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Motives, Consequences and Variety in the Adoption of Halal Practices in Australian Restaurants

**A thesis submitted in fulfilment of the requirements for the degree of
Doctor of Philosophy**

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May 2018

Declaration

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; any editorial work, paid or unpaid, carried out by a third party is acknowledged; and, ethics procedures and guidelines have been followed.

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5-5-2018

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Abstract

There is a growing adoption of halal in some form in restaurants around the world. The objective of this research is to understand the varieties of halal adoption and identify the complex interplay between cultural and business motives. Data collected from semi-structured interviews of 50 halal restaurateurs and the analysis shows the reason for adopting halal varies across restaurants: it can be symbolic, explicit or core existential. In terms of motivation, three themes and eight subthemes were identified. A market orientation theme relates to passion for food and quality, competition and reducing business uncertainty. A cultural orientation theme relates to religion, loyalty to culture, and loyalty to traditional and regional food styles. There is also a personal development theme that relates to being independent.

Running a halal restaurant may have little to do with religion per se, and different motivations are associated with the three variations in the degree of halal adoption. The motivation, variety of adoption and performance of the restaurants were coded by independent raters and a multivariate regression analysis was conducted on the relationship between motivations, adoption of halal and market performance. The only significant predictor of a restaurant's market performance is its offering of a regional food style, indicating that adherence to regional traditions and provenance is a core driver of market performance rather than having a certificate or the degree of halal adoption in particular.

This research has practical implications for the restaurant industry, both in Australia and across the globe, informing restaurateurs who are contemplating adopting halal. It provides an opportunity for restaurateurs to re-assess motives and

optimise business decisions in order to make their restaurant more successful and gratifying in a multicultural society.

Key words: *halal practices, religion, restaurants, hospitality, strategic paradox*

CHAPTER 1: Introduction

1.1 Overview

Setting up and running a restaurant is complex and there are numerous decisions to be made, such as location, cuisine, people management, target market, menu options and menu pricing. While many of these decisions may be driven by an analysis of the market, others will be influenced by management and cultural factors, including the ethnic and religious background of both the owners and the target consumers.

Food is essential to life and considered a part of the identity of various ethnic, social and religious groups. Some religions have food restrictions, such as Judaism (with its commandment to consume only kosher food). Similarly, halal is a unique Islamic concept. Halal food is considered to be lawful, permitted, legal and pure in Islamic culture. It is prescribed by the laws of Islam (Zulfakar et al., 2014).

An increase in the demand for halal foods has been noted, both in Muslim countries and non-Muslim countries. In local halal restaurants, management practices follow the quality and hygiene regulations set down by the meat and livestock authorities in countries such as Australia. These practices involve the collaboration between suppliers, processors, food premises, food handlers, logistics companies, food servers and government regulators in order to fulfil the religious needs of Muslims. Moreover, management guarantees that the rules appearing in the halal certification are applied (Zannierah Syed Marzuki et al., 2012a). For the restaurant owner, halal offers opportunities for their business, and they may, or may not, pursue formal halal certification or adopt halal in some form driven by moral, religious and cultural factors as much as by traditional market considerations.

Halal certification may help restaurants to position themselves in a crowded market, as customers are then assured of finding safe, hygienic and high-quality food (Zannierah Syed Marzuki et al., 2012a). The trademark or quality label that shows that products are halal-certified is considered by restaurant managers to be a means of informing customers that the food complies with their dietary laws. This gives them a competitive advantage over other restaurants that do not specialise in halal. They are also able to gain a differentiation advantage, since what they deal in is fundamentally different from that offered by similar players in the food industry (Zannierah Syed Marzuki et al., 2012a).

This study will evaluate the various precursors that drive business people towards adopting halal in some form. A halal restaurant does not need to be certified and this study argues that halal can surface in different forms in different restaurants. Some restaurants are certified and usually adopt a number of ways of communicating this to their customers. In other restaurants, halal may be hardly visible and customers may not even realise that the restaurant is halal. This suggests interesting questions regarding the motives that restaurant owners and managers have for adopting halal and the outcomes in terms of market performance.

As in many countries around the world, the number of halal restaurants in Australia is growing. The website Zabihah.com listed 1,147 halal restaurants in Australia in 2016. The Muslim population and the number of Muslim tourists are growing in Australia (Statistics, 2012) and this will mean more demand for halal restaurants in the future. A study of this nature will provide an opportunity for restaurant owners and stakeholders to optimise their business decisions in order to make their restaurant more successful.

