

Strategies for Strengthening the Competitive Advantage of Export Halal Food Products in Optimizing Expansion in the Global Market

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Abstract

The global market has become an attractive target for manufacturers of imported halal food products to expand their reach and increase their market share. However, the challenges faced in entering and competing in a competitive global market cannot be ignored. This study was conducted to analyze and develop strategies that can strengthen the competitive advantage of exported halal food products in optimizing expansion in the global market. Through a literature review, factors affecting consumer demand and preferences for halal food products, as well as factors affecting the competitiveness of halal food products in the global market were investigated. Based on this analysis, strategies to strengthen competitive advantage are developed, including product quality improvement, innovation development, reliable halal certification, and effective marketing. By adopting these strategies, export halal food producers can gain a strong position in the global market and increase their market share.

Keywords: Excellence, Halal Food Products, Export, Global Market, Strategy

A. Introduction

The rapid growth in international trade has opened up new opportunities for countries to expand their product exports to the global market. One market segment that has shown significant growth is the halal food product market. Increasing consumer awareness of halal food and strong demand for halal food products have encouraged countries to develop and expand their halal food production.

Halal food products are not only aimed at Muslim consumers, but also appeal to non-Muslim consumers who are looking for quality, safe, and guaranteed halal products. As a result, many countries have identified significant export opportunities within the global market for halal food products. However, to optimally capitalize on these opportunities, developing strategies and strengthening competitive advantages are of key importance. The global market is highly competitive, with many other countries and producers vying to market their halal food products. Therefore, it is important for countries looking to optimize expansion in the global market to develop effective

strategies to strengthen the competitive advantage of their halal food products (Arif & Sari, 2020).

Strategies for developing and strengthening competitive advantages can involve several aspects, such as improving product quality, product innovation, increasing production efficiency, effective marketing, developing a strong distribution network, reliable halal certification, and increasing price competitiveness. In addition, cooperation between the government, producers, and related institutions is also important to create a conducive ecosystem for the development and expansion of halal food products in the global market (Abubakar & Yusrizal, 2019). With the right development strategy and strengthening of competitive advantages, it is expected that halal food producing countries can increase their market share, attract foreign investment, create jobs, and make a positive contribution to their economic growth (Body Center Statistics, 2022).

Problem Formulation

1. How can the strategy of strengthening competitive advantage be applied to improve the competitiveness of export halal food products?
2. What is the role of halal certification in influencing the penetration of halal food products into the global market?
3. How can changes in global consumption trends related to halal food products be utilized in expansion strategies?
4. What are the obstacles faced by exported halal food products in expanding market share at the global level?
5. What are the factors that influence the successful expansion of halal food products in the global market?

Research Objectives

1. Identifying competitive advantage strengthening strategies that can be applied to improve the competitiveness of export halal food products.
2. Evaluate the role of halal certification in influencing the penetration of halal food products into the global market.
3. Analyze changes in global consumption trends related to halal food products and formulate expansion strategies in accordance with these changes.

4. Analyze the constraints faced by exported halal food products in expanding in the global market.
5. Study the factors that play a role in the successful expansion of halal food products in the global market.

Research Benefits

- a. Provide an in-depth understanding of the constraints faced by halal food products in expanding in the global market. This can help halal food industry players to identify and overcome obstacles that may arise in their expansion efforts.
- b. Provide competitive advantage strengthening strategies that can be applied to improve the competitiveness of export halal food products. By studying these strategies, industry players can develop effective action plans to expand their global market share.
- c. Presents factors that influence the successful expansion of halal food products in the global market. This information can assist stakeholders in understanding the global business environment and factors that should be considered in planning and implementing expansion in international markets.
- d. Reveal the role of halal certification in influencing the penetration of halal food products into the global market. Halal certification has become an important factor in building global consumer confidence in halal food products.
- e. Provide insights into changes in global consumption trends related to halal food products. This information can help industry players to identify new opportunities and develop expansion strategies that are relevant to global consumer trends and preferences.

B. Literature Review

Previous Research

The previous studies that the authors took were first, the work of Zain, M., et al. Which is entitled Competitive Advantage of Halal Food Industry in Malaysia: A Review. Journal of Islamic Marketing. The halal food industry has experienced significant growth in recent years, especially in the context of exports and expansion in the global market. Competitive advantage is a key factor that influences the performance and growth of

companies in the halal food industry. Competitive advantage includes aspects such as product innovation, operational efficiency, product quality, and effective marketing (Zain, et al., 2018).

