**Ecommerce as a sales channel for Halal Food**

**Ali Eren Balikel**

# Abstract

The global halal food market is experiencing rapid growth, driven by increasing consumer demand and enhanced by the transformative power of e-commerce. This study explores the multifaceted benefits of e-commerce as a sales channel for halal food, emphasizing its role in widening accessibility, ensuring product authenticity, and providing unparalleled convenience to consumers. The literature review delves into the definitions of halal food and food purchasing behaviour, highlighting how these factors influence market dynamics. Detailed analyses of market trends, key growth drivers, and the distribution of halal food products underscore the significance of technological innovations, shifting consumer demographics, and the impact of globalization and multiculturalism. The discussion on the benefits of e-commerce outlines how digital platforms enhance traceability, transparency, and operational efficiency while providing valuable consumer insights and reducing costs. The study concludes with strategic recommendations for practitioners and academicians, alongside suggestions for future research to further support the sustainable expansion of the halal food market. This comprehensive examination offers valuable insights into leveraging e-commerce to meet the evolving needs of a diverse and global consumer base.

**Key Words:** Halal Food, Global Halal Food Market, E-Commerce

# Introduction

The global Halal food market has seen a significant surge in demand, driven by the increasing Muslim population and rising awareness about Halal products among non-Muslim consumers. In parallel, the rise of e-commerce has revolutionized the way consumers shop, offering unprecedented convenience, variety, and access to products that were previously hard to obtain. As the digital marketplace expands, it presents a unique and promising opportunity for Halal food producers and distributors. This study explores how e-commerce serves as an effective sales channel for Halal food, analysing its benefits, challenges, and potential strategies for success in this dynamic sector.

# Definition of Halal Food

The term “halal” originates from Arabic, signifying what is permissible, acceptable, and/or lawful (Al-Ansi, Olya & Han, 2019). In the context of food, halal refers to products that adhere to Islamic dietary laws and regulations. This encompasses not only the type of food but also the manner in which it is prepared, processed, and stored. According to the Islamic Food and Nutrition Council of America (IFANCA), halal food must meet the following criteria: it should not contain any components derived from animals that are prohibited by Islamic law (such as pork), and any permissible animals must be slaughtered according to specific rituals prescribed by Islamic law.

Several other definitions expand on the concept of halal food. For instance, Al-Qaradawi (1997) emphasizes the ethical and hygienic dimensions of halal food, stating that it must be wholesome, pure, and beneficial to human health. Similarly, Bonne and Verbeke (2008) highlight the importance of ensuring that halal food is free from any contaminants or substances that are harmful or not allowed under Islamic dietary laws.

# Halal Food Purchasing Behaviour

Food purchasing behaviour refers to the decision-making processes and actions of consumers regarding the selection, purchase, and consumption of food products. This behaviour is influenced by various factors, including cultural, social, economic, and personal preferences (Cervellon & Dube, 2005).

In the context of halal food, purchasing behaviour is significantly shaped by religious beliefs and adherence to Islamic dietary laws. Consumers who seek halal products often prioritize factors such as certification, trust in the halal status of the product, and the reputation of the seller (Ebster & Guist, 2004).

# Analysis of the Global Halal Food Market

Source: Adapted from Zion Market Research (2022)

The provided graph presents a detailed forecast of the global halal food market from 2022 to 2030, illustrating a progressive increase in market revenue. In 2022, the market size is recorded at USD 2301.45 million. Over the forecast period, the market is expected to exhibit a robust Compound Annual Growth Rate (CAGR) of 7.70%, culminating in a market size of USD 4115.87 million by 2030. This sustained growth trajectory highlights the expanding consumer base for halal food products (Yusoff et al., 2021). Several factors contribute to this upward trend. Primarily, the increasing global Muslim population drives the demand for halal-certified food. Additionally, there is a rising awareness and preference for halal food among non-Muslim consumers, attributed to the perceived health benefits and ethical considerations associated with halal dietary practices (Henderson, 2016).

The steady year-on-year increase in market revenue underscores a consistent demand for halal food products. Each subsequent year within the forecast period shows a progressive rise in market size, reflecting a strong and sustained market interest (Abarca, 2004).