1.2 Research Question and Objectives

The relationship between adopting certain business practices and organisational performance has been pointed out (Blooma et al., 2011). Key practices that have received some attention are human resource management (HRM), such as selection and training, and environmental practices (Chang et al., 2011, Lin and Ho, 2011). In this study, the focus is on the effect of a set of cultural and market antecedents on the adoption of halal practices in restaurants, with the research question behind the study being:

What are the cultural and market antecedents of the degree of adoption of halal food and what is the impact on the restaurant's performance in Australia?

The following objectives were set with the aim of answering this question:

1) To identify the antecedents for the decision to adopt halal by restaurants.
2) To explore the nature and processes of the market orientation chosen by restaurants that embrace halal.
3) To explore the cultural orientation in the marketing of halal to Muslims and non-Muslims by restaurants that embrace halal.
4) To identify the performance of restaurants that adopted halal practices.
5) To make recommendations to researchers, marketers and restaurant owners for future investigation regarding halal adoption.
6) To identify the benefits and drawbacks of halal practices as a strategic paradox in comparison with more flexible practices.
7) To help Australian restaurant owners make informed halal decisions and thereby generate better outcomes for their restaurant.

1.3 Method

This study uses a comparative case-study design as prescribed by Eisenhardt (1989) in the Australian restaurant market. Its aim is to collect data about the experiences and

perceptions of halal restaurateurs and develop theories from a model of expected relationships (Richards and Morse, 2012). In-depth interviews, restaurant visits and observations are used as the main method of data collection (Bryman and Bell, 2015). The interviews are semi-structured, rather than fully, un- or structured. Also, the Australian restaurant market is very multicultural with many types of restaurants and cuisines accessible for the study of adoption variety and market outcomes. Finally, the interviews are also coded by independent raters and the data is used to study the relationship between motives, halal adoption, and restaurant performance.

1.4 Theoretical Significance

The results of this study will lead to new knowledge about, and theoretical insights into, the drivers of halal practices and the outcomes in terms of organisational performance. By exploring halal practices, this study contributes to the growing field of strategic paradoxes (Smith and Lewis, 2011). Strategic paradoxes are strategies that offer different approaches to resolving tensions in an organisation by identifying ways through which the organisation can deal with competing demands simultaneously. A halal practice is a strategic paradox because it is a religious practice and, at the same time, a marketing strategy. It is difficult to separate the Islamic cultural factor from the nature of the market and consumers, which restaurants need to consider if they want to improve performance relative to the competition (Smith and Lewis, 2011).

Organisational tensions in the entire halal management system might also influence the marketing outcome of halal sales. Effective engagement of these tensions will result in innovation that leads to long-term success. Thus a study of the paradox that aims to understand the tensions in the organisation can help meet short-term goals and also achieve sustainability through diversification in endeavouring to

meet multiple types of demand (Smith and Lewis, 2011). For example, provision of cheap and quality goods helps to gain competitive advantage. The firm experiences long-term success only if it adopts, and is able to manage, strategies to handle paradoxes in an iterative way. Strategy, in this case, refers to offering competing products or services in the market. The paradox arises when multiple strategies appear contradictory and yet are interrelated. For example, there are many firms that apply social and financial strategies simultaneously while others apply strategies that are both local and international. In addition, organisations may structure their businesses on the paradoxical model of producing goods or services that are both low cost and high quality in order to remain competitive (Smith, 2009).

This study is set in the context of the restaurant industry. Restaurants are organisations that face key challenges daily. For example, they constantly compete with new and existing competitors. This research identified gaps in management strategies and looked at ways in which halal companies can adapt so as to have better control of the market. In addition, it evaluated the paradoxes and practices that are critical in the hospitality industry if a restaurant is to gain a competitive advantage.

1.5 Managerial Significance

This study helps managers faced with the dilemma of whether or not to adopt certain halal practices. This dilemma is especially acute if the practices seem inflexible and there is high cost to get halal certification. The cost might nullify any benefit of adopting halal practices, which might not always be clear. Therefore, this study focuses on both the drivers for adopting halal practices and the outcomes of doing so. More importantly, the results of this study will assist managers understand that the adoption, implementation and communication of halal practices is under their control.

They can actively manage the way they use and market halal products to consumers and other stakeholders.

According to Chang et al. (2011), a business practice denotes the method, procedure or process employed by the business to meet its objectives. For example, the management of a business might identify that introducing innovative technology helps it to meet its business objectives more effectively and efficiently. The application of management practices is aimed at increasing effectiveness, improving the quality of services, promoting efficiency and reducing the cost of production (Namkung and Jang, 2013) in Australia and beyond.