Second, Research by Ramli, N., & Abdul Rahim, K. titled Enhancing Competitive Advantage in the Halal Food Industry: A Study of XYZ Company. *International Journal of Business and Management*. In order to strengthen the competitive advantage of export halal food products, there are several strategies that have been implemented by the company in recent years. This strategy covers a number of key aspects that contribute to the competitive advantage of halal food products in the context of the global market (Ramli & Abdul, 2017). Some relevant strategies are as follows:

Innovation of products

Product innovation is one of the key strategies in strengthening competitive advantage. Companies need to continue to develop halal food products with new features and advantages that can meet consumer demands and needs in the global market. Product innovation can include the development of new flavors, the use of innovative raw materials, or the invention of more efficient production processes.

Development of a sustainable supply chain

Sustainable supply chain development becomes an important strategy in strengthening the competitive advantage of export halal food products. This involves close collaboration between producers, distributors and suppliers of halal raw materials. Efficient and sustainable supply chains can ensure timely product availability and guaranteed quality in the global market.

Strict certification and standards

Strict implementation of halal standards and certification is one of the key strategies in strengthening competitive advantage. Companies should ensure that the exported halal food products meet the halal requirements set by the exporting countries. Strict certification and standards will give global consumers confidence in the quality and validity of products.

Penetration of the market through digital marketing

The use of digital marketing has become an increasingly important strategy in strengthening competitive advantage. Companies need to leverage social media, e-

commerce platforms, and other digital technologies to increase the visibility of halal food products in global markets. Through digital marketing, companies can reach potential consumers more widely and effectively.

Collaboration with government and related institutions

Collaboration with governments and related agencies is an important strategy in strengthening the competitive advantage of export halal food products. Companies need to work with governments to gain policy support and facilities that facilitate the export of halal food products. In addition, cooperation with halal certification agencies and halal food industry associations is also important to enhance product confidence and reputation.

Third, research from Asep Syarifuddin Hidayat & Mustolih Siradj titled Halal Certification and Non-Halal certification on industrial food products. Food is the most basic human need and its fulfillment is part of the human rights of every Indonesian. Food must always be available in sufficient quantities, safe, high quality, nutritious and versatile at a price that is affordable to the purchasing power of the community and is not contrary to the religion, beliefs, and culture of the society. To all this, it is necessary to regulate food systems that provide protection. The consumption of halal foods is a fundamental right of every Muslim. It is not only related to religious beliefs, but also has health, economic and security dimensions (Hidayat & Siradj, 2015).

Fourth, this study from M Sitindaon is titled Analysis of Potential Export Results of Food Plant Farming in the Pati District. *Economic Development Analysis Journal*. One of the most important indicators of the national economy is exports. Indonesia is a rich country of natural resources has great potential to become one of the largest exporters in various categories of oil and gas and there is no oil or gas. However, in recent years Indonesia's exports have tended to experience autumn (Sitindaon, 2018).

Fifth, this study from Rambe, D. N. S., & Aslami, N titled Analysis of Marketing Strategies in Global Markets. *El-Mujtama: Journal of Public Devotion*. International marketing is defined as marketing that reaches one or more countries. Globalization is the marketing activity of multinational companies that do business around the world in several countries using global marketing tactics, global markets, and global products and standards. International trade is the exchange of goods and services between the

inhabitants of one country and the residents of another country on the basis of mutual agreement (Rambe & Aslami, 2021). The population concerned can be between people (people and individuals) or between individuals and the government of one country and the governments of another country. Complexity of International Marketing:

1. Buyers and sellers are separated by boundaries.
2. Goods must be shipped and transported from one country to another under different rules, such as restrictions imposed by each government.
3. Countries have differences in languages, currencies, rankings and scales, and trade laws.