# Key Factors Boosting the Halal Food Market

The halal food market is experiencing significant growth, driven by various key factors that enhance its demand and market penetration. These factors are detailed below:

1. **Growth of the Muslim Population**: The global Muslim population is projected to reach 2.8 billion by 2050. This substantial demographic expansion inherently increases the demand for halal food products. As the Muslim population grows, the consumption of halal-certified food becomes more prevalent, driving market growth.
2. **Increasing Preference for Halal Goods**: There is a rising number of consumers, both Muslim and non-Muslim, who display a growing preference for halal goods. This trend is attributed to the perception of halal food as being healthier, safer, and more ethically produced compared to non-halal alternatives. The ethical and hygienic considerations associated with halal food attract a broader consumer base (Arora & Singer, 2006).
3. **Rising Disposable Incomes**: Several nations with Muslim-majority populations have witnessed a noticeable uptick in disposable incomes. As disposable incomes increase, consumers have more purchasing power, enabling them to spend more on premium and certified halal food products. This economic growth facilitates greater market penetration and consumption of halal food (Caemmerer, 2009).
4. **Interest Among Health-Conscious Consumers**: There is a growing interest in halal food among health-conscious consumers. Halal food is often perceived as a healthier option due to its stringent dietary regulations and ethical production methods. This perception attracts consumers who prioritize health and wellness, further boosting the demand for halal products (Bonne & Verbeke, 2008).
5. **Tourism and Consumer Demand in Non-Muslim Majority Regions**: In countries like Japan, both Muslim and non-Muslim consumers are increasingly seeking halal food options. This trend is partly driven by tourism, as Muslim tourists require halal food during their travels. The demand from tourists, coupled with the growing awareness and acceptance of halal food among local populations, enhances market growth in these regions (De Pelsmacker, Geuens & Van den Bergh, 2010).

These factors collectively contribute to the robust growth of the halal food market. As the market continues to expand, businesses involved in the production, distribution, and retail of halal food must leverage these trends to capture the growing consumer base and meet the increasing demand for halal-certified products (Pertiwi-Utami, 2019).

# Global Halal Food Market Share by Product

Source: Adapted from Maximize Market Research (2022)

The provided graph delineates the distribution of the global halal food market share by product categories in 2023. The market is segmented into various product types, each contributing differently to the overall market share.

1. **Meat, Poultry, and Seafood**: This category constitutes a significant portion of the market share, reflecting the high demand for halal-certified meat, poultry, and seafood products. These items are staples in many diets and are subject to stringent halal certification processes, making them a crucial segment in the halal food market.
2. **Dairy Products**: Dairy products, including milk, cheese, yogurt, and other dairy derivatives, represent another vital segment. The importance of halal-certified dairy products is underscored by their widespread use in everyday diets and the necessity for these products to adhere to halal standards in terms of ingredient sourcing and production methods.
3. **Oil, Fats, and Waxes**: This segment includes various edible oils and fats used in cooking and food preparation. The halal certification of these products ensures that they meet the dietary requirements of Muslim consumers, contributing to their market share.
4. **Fruits and Vegetables**: The fruits and vegetables segment, while naturally halal, still requires certification to assure consumers of their compliance with halal standards in terms of handling, processing, and storage. This segment plays a critical role in the halal food market due to the increasing demand for fresh and healthy food options (Al-Qaradawi, 1997).
5. **Cereals and Grains**: Cereals and grains, including rice, wheat, and other staple grains, form a substantial part of the halal food market. The demand for halal-certified cereals and grains is driven by their fundamental role in daily nutrition and meal preparation.
6. **Confectionary**: Confectionary products, such as chocolates, candies, and sweets, represent a growing segment in the halal food market. The increasing demand for halal-certified confectionery products highlights the importance of ensuring that all ingredients and production processes comply with halal standards, appealing to both Muslim and non-Muslim consumers who prefer halal products for ethical and health reasons.

The graph clearly indicates that meat, poultry, and seafood dominate the halal food market share, followed by significant contributions from dairy products, oils, fats, and waxes. The steady demand for fruits and vegetables, cereals and grains, and confectionery products underscores the diverse nature of the halal food market. This distribution reflects the comprehensive nature of halal dietary requirements and the market’s ability to cater to a wide range of consumer needs, further driving the growth and expansion of the global halal food market (Fischer & Karmasin, 2018).

# Key Trends in the Halal Food Industry

The halal food industry is undergoing significant transformation and growth, driven by several key trends. These trends are shaping the market dynamics and influencing consumer behaviour, contributing to the robust expansion of halal food products globally.

## E-commerce

A critical factor in the growth of Halal Food is related to e-commerce platforms. The integration of halal food products into online marketplaces has significantly enhanced their accessibility. E-commerce facilitates convenient purchasing options, transcending geographical barriers and enabling consumers to access a diverse range of halal-certified products with ease (Henderson, 2016). In fact, the rise of e-commerce has further influenced food purchasing behaviour by providing consumers with greater access to a wide range of halal products. Online platforms enable consumers to easily find and purchase halal food, compare prices, read reviews, and verify certifications. This convenience and accessibility have transformed the traditional shopping experience, making it easier for consumers to adhere to their dietary preferences and religious requirements (Yusoff et al., 2021). As a result, the integration of halal food into the e-commerce landscape is not only meeting the growing demand but also reshaping the dynamics of food purchasing behaviour in the digital age (Pertiwi-Utami, 2019).