1.6 Structure of the Thesis

Chapter 2 ('Halal and Restaurants in Australia and the World') gives an overview of the restaurant and halal restaurant industry in Australia. It ends with the formulation of a theoretical framework which will be tested using a qualitative methodology. Chapter 3 ('Review of the Literature') extensively reviews the literature associated with the various dimensions of halal outlined in the theoretical framework, along with some other aspects of halal. Chapter 4 ('Methodology') outlines the methodology used for sampling, data collection and analysis. Chapter 5 ('Results') summarises the findings obtained from analysing the data collected for this research. Finally, Chapter 6 ('Discussion and Conclusions') links the findings to the aim of the research and to the literature that was reviewed in Chapter 3.

CHAPTER 2: Halal and Restaurants in Australia

2.1 Introduction

This chapter discusses the characteristics of the halal industry. The focus is on the broader context of halal adoption by restaurants and supply chains in different cultures across the world.

2.2 The Restaurant Industry in Australia

The restaurant industry in Australia is currently undergoing moderate growth, with a mean expected growth rate of about 3.5% between 2013 and 2018 (IBIS World, 2017). The value of full-service restaurants grew by 2% in 2015 reaching AUD $15.7 billion (International, 2015). However, between 2015 and 2019 growth is expected to slow, if not decline (International, 2015). Therefore, there is a need for restaurants, especially those that are not members of chains or franchises, to look carefully at the future and consider leveraging their competitive advantage. There are also challenges to traditional full-service restaurants from takeaways, cafes and fast-food establishments, which are increasingly encroaching on market share (International, 2015). Based on data gathered by the Australian Bureau of Statistics (ABS), a research by Bankwest showed that the total income of the food and beverage industry was only 2.4% of all industries in 2013–2014 (Bankwest, 2015). The profit margin in the food and beverages industry during that same period was only 7.9% compared to 10.9% for all industries.

Pizza remains the most popular cuisine and pizza restaurants have seen a 4% growth since 2014 (International, 2015). Latin American, Mexican and fusion cuisines also saw growth, which aligns with an apparent desire for Australians to cut costs and focus on low-cost dining out (International, 2015). Affordability, casual atmosphere, and family-friendliness appeared to be the most important factors linked to growth in the Australian restaurant landscape.

As growth in the restaurant industry overall was modest in Australia, the need for more innovative marketing was recognised. One novel approach is the Restaurant Australia initiative launched by Tourism Australia in March 2014. This initiative was linked to the "There's Nothing Like Australia" campaign, which focuses on Australian food and wine and encourages gastronomic tourism (both domestically and internationally). The campaign featured a TV show about an Australian restaurant, supplemented by a number of marketing campaigns promoting Australian restaurant culture (Australia, 2015b). These advertising campaigns spent AUD $3.16 million across South East Asia, mainly in Malaysia, Singapore and Indonesia (Aquino et al., 2014). The aim of these international campaigns was to project Australia as a multicultural country with exciting, ethnically diverse cuisines (Australia, 2015b). The ethnic diversity of foods includes halal foods, as a significant inflow of tourists come from Muslim nations.

Thus, an antecedent to halal food is the opportunity for restaurants to meet the demand created by the increasing number of tourists attracted to the multi-ethnic cuisines of Australian restaurants. An expected consequence is higher inflows of Muslim tourists increasing the demand for halal foods. In the 12 months to September 2017, the number of tourists who visited Australia was about 8.7 million, an increase of 7.4% from the previous 12 months. According to Tourism Australia, about 7–8%

more visitors arrived in Australia from Muslim-dominant countries in the 12 months to September 2017 compared to the previous 12 months (Tourism Australia, 2017). The total number of tourists from those countries (approximated from arrival data) was about 130,000 in the 12 months to September 2017. All these Muslims were halal consumers. However, such a small number of Muslim tourists out of a total of about 8.7 million would not have had a significant impact on halal businesses. So there has only been limited success with this antecedent factor—that is, increased tourists from Muslim countries—in increasing the demand for halal food. However, the potential for substantial growth exists.

However, it should be noted that not all currently non-halal certified restaurants are interested in adopting halal in a formal way. For example, the need for halal certification was not felt by a few non-certified hotels in Malaysia as the majority of their customers were non-Muslims and their businesses were running well without the certification (Zailani et al., 2011a). However, the study was exploratory with only eight restaurants included in the sample. The results obtained by Hassan et al., (2009) clearly demonstrated similar practices.

2.3 Halal Restaurants in Australia

Halal restaurants in Australia are a small but growing sub-sector of the restaurant industry. There is no official count of halal restaurants, as there is no central halal authority, and it is not monitored by international market research organisations such as Euromonitor. Unofficial sources collate halal restaurant listings for Muslim consumers. The website Zabihah.com offers a guide to halal restaurants and supermarkets worldwide and, in 2016, listed 1,147 halal restaurants in Australia,

including takeaways, cafes and bakeries (Zabihah, 2016). Restaurants and customers can add listings to this website, but all additions are checked for accuracy by an editorial team. The website halalSquare.com.au offers a similar service but only for Australian cities. In 2011, it listed approximately 1,000 halal eateries in Sydney and Melbourne and at least 100 in each other major city (HalalSquare, 2011). Notably, however, many of these, such as ice cream parlours and vegetarian restaurants, are not halal-certified or halal-specific restaurants but are merely halal-friendly or do not serve any foods that would be strictly haram.