C. Research Methods

a. Type of research

The type of research used in the study is literature review. Research is research by collecting, evaluating, and synthesizing literature relevant to a particular research or study topic. The objective of the literature review is to gain an in-depth understanding of the topics being studied, identify gaps in knowledge, evaluate existing evidence, and formulate a theoretical basis for further research.

b. Aspects studied

International marketing strategy for halal food products exports to the global market.

c. Limits of terms

1. Export of halal food. Restrict research on food products that meet the requirements of validity in accordance with Islamic religious principles and have the potential to be exported to international markets. Included in these restrictions are foods and beverages that have obtained halal certification from recognised authorities.
2. Expansion in the global market. Focus on efforts to market and distribute export halal food products to global markets covering a variety of countries and regions. It involves measures to expand market reach, build distribution networks, and meet consumer needs in international markets. Optimization of expansion. Consider strategies that can be used to optimize the expansion

process of halal food products in the global market. This includes identifying growth opportunities, developing an effective business plan, improving operational efficiency, and appropriate marketing strategies to success in expansion.

3. The global market. It refers to international markets involving various countries and regions around the world. Focus on the challenges and opportunities associated with the marketing of export halal food products in global markets that have diverse consumer needs and preferences.

d. Techniques of data collection

The type of data used in this research is a data literature review, carried out by gathering information and research that already exists on a particular topic or issue. In literature review, authors search, review, and analyze relevant literature that has been previously published.

D. Result and Discussion

1. Studies of Literature

Literature studies are conducted to gain a theoretical understanding of the concepts of competitive advantage, halal food, and expansion in the global market. Sources used include scientific journals, reference books, academic articles, and related research reports. This analysis of literary studies provides a strong knowledge base for further research and helps formulate a conceptual framework. Results of literature studies show that competitive advantage in the halal food industry can be obtained through factors such as halal certification, product quality and safety, innovation, and the supply of quality halal raw materials. In addition, the global market offers huge expansion opportunities for halal food products, with rising demand from Muslim and non-Muslim consumers.

2. Analysis of data

Data obtained from literary studies, field research, and case analysis are analyzed qualitatively. These data are categorized and organized into findings relevant to the research title. Subsequently, data synthesis and interpretation are carried out to formulate conclusions that can serve as the basis for the development of strategies for strengthening the competitive advantage of exported halal food products in optimizing expansion in the

global market. The results of this data analysis will be the basis for further discussion in the next chapter, namely discussion and recommendation of strategies for strengthening competitive advantage.

Discussion of strategies for strengthening the competitive advantage of halal food products exports in optimizing expansion in the global market. The discussion will cover the basic concepts of competitive advantage, the importance of halal foods in the global market, and the strategies that can be applied to strengthen the competitive edge of halal products in the export context.

a. Export of halal food products in expanding global market share

Over the last few decades, the halal industry has experienced rapid growth. According to a report from the International Trade Center, the halal food and beverage sector is estimated to be worth \$1 trillion and is expected to continue to grow (Qoniah, 2022). This growth is driven by the increasing needs and preferences of Muslim populations around the world. However, Indonesia, as the country with the largest Muslim population, has not yet become a leader in the production and export of halal products. There are still some obstacles facing in increasing the export of halal products, namely:

1. Lack of focus on the development of halal products. Today, Indonesian halal products exported abroad are mainly foods such as processed sauces, pasta, processed fish, coffee, and other processed foods; cosmetics such as shampoos, hair care products, skin care, bedak, and deodorants; as well as medicinal products containing vitamin A and antibiotics. The exporting countries for food and cosmetics are Malaysia, Saudi Arabia, and the United Arab Emirates, while for pharmaceutical products most exports are to Nigeria, Malaysia, and Saudi Arabia.
2. There are competitors from non-Muslim countries that develop halal industries. The halal products consumed by the Muslim community are not only produced by Muslim countries. There are several other Islamic countries that are competitors like Malaysia. Even many Muslim products are actually produced and exported by countries with a majority non-Muslim population. For example, the largest

exporters of halal food products are still dominated by Brazil, Thailand, and the People's Republic of China. (RRT). Halal products exported to the Organization of Islamic Cooperation (OIC) countries are also widely produced by countries with Muslim minorities, such as Brazil, the United States, and Australia (Fathoni & Syahputri, 2020). This affects the perception of the global community that halal is an international issue and not only relevant to the Muslim community.