## Technological Innovations

Advances in technology, particularly in blockchain and the Internet of Things (IoT), are revolutionizing the halal food industry. These technological innovations are enhancing traceability and transparency in halal food certification and supply chains. Blockchain technology provides a secure and immutable ledger for recording each step in the supply chain, from production to distribution, ensuring that halal standards are maintained throughout. IoT devices can monitor and record real-time data on the handling and storage conditions of halal products, further ensuring compliance with halal requirements. These advancements help in boosting consumer confidence in halal-labelled products, as they can easily verify the authenticity and integrity of the halal certification process (Fischer & Karmasin, 2018).

## Consumer Demographics

The demand for halal food is significantly driven by young, affluent Muslims who prefer convenient food options due to their busy lifestyles. This demographic group values both the religious adherence of halal certification and the convenience offered by modern food products. Their purchasing power and preference for quick, easy-to-prepare meals have led to an increase in the availability of ready-to-eat halal food options. This trend is particularly evident in urban areas where the fast-paced lifestyle necessitates quick meal solutions that do not compromise on religious dietary requirements (Bonne & Verbeke, 2008).

## Globalization and Multiculturalism

Globalization and the increasing multicultural nature of societies are also propelling the growth of the halal food market. As more countries and regions become culturally diverse, the demand for a wider range of food products, including halal-certified options, rises. This multiculturalism ensures that halal products are not only available to Muslim consumers but are also accessible to a broader audience who may prefer them for various reasons, including perceived health benefits and ethical considerations. The expansion of international trade and the global reach of e-commerce platforms further facilitate the distribution and accessibility of halal products worldwide (Henderson, 2016).

Overall, the key trends in the halal food industry—e-commerce, technological innovations, shifting consumer demographics, and the impact of globalization and multiculturalism—are driving significant growth and transformation. These trends enhance the traceability, accessibility, and appeal of halal food products, ensuring that they meet the evolving needs and preferences of a diverse and global consumer base. As the industry continues to innovate and expand, it is poised to capture an even larger share of the global food market. Online sales of halal food are expected to benefit greatly from these trends, with more consumers turning to e-commerce platforms for their grocery shopping, influenced by the convenience and the expanded range of available halal products. Moreover, the continued integration of halal foods into mainstream food markets across the globe will likely boost online sales further, as producers and retailers seek to cater to both Muslim and non-Muslim consumers effectively.

# Global Halal Food Market by Distribution Type

In 2023, the market is segmented into supermarkets, e-commerce, convenience stores, specialty stores, and others, each contributing a varying percentage to the overall market.

1. **Supermarkets**: Supermarkets dominate the distribution channels with a market share of 54.00%. This substantial share reflects the widespread availability and consumer preference for purchasing halal food products from supermarkets. Supermarkets offer a broad range of products under one roof, making them a convenient choice for consumers seeking halal-certified food items.
2. **E-commerce**: E-commerce platforms hold the second-largest share at 21.00%. The significant presence of e-commerce in the halal food market underscores the increasing shift towards online shopping. E-commerce offers consumers the convenience of purchasing halal products from the comfort of their homes, with a wide variety of options and easy access to certification information. This trend is driven by the growing digitalization and the preference for online shopping, particularly among younger consumers (Yusoff et al., 2021).
3. **Convenience Stores**: Convenience stores account for a smaller share of the market. These stores offer quick and easy access to essential food items, including halal products. Their market share, although modest, highlights the importance of accessibility and convenience in consumer purchasing behaviour.
4. **Specialty Stores**: Specialty stores, which focus on specific product categories or niche markets, also represent a portion of the halal food market. These stores cater to consumers looking for particular halal-certified products that may not be readily available in mainstream supermarkets or convenience stores (Caemmerer, 2009).
5. **Others**: The ‘others’ category includes various smaller or less common distribution channels. This segment, while the smallest, indicates the diversity of retail options available for halal food products.

The analysis of the global halal food market by distribution type in 2023 reveals a clear preference for supermarkets, followed by a significant and growing reliance on e-commerce platforms.

This distribution pattern reflects the evolving consumer behaviours and the importance of convenience, variety, and accessibility in the purchasing decisions of halal food consumers. As the market continues to expand, the role of e-commerce is likely to grow, further reshaping the landscape of halal food distribution (Pertiwi-Utami, 2019).