Due to the lack of regulation and oversight, therefore, it is impossible to know how many restaurants are halal-certified. However, there is a growing desire for halal eateries, and people are filling the gap by collating and advertising those restaurants which are halal-certified. Even the official Australian tourism website, Australia.com, offers guidance on the best halal restaurants in each city for various price ranges (Australia, 2015b). Therefore, halal is seen as a growing area of interest for Australian consumers and restaurant owners.

2.4 Halal Certification and Branding

Halal is an important market, worth approximately USD $150 billion globally (Mukherjee, 2014). It is recognised by independent market research agencies as an area for growth and opportunity (International, 2015). Much of this is concentrated in Muslim-majority countries. In western Muslim-minority countries, the significance and benefits of halal as a business proposition are beginning to be recognised (Rarick et al., 2012). The growth of halal practices in non-Muslim countries is driving the development of certification agencies and the need to monitor the use of the halal name.

Primarily, halal certification is required when food is offered by a non-Muslim supplier to a Muslim consumer, as the consumer may want to be assured that the food they are getting is really halal. Third-party certification after due inspection is the only way to provide such assurance. There are also non-religious factors to halal certification, as discussed below.

Today, halal seems no longer simply a religious practice, overseen by religious authorities, but has also become the target of multifarious business motives (Hanzaee and Ramezani, 2011). In that case, certification is required if halal is promoted as a distinctive ethnic brand linked to culture, lifestyle, health and quality (Hanzaee and Ramezani, 2011). However, as a brand, halal is unique and complex. Leenders and Wierenga (2008) studied the effect of the marketing–R&D interface on new product performance. Their research found that availability of resources and having a narrow strategic focus is associated with a more effective integration. The halal industry can learn from such studies to increase the appeal of the brand.

2.4.1 Complexity of Halal and its Certification

A single definition of halal food does not exist and certification processes differ globally, depending on the preferred definition. In broad terms, in order for food to be halal it must meet specific requirements at every stage: preparation, slaughter, cleaning, processing, handling, transportation and distribution. Thus it is a complex process (Latif et al., 2014).

A comparison of global certification requirements across nine categories and a number of different countries found significant differences in what was required in order for foods to be certified halal. Notably, Asia had the strictest, Australia moderate and Europe the laxest certification requirements (Latif et al., 2014). This

demonstrates the complexity of branding a business halal, as the meaning of the term differs cross-culturally and within different interpretations of sharia.

Halal, meaning 'permitted' in general, is a word with multiple, complex meanings when it is applied to food. Halal is a religious issue, stemming from Qur'anic verses, and in the modern world it is also a brand, a stamp of certified approval and a measure of religious identity (Hanzaee and Ramezani, 2011). It is also a credence quality attribute, which means that it is impossible for the consumer to know – before or after consumption – whether a product is halal or not. They must rely on labelling and other external information. This information must also come from a trustworthy source (Bonne and Verbeke, 2008b). There are multiple meanings of the term halal, and these meanings are difficult to untangle.

In its most broad Islamic sense, halal food is food which meets the standards outlined in the relevant verses of the Quran. These most significantly relate to the absence of pork or pork derivatives, and the correct method of slaughtering other meats. In order to be considered halal, the animal must be slaughtered by an incision to the throat with a knife while a prayer in the name of God is uttered over it. This must be carried out by a Muslim (Shafie and Othman, 2006).

However, some interpretations also require the head of the animal to be orientated in a certain way, along with other small but significant requirements. There are also debates among halal producers as to whether the animal should be stunned prior to slaughter (Bonne and Verbeke, 2008b). In the European Union (EU), the law requires that all animals must be stunned before slaughter, which impacts how halal meat is produced. There are, however, religious exemptions in some countries for halal slaughter, which some halal producers take advantage of and others do not (Bonne and Verbeke, 2008b).

At the next level of complexity is the idea of halal as a brand. Branding is notably separate from any form of regulation or oversight and is not related to certification. The word 'halal' is not a protected or copyrighted term and so it can technically be used by any manufacturer or restaurant owner. The word might be simply a brand name and not mean Islamic halal. In that case, the food might not meet Islamic standards. This possibility leads to a lack of trust among some Muslims regarding halal labelling and variations in trust towards