Halal packaging and certification in India: issues and challenges

Rajasekhara Mouly Potluri*

School of Business and Entrepreneurship, 
American University of Nigeria, 
98 Lamido Zubairu Way, Yola By-Pass, 
PMB 2250, YOLA, Adamawa State, Nigeria 
Email: raja.potluri@aun.edu.ng 
Email: prmouly24@gmail.com 
*Corresponding author

Lohith Sekhar Potluri

Amrita University, 
Off Surjapur Road, 
Kasavanahalli; Bangalore-560035, India 
Email: lohithpotluri@gmail.com

Abstract: The principal objective of this research is to reveal issues encountered and challenges faced in halal packaging and certification along with attitude and awareness of Indian Muslim consumers’ towards halal. Following a scrupulous review of the germane literature, researchers garnered required data by employing both quantitative and qualitative methods. The researchers conducted structured personal interviews with the consumers, managers of certification and packaging companies along with a survey method to measure the factors influencing Muslim consumers’ consciousness and purchase decision. Astonishingly, 98% of the Indian Muslims thought that halal means prayer offerings before/during slaughtering of sheep/chicken/cow/camel. After being exposed to the concept, significantly 95 percent of Indian Muslims accepted that familiarise about halal is very important to Muslim consumers for opting halal-certified products. This is a pioneering research effort related to halal certification and packaging from India which is beneficial to both the corporate sector and the academic world.

Keywords: halal; halal certification; packaging; Indian Muslims; India.


Biographical notes: Rajasekhara Mouly Potluri is an accomplished Professor in Management/Marketing disciplines with more than 24 years of efficacious experience in teaching and research in an eclectic range of business specialisations with the problem-centric and module-based curriculum. He earned his Doctorate in Marketing and hold four Master’s in Business Administration (Marketing), Commerce (Banking), and Philosophy (HR), and an MBA (Islamic Marketing) from the International Islamic Marketing Association of UK. He has published around 50 research articles in the world-renowned journals and won eight Best Research Paper Awards in
different international conferences. Extensive teaching and research experience in multi-cultural and multi-ethnic environments in India, Ethiopia, Kazakhstan, South Korea, and Nigeria.

Lohith Sekhar Potluri is an undergraduate student in Computer Science discipline at the Amrita University in Bangalore, India. He has a knowledge in data analytics background and stepping forward to have Master’s degree from a reputed US university. He worked on several projects to practice his technical knowledge on the real-time applications in various domains. He gained certifications from the University of Miami, Florida, USA in Human Subject Protection and Social and Behavioural Researcher which demonstrates interest towards a research career. He has published six research articles in the world-renowned peer-reviewed journals with impact factors mostly indexed in Scopus, SSCI, British Library, KCI, and Australian Business Deans’ Council (ABDC) over the last two years.

1 Introduction

The concept of halal is an absolute key to consumption of things, food or actions by the Muslims from every part of the globe. The snowballing trend of consciousness and espousal levels of halal among the Indian Muslims has been changing the attitude of manufacturers to concentrate on halal oriented manufacturing. This shift in proclivity has turned the attention of corporate sector for choosing and introducing alluring halal packaging with candid certification. While doing so, an innumerable number of issues and challenges comes in and deemed to be considered by the manufacturers in selecting the best packaging and certification which protect the halal integration. Nitty-gritty, religious belief, and identity are one of the decisive cruxes that influence purchase decision of any class of consumer. According to Simoons (1994), religion is one of the factors that limit food consumption, particularly meat consumption. For instance, swine meat and alcoholic beverages in Islam; pork and beef in Hinduism and Buddhism are forbidden. As Muslims are more cautious, conscious and knowledgeable about what food they have to take, there is a great demand for halal oriented products and services. In a country like India where the significant magnitude of 255.30 million Muslim populations resides by 2014 (http://www.muslimpopulation.com/asia/) has moulded it as a huge market for halal based products and services. Halal in every facet undeniably proffer a ‘win-win’ situation to all the stakeholders particularly, customers, marketers, manufacturers and finally to governments which is broadly providing opportunities to tap a global halal market; penetrate into the untapped domestic markets with no loss of non-Muslim markets/clients; enhances company’s image; absolute profitability by meeting all classes of customer needs and incessantly improve quality for meeting global standards. In this scenario, the researchers thought that the selected topic for the research unquestionably offers noteworthy information to the corporate world to realise about the diverse issues and the ways to overcome challenges in halal packaging and certification along with the potentiality of the halal market in India and the tendency in proliferating consciousness on halal.
2 Literature review

