and Views About Current Halal Branding***

Out of 21 buyers, 15 persons saying that there’s a need to improve Islamic branding. One of the respondent said:

“Sometimes it is difficult to find restaurant with halal logo in Malaysia. I guess it’s not compulsory to display the logo?”

Another respondent said: “We can see the restaurant is operating by Muslims, but I’m in doubt whether the restaurant is halal certifies, as halal logo is not displayed.”

#### ***iii. Suggestions for Improving Halal Branding***

Among the respondent suggestions to improve halal brandings are:

“Create brand awareness and improve customer service, your brand will gain customer loyalty.”

“Halal logo should be displayed and all times.”

“For halal certified restaurants, it is important to look beyond their production and ingredients. Halal should be extended to the entire supply chain including transportation and storage.”

### **Discussion and Conclusion**

The objective of this paper is to explore sellers’ and consumers’ perception of Islamic branding and to assess which aspects Islamic branding are generally practiced by sellers’. 15 sellers and 22 consumers participated in the study. From the interviews result, it is noted that seller’s and consumer’s understanding and perceptions of Islamic branding is impressive. However, effort in promoting Islamic branding is still little among sellers. On the consumer’s side, they believe that Islamic branding improvements are needed.

As Malaysia is a Muslim dominated countries with Islam as an official religion, there is a huge potential for sellers to enhance the Islamic branding. Unlike some other non-Muslim countries that only has certain location or areas concentrated for halal foods, such as Korea, Malaysia with the help of relevant authorities may enhance the Islamic branding. This would able to promote Islamic tourism, whereby marketing effort can be segmented targeting at specific tourists from Islamic countries such as Middle East.

Further empirical research is needed to better understand and measure the perception of the Muslim sellers and consumer, as perception is one of the key success factors in enhancing Islamic branding. This would help to improve the Islamic branding in food service industry.

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