3. Lack of understanding of micro, small and medium-sized enterprises (UMKM) about the importance of halal certification: Some UMKM operators are still less aware of the significance of legal certification, while halal certifications can increase the sales value of products and their competitiveness in the global market. The Chamber of Commerce and Industry (KADIN) noted that one of the challenges in the development of halal products in the global market is the lack of understanding from UMKM actors about the potential of halal product and the need for halal certification that can boost business growth. In fact, halal certification has been accepted by the world community as a product standard that needs to be met to ensure its legality.

b. Competitive Advantage in the Halal Food Industry

It refers to the advantage a product or company has over its competitors. In the halal food industry, competitive advantage becomes an important factor in winning global competition. Some factors that can provide a competitive advantage in halal food products include: Factors that can provide competitive advantage in halal food products:

- 1) Halal certification: Obtaining a internationally recognised halal certification is an important step to strengthen competitive advantage. This certification indicates that the product has met the validity standards recognized by Muslim consumers around the world.
- 2) Quality and Product Safety: Halal food products must meet high quality and safety standards. Consistent and guaranteed product quality will increase consumer confidence and differentiate products from competitors.

- 3) Provision of Halal Materials: Ensuring the provision of quality and reliable halal raw materials is important in gaining a competitive advantage. Partnering with halal raw material manufacturers can help ensure the availability and quality of the required raw materials.

c. Strategy of Competitive Advantage

According to Moin (Muhammad Aji, 2010), Strategy in Business determines the direction in which the management of the company allocates human resources and defines who can provide the best advantage to success in market competition. According to Udayan dkk (2013: 94), one of the fastest and largest ways to expand business internationally is through acquisition expansion strategies. This strategy requires significant financial strength and involves complex international negotiations. Growth strategy aims to concrete growth goals and improve the company's operational performance. These growth goals include increased sales, profits, and other performance. International strategy, on the other hand, is used by manufacturing and service companies in Indonesia to expand their presence abroad (Lestyani, 2018).

In order to strengthen the competitive advantage of halal food products in the expansion in the global market, here are some strategies that can be applied:

1. Product Diversification: Develop a variety of halal food products that corresponds to consumer preferences in the target market. Product diversification can include innovation in flavour, packaging, or processing that meets the diverse needs of the market.
2. Research and Development: Conducting continuous research and development to improve product quality, production process, and efficiency. Continued research and development can help create a long-term competitive advantage.
3. Export and Distribution: Develop efficient export strategies and strengthen distribution networks in global markets. Partnering with international logistics companies and distributors can help broaden the product range.
4. Education and Training: Improve the knowledge and skills of the workforce in the halal food industry. Education and training related to product validity,

quality management, and international marketing can help boost the competitiveness of companies.

5. Innovation and Technology: Applying innovation in the production process, packaging, and use of technology more efficiently. Adopting the latest technologies, such as automation or data analysis, can help improve productivity and operational efficiency.

d. Halal food in the global market

The global market offers huge expansion opportunities for halal food products. Demand for halal food products continues to rise, both from Muslim and non-Muslim consumers who are looking for products that are considered to be more hygienic, safe, and quality. Some important factors to consider in optimizing expansion in the global market are as follows:

- 1) Market studies: conduct comprehensive market studies to understand consumer needs and preferences in the target market. Identifying market trends, competitors, and market opportunities can help in formulating the right strategy.
- 2) Quality and Certification: Ensure consistent product quality and meet international standards and obtain globally recognised halal certification. Legitimate halal certification will strengthen consumer confidence and facilitate product access to global markets.
- 3) Networking and Partnership: Build networks and partnerships with local industry actors in the target market. Duplicating local distributors, restaurants, or supermarkets can help improve distribution and expand market share.

e. Successful Expansion of Halal Food Products in the Global Market

The successful expansion of halal food products in the global market refers to the successful growth and adoption of food products that meet halal standards by consumers around the world. There are several factors that explain this success:

- 1) Muslim Population Growth: A significant number of Muslim populations around the world, especially in developing economies, have created a strong demand for halal food products. With the steady growth in the number of Muslim consumers, the halal food market has a huge growth potential.