2.1 Islam and halal

The word halal is derived from the Arabic word *hala* which means permitted or lawful. As per Islam, halal means “possessions, food, or actions permitted by God’s will or instruction, clean, pure, and opposed to Haram which has denoted and explained clearly by the researchers (Al-Jallad, 2008; Malboobi and Malboobi, 2010; Latif, 2011) through their research work. Muslims residing in different parts of the globe must consume only halal food as part of their dietary. It is unquestionably an Islamic value, a set of laws for Muslims to consume merely what is acceptable by Islam. In India, consciousness levels of halal are scanty as most Muslims believe that halal is only about meat which is not true as halal includes all the food products, non-food products and also services. In the Qur’an, Allah commands Muslims and all of the mankind to eat of halal things and said that only eat lawful and good food available on the earth by not following the footsteps of the evil (Al-Baqarah 2: 168). Halal means ‘acceptable’ or ‘allowed’ which includes all that is permissible to be consumed by Muslims, according to Shariah, i.e., Muslim law. Halal is not only associated with food products but also clothing, medicines, trade and finance, tourism etc. It is an imperative situation to every Muslim in the world to stick onto the Islamic principles and every product and service must involve the use of halal ingredients.

2.2 Issues and challenges in halal packaging

Even though halal concept in general and halal packaging, in particular, is not very popular in India and the latest impetus has taken place in the minds of Indian Muslims towards halal, some of the manufacturers slowly turn their attention on this crucial errand of Islamic marketing. Prendergast (1995) defined the term packaging as all products made of any material of any nature to be used for the containment, protection, usage, deliverance, and arrangement of goods, from the unprocessed materials to processed goods, from the producer to the user or consumer. According to Prendergast and Pitt (1996), the role of packaging can be divided into logistics and marketing. In a similar study, Johansson et al. (1997) added another function of a packaging, i.e., environmental function. The role of packaging in organising supplies and services is to restrain and care for the goods during transportation, delivery, and distribution and also protect workers during handling goods such as liquid, loose and chemical in nature. Related to halal, packaging definitely, protects the goods from cross-contamination between halal and non-halal. Most of the marketers in different parts of the world have treated packaging as a silent salesman and also subsumed as the fifth P of the marketing mix. In the perspective of halal, packaging entails certain elements such as halal certification or logo, a list of ingredients and product origin (Rezai et al., 2012). Soong (2007) said that halal product packaging must consist of name or brand of the product, minimum content in metrics, name, and address of manufacturer or distributor, a list of ingredients, code number representing production batch and manufactured and expiry date and halal logo from recognised certification agencies. Hazair (2007) pointed out that packaging of the
halal product must maintain the aspect of Shariah such as image printed onto the packaging must not violate halal concepts, images should not stir any unpleasant and cause sensitivity and clear and relevant information must also be made available such as recognised halal logo.

As stated by many researchers, one of the most important issues of halal food packaging is the halal logo. The halal logo is doubted as there are reports that non-halal product (pork) is packaged and labelled as halal (Hong, 2007). Consumers, in general, are not very confident and most of the times they are in pandemonium stage with the halal logo and packaging due to the exploitation of businessmen. And at the same time, Indian consumers particularly are in doubt about the halal logo on packaging because there are numerous logos issued by various countries as well certifying agencies. Product handling is another crucial issue related to halal packaging apart from the halal logo. Along with the usage of halal ingredients while producing halal products, halal supply chain or logistics also considerable while taking into account the halal status. For example, during transportation and storage in warehouses, segregation between halal and non-halal food product must be highly practised (Riaz and Chaudry, 2004). Besides, the tools to handle packaged food products must not be mixed together with the one used for non-halal products. This is done in order to avoid cross-contamination (Talib et al., 2010). Food packaging must not be made from the non-halal substance as it is considered najis (Soong, 2007). Manufacturing of food packaging material such as plastics, carton boxes or microwaveable containers appears to be safe but a lot of doubts has arisen whether these are manufactured with halal material or not. At the same time, production of metal cans needs some oils to assist in framing and cutting process. This oil can be derived from animals which again the halal status is in doubt (Talib et al., 2010). During packaging of food and drinks into plastics or containers, workers will use disposable glove which should make from halal material to ensure good sanitation. Halal packaging can engage the workers who are confidently familiar with the process to avoid halal contamination. Riaz and Chaudry (2004) stated that there should be at least one Muslim worker present during the preparation and packaging process in order to ensure maximum protection from non-halal elements. Jaafar et al. (2011) said that to reduce and minimises the possibility of cross-contamination between halal and non-halal product and avoid any human mistakes, a specialised and dedicated group of workers should handle the halal food production. These kinds of act definitely enhance the confidence of the consumer and protect the halal integrity of the product.