# Benefits of E-commerce to Halal Food Market

The integration of e-commerce into the halal food market has brought about transformative changes, significantly enhancing the accessibility and appeal of halal products worldwide. As digital platforms continue to evolve, they provide unprecedented opportunities for both consumers and producers within the halal food industry. E-commerce not only broadens the reach of halal products but also introduces a host of benefits that drive market growth and consumer satisfaction. The advantages that e-commerce brings to the halal food market are:

* **Accessibility**: E-commerce platforms enable consumers to access a wide array of halal products that may not be readily available in local markets. This is particularly beneficial in non-Muslim-majority countries where halal food might not be as easily accessible in physical stores (Henderson, 2016).
* **Convenience**: Online shopping offers convenience, allowing consumers to purchase halal foods from the comfort of their homes. This convenience is appealing to the growing number of young, busy professionals who are looking for quick and easy shopping options (Yusoff et al., 2021).
* **Broader Audience**: E-commerce helps halal food producers reach a broader audience, including non-Muslims who are interested in ethical and hygienic food products. This also educates a wider audience about the benefits of halal foods (Pertiwi-Utami, 2019).
* **Consumer Data**: E-commerce platforms gather a vast amount of data on consumer behaviour and preferences. This data can be used by halal food companies to tailor their products and marketing strategies to meet the specific needs of different consumer segments, thereby enhancing product offerings and customer satisfaction (Fischer & Karmasin, 2018).
* **Cost Efficiency**: Online platforms reduce the need for physical retail space and can offer products directly from the producer to the consumer, reducing overhead costs. These savings can be passed on to consumers in the form of lower prices or reinvested into quality improvement and certification processes, making the products more appealing (Henderson, 2016).
* **Globalization**: E-commerce not only provides a platform for selling halal products but also significantly contributes to the growth and globalization of the halal food market by overcoming geographical and logistical barriers (Pertiwi-Utami, 2019).

# Conclusion

The halal food market is poised for significant growth in the coming years, driven by several key factors and facilitated by the expansion of e-commerce platforms. E-commerce significantly widens the accessibility of halal products, enabling consumers from diverse backgrounds and regions to easily purchase these foods, thus driving global growth in the halal market. Online sales platforms offer unparalleled convenience and enable enhanced traceability and transparency, building consumer trust and satisfaction by ensuring the authenticity and compliance of halal standards. Additionally, the use of e-commerce for halal food sales provides valuable consumer data that helps businesses tailor their products effectively. It also reduces operational costs, allowing for competitive pricing and potential quality improvements in the halal supply chain.

For practitioners in the halal food industry, the following recommendations can help leverage e-commerce to boost market growth:

* **Embrace Technological Innovations**: Implement blockchain and IoT technologies to enhance supply chain transparency and product traceability. This will build consumer confidence in the authenticity of halal certifications.
* **Enhance Online Presence**: Invest in user-friendly and mobile-responsive e-commerce platforms. Use high-quality visuals and detailed product descriptions to attract and retain customers.
* **Utilize Digital Marketing**: Leverage social media, SEO, and content marketing to reach a wider audience. Partner with influencers and bloggers to increase brand visibility and consumer engagement.
* **Expand Product Range**: Offer a diverse range of halal products to cater to various consumer preferences. Ensure reliable global shipping options to tap into international markets.
* **Implement Customer Loyalty Programs**: Develop loyalty programs to reward repeat customers and encourage long-term relationships.

Academicians can contribute to the growth of the halal food market by focusing on the following areas:

* **Conduct Comprehensive Market Research**: Investigate consumer behaviour, preferences, and trends in the halal food market. Identify factors that influence purchasing decisions and the role of e-commerce in shaping these behaviours.
* **Study Technological Impact**: Examine the impact of emerging technologies such as blockchain and IoT on the halal food supply chain. Assess how these technologies can improve transparency, traceability, and consumer trust.
* **Explore Cultural Dynamics**: Research the influence of globalization and multiculturalism on the demand for halal products. Analyse how cultural integration affects consumer acceptance and market penetration of halal foods.
* **Evaluate Marketing Strategies**: Assess the effectiveness of various digital marketing strategies in promoting halal food products. Identify best practices and innovative approaches that can be adopted by businesses.

Future research should address the following areas to further support the growth and development of the halal food market:

* **Impact of E-commerce on Consumer Trust**: Investigate how e-commerce platforms influence consumer trust in halal certifications and the overall perception of halal products.
* **Technological Integration**: Explore the integration of advanced technologies in the halal food supply chain and their impact on operational efficiency and product quality.
* **Consumer Demographics and Preferences**: Conduct longitudinal studies on changing consumer demographics and preferences, focusing on young, affluent Muslims and their influence on the halal food market.
* **Global Market Dynamics**: Analyse the global market dynamics of halal food, including regional differences, market entry barriers, and opportunities for growth in non-Muslim majority countries.

By implementing these recommendations and conducting further research, practitioners and academicians can collaboratively contribute to the sustainable growth of the halal food market, ensuring it meets the evolving needs of a diverse and global consumer base.

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