- 2) Consumer awareness: Awareness about the legality of food and beverages has increased globally, even among non-Muslims. Consumers are increasingly aware of the importance of choosing products that meet certain legality standards, such as not containing illegal materials or contaminated with illegal materials. This drives a greater demand for halal food products in the global market.
- 3) Regulation and Certification: Many countries have adopted strict regulations and validity standards for food products. The internationally recognised halal certification guarantees consumers that the product has met the established validity requirements. These regulations and certifications help build consumer confidence in halal food products and facilitate the expansion of halal food in the global market.
- 4) Product Innovation and Diversification: Food and beverage manufacturers continue to innovate in increasing target markets globally.

f. The role of halal certification in the penetration of halal food products

Awareness about the importance of halal food and drink consumption is still not strong enough, neither among producers, sellers, nor consumers. This shows that understanding and awareness of the terms of halal consumption in Islam still needs to be enhanced. To the order of Muslim society in accordance with Islamic Sharia, it is necessary to make an effort to raise awareness in consuming halal products, involving all parties, namely producers, sellers, and consumers (Instant, 2019). The activities of dedication in improving the quality of UMKM products through the certification of halal products aim to:

- a) Improve knowledge and awareness of the community and develop human resources for UMKM perpetrators related to the guarantee of halal products
- b) Increase the productivity and competitiveness of UMKM in producing halal products
- c) Create increased productive enterprises as a result of the use of energy and local potential with the guarantee of halal products.

The role of halal certification in the penetration of halal food products is very important in ensuring that the products meet the requirements and standards

established in Islamic law. Halal certification is the process carried out by an authorized agency to verify that a product or service meets internationally recognised halal requirements. Here are some important roles of halal certification in the penetration of halal food products:

- 1) halal certificate ensures that food products meet halal requirements, such as not containing illegal (forbidden) materials, not contaminated with illegal materials, and produced using halal methods. This certification guarantees Muslim consumers that the product is safe and in line with their religious beliefs.
- 2) Increase consumer confidence. With halal certifications issued by trusted agencies, Muslim consumers have greater confidence in the food products. A halal certification is an identification sign that gives confidence that the product has undergone a rigorous and reliable assessment process.
- 3) expanding the market. Halal certification allows manufacturers to enter larger markets, especially Muslim markets around the world. By obtaining halal certification, food products can reach Muslim consumers who care about the legality of food aspects. This can help increase sales and expand the range of products.
- 4) comply with international rules and standards. Halal certification refers to international rules and standards recognized by Muslim communities around the world. By complying with halal certification requirements, food producers can ensure that their products are accepted and recognized in the global market.
- 5) To promote halal consciousness. Halal certification plays a role in raising public awareness about the concept of halal and the importance of choosing food products that meet the principles of halal. This can encourage manufacturers to pay attention to the legality of their products and the public to become more conscious in choosing safe foods.

Thus, halal certification plays a crucial role in the penetration of halal food products in the market. It helps ensure product validity, build consumer confidence, expand markets, meet international standards, and raise awareness about the importance of halal products.

g. Global Consumption Trends Related to Halal Products

The growing Islamic cultural influence of the Middle East has formed its own class for Indonesian Muslims. One of the visible trends is the use of halal products and the application of lifestyle in accordance with Sharia principles in everyday life. This has helped shape the Indonesian Muslim identity that is consistent in applying Islamic teachings. The Indonesian Muslim middle class seeks to integrate Islamic values into various aspects of their lives (Darojatun, 2018). However, they also realize the importance of a profound understanding of the meaning of halal and the principles of Shariah so that they can correctly direct their intentions in conducting the teachings of Islam in a comprehensive way. In the context of food, halal food refers to food that can be consumed, produced, and commercialized in accordance with Islamic teachings. The Qur'an and the Prophet (peace and blessings of Allah be upon him) have been revealed in the Quran.

E. Conclusion

1. Conclusion

In this scientific paper, the strategy of strengthening the competitive advantage of export halal food products in optimizing expansion in the global market has been discussed. This research shows that halal food products have great potential for success in an increasingly competitive global market. In the global market, demand for halal food products continues to rise from both Muslim and non-Muslim consumers, creating significant opportunities for expansion. To optimize expansion in global markets, several strategies can be implemented. The strategy of strengthening the competitive advantage of halal food products exports is an important step in winning competition in the global market. In this effort, companies need to focus on halal certification, product quality, innovation, and a strong distribution network.

2. Advice

- a. For respondents to be further improved in the search for information related to Strategy Strengthening Competitive Advantage of Food Products Halal Export in order to improve local products to be exported.

- b. For entrepreneurs to improve the quality of halal food products export.
- c. For other research, research in this field is expected to be developed with a wider coverage.

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