2.3 Issues and challenges in halal certification

Religion is the set of morals, feelings, faiths and explanations that define the relationships between human beings and sacrisity or spirituality. Schiffman and Kanuk (1997) emphasised that members of different religious groups are likely to make purchase decisions influenced by their religious identity. As most of the Muslims particularly in India more knowledgeable of their religion, it is an inevitable situation for them to consume or use only products and services with only halal or Shariah compliance. Furthermore, in these days, the majority of consumers are more health conscious and sophisticated in their dietary intake for which they are closely observing and choose products with quality symbols on the labelling of product packaging. Shafie and Othman (2006) acknowledged that the issues with halal certification are the various series of halal definition, issuance of the halal logo by private or individual authorities, the use of Quran
verses or Arabic characters on food products and premises and the weak enforcement by responsible authorities in tackling fraud halal logos. The philosophy behind the introduction of halal certification to their products and actions is to proffer indomitable assurance to the Muslim consumers about their products are competently halal and Shariah-compliant. To capture the attention of Muslim consumers, manufacturers and marketers must accentuate on guaranteeing their products and actions are halal certified. The halal logo is the most imperative aspect which is confirmed or decisive whether the product is halal or not. The purchase decision of a Muslim consumer is exceedingly influenced by the halal logo in different parts of the world but in India, the situation is a little bit grim because in recent years only halal concept is gaining momentum among the Indian Muslims. Nooh et al. (2007) through his research study on factors influencing the purchase of a product confirmed that halal logo is the most crucial element being considered before buying a product. Moreover, the consumer feels the halal logo is more significant than International Organization for Standardization (ISO) certification (Shafie and Othman, 2007). Halal certification agencies from different countries issues logos which assures the respective companies products are halal and Shariah-compliant. Regarding halal certification and the logos issued by diverse certification bodies, Muslim consumers in every part of the globe are in pandemonium state of mind because of the legitimacy of the halal logo as well as issuance authority. Most significant issues further related to halal certification issues are the issuance authority and its legitimacy; how far consumers can believe the process of checking whether the manufacturers are used only halal substance or not; framework of halal logo which consists of letters or symbols can easily cohesive for consumers or not; precautionary measures these certification agencies has taken to know the understanding capacity of the even illiterate consumers. The Muslim consumers on the globe stress the need to introduce single halal logo with perfect cohesiveness to all which will provide greater clarity in identifying logo issued by the competent authority. Here, the World Halal Council (WHC) has to take initiation in framing halal logo with universal acceptance by convincing and dealing matters with respective countries halal councils. If it is a case, Muslim consumers in every country within a short span of time can easily recognise the halal logo wherever they have seen in the world and take an initiation to his/her purchase decision. In India, halal logo introduced by halal India which has instigated absolutely flawless procedure to offer approval for using the halal logo to the Indian manufacturers and marketers who are planning to introduce halal based products.

2.4 The WHC and halal India

Halal product manufacturers and marketers have to intensify their efforts to acquire the certification from the WHC (1999) being a federation of halal certifying bodies worldwide after gaining international and global acceptance to their halal certification and accreditation processes. The WHC was established in Jakarta in 1999 in order to standardise the halal certification and accreditation process among member organisations representing the different countries and nationalities worldwide. Halal certification started in the West in the mid 60s in the USA by Muslim food and technical experts which are an imperative useful tool and also a practical safety measure of Muslims living in non-Muslim societies to preserve their Muslim identity and fulfil their religious obligation (http://www.worldhalalcouncil.com/about-us). Globalisation is a common
phenomenon in the direction of world trade today in which there are no barriers between countries. In this situation, certification like this acts as a major safety device which can prevent the importing of inferior quality products. Halal certification has to proffer authorisation to manufacturers and traders to use a halal logo which becomes a marketing and competitive advantage for the products marketed to the Muslim world including the Jewish communities. Halal certification has to obtain by the manufacturers separately for food and non-food products including personal care, cosmetics, utensils, fashion and clothing, shoes, logistics and the like and lately halal certification is now made mandatory to animal and poultry feeds, packaging materials such as tin cans, drums, plastic bottles and the like which are in contact with the halal quality products. Surprisingly, halal certification for drinking water is a requirement in Asian countries like Malaysia, Indonesia, Singapore, and Brunei, because there are constantly decisive issues on every product which has to be addressed by a credible body. The world is viewing halal certification as a certificate of quality because the quality is the prime concern for purchase decision of any class of consumers including for Muslims and non-Muslims. Currently, there are about 122 active halal certifying bodies, be made up of government, firms, mosques or Islamic societies (International Halal Integrity Alliance, 2011).

Halal India is working with a vision to spur the Indian and international halal industry and serve permitted (halal) foods, drugs, and cosmetic products to the global Muslim community by facilitating the access to quality halal-certified products. It is an independent halal certification body which is recognised by the Government of India which deals in permitted (halal) food, cosmetics, drugs, research work, issuing of halal compliance certificate. This body serves to aid Muslims and non-Muslims in procurement and supply of halal products and services. It is the aim of halal India to provide a common place for manufacturers, suppliers, importers, exporters, traders, wholesalers, retailers and consumers who are interested in halal products and services. One of the main aims of halal India is to provide a centralised source for halal products and services based on the certification by the Halal India Pvt. Ltd., and other responsible authorities recognised by Muslims worldwide. This unique organisation offers services like halal certification (food, cosmetics, pharmaceutical and logistics); food hygienic process; permitted food training and awareness; food expo/road shows; international consulting services; halal-friendly tourism and halal friendly medical tourism (Halal_Profile.pdf, http://www.halalindia.co.in/index.html). Even though quite a good number of manufacturers and marketers got halal certification, there will be no absolute change among the Indian Muslim consumers who are slowly gaining some knowledge on halal orientation. Along with halal India, certification agencies like halal trust India and Halal Certification India Pvt. Ltd., also rigorously working to popularise the concept of halal by conducting training and awareness programs to the needy business community by clearly explaining the advantages in getting certification.

3  Methodology

The researcher-initiated the study with an objective to make known issues encountered and challenges faced in halal certification and packaging along with attitude and awareness of Indian Muslim consumers’ towards halal. The researchers employed both quantitative and qualitative research methodologies and conducted quite a few personal interviews with the consumers, managerial cadre of certification and packaging
companies, certified business houses along with focus group study to evaluate the level of understanding of the halal concept among the Muslim consumers. Quantitatively, a survey method with the questionnaire was employed to know the attitude and awareness levels towards halal. A total of 100 questionnaires were conveniently distributed to Indian Muslim consumers selected randomly to garner their opinions. Based on the principal purpose of the study, researchers framed four focused groups from the selected four groups for the study viz., certification and packaging companies, Muslim consumers and already certified business organisations by taking their prior appointments. Each focus group consists of a maximum of five members who have a confident ken in their respective areas of specialisation. These focus group interviews mainly discussed issues and challenges related to halal packaging and certification and also the awareness levels of consumers in India. The required data was collected for this study through primary sources particularly personal focus group interviews. According to De Ruyter (1996) and Sekaran and Bougie (2009), a focus group is a common tool for research discovering new phenomenon and for studies that are exploratory in nature. Two researchers were responsible for planning and arranging meetings with focus groups, conducting discussions and recording of opinions, and finally, all the researchers involved in analysing and recording of facts garnered from the focus groups. One researcher acts as a moderator who has also raised both open and closed-end questions. Sekaran and Bougie (2009) stated that the moderator plays a crucial role as he/she is the one responsible for introducing the topic, throwing the questions, leading the discussion and careful observation of the proceedings of the discussion. The second researcher (note-taker) took detailed notes of these discussions. The core theme for the focus group is the issues and problems faced in halal certification and packaging, awareness and intentions of discussants on the halal concept. The collected data was then transcribed, analysed and drawn conclusions mentioned in the following part of the article.

4 Results and discussions

The perusal of this part presented only some of the preliminary findings related to the issues and challenges in halal packaging and certification along with awareness levels of Indian Muslims towards halal.

4.1 The issues

Issues associated with halal packaging in India identified through this study are:

1. selection of packaging material used to contain, protect and handle goods
2. labelling and printing of halal logo
3. product handling for packaging
4. human resource.

Regarding halal certification, researchers with their focus group studies and discussion recognised the following issues:

a. series of halal definitions
b issuance of the halal logo by Indian private or individual authorities  
c the use of Quran verses or Arabic characters on food products  
d concrete mechanism for identifying fraud halal certification issuance organisation.

4.2 The challenges

In India, one of the main challenges to the halal packaging is the identification and procurement of packaging material suppliers who produced those with halal orientation. The majority of the packaging substance produces with raw materials like cardboard, polyethylene (high-density) HDPE, polyethylene (low-density) LDPE plastics, tin plate and aluminium, paper, and cellulose film, glass, etc., which must be produced with halal compliance. For halal packaging, manufacturers should use only this kind of material but both manufacturers and even consumers have doubts over the production of this material with halal orientation. Another challenge is printing of halal logo on labelling of the package. Whether the logo has printed with halal ink with greater clarity is also doubtful. Another problem related to product handling which also takes into consider the supply chain and logistics areas of the halal products. In addition to that, the tools to handle the packaged food should not be mixed together with the one used for non-halal products. Related to human resources, halal products packaging must take-up by the workers who have competent ken related to packaging activities and the steps to initiate to avoid any halal contamination. Following are the challenges related to halal certification: first, there is no governmental organisation or institution involved in the issuance of halal certification. Now the question has arisen in the minds of manufacturers and traders regarding the validity of the halal certification issued by the present private organisations like halal India, halal trust India, and Halal Certification India Pvt. Ltd. Another challenge is the lack of collaboration amongst the world’s halal certification authorities has created doubts amongst Muslim consumers and the halal certification process introduced. The Muslim consumers in India are demanding uniform halal logo with more cohesiveness and at the same time manufacturers and traders are pressing for candid and different procedures for food and non-food products. Most of the Indian Muslims are facing difficulties in identifying halal logos in practice and at the same time the language used in. There is no concrete and stubborn control mechanism to punish fake and dubious halal logos and organisations in India where fake businesses are widespread.

4.3 Awareness towards halal

Astonishingly, 98% of the Indian Muslims thought that halal means prayer offerings before/during slaughtering of sheep/chicken/cow/camel. This was a flabbergasting opinion expressed by the Muslim respondents revealing their lack of awareness of the actual meaning of halal. The majority of the Indian Muslims along with the educated evinced that they would not have proper exposure on halal because of minimal usage as well non-availability of halal items in the country. Muslims from both urban and rural areas selected for the study also said that it is related to only prayer offerings before and during slaughtering of animals. The obvious reason behind this conclusion would be the fact that passing of information from one to one in the community without checking for any clues. After being exposed to the concept, significantly 95% of Indian Muslims accepted that familiarise about halal is very important to Muslim consumers for opting
halal-certified products. Finally, all respondents were also been asked about whether they intend to know more about halal and 98% of Muslims expressed their fervour in learning more.

5 Conclusions

This research offered most precious first-hand information about halal packaging and certification in a most lucrative manner which is enormously benefited to all the stakeholders of the business along with academia. This is the maiden attempt from Indian academicians who have faced innumerable problems in convincing both consumers and managerial cadre to garner the required data by applying both quantitative and qualitative methods. Even though, the research is very nominal in the Islamic marketing in general and halal related issues in particular in the world and even in India, the researchers completed this exploratory study with the limitations like the survey covers only South Indian states of Andhra Pradesh and Telangana where a significant portion of Muslim population resides and concentrates only on halal certification and packaging matters. This research leaves a mammoth scope for further research, both empirical and non-empirical, should be done in order to comprehensively cover areas like halal supply chain, halal logistics along with perceptual and adoption tendencies of Indian Muslims.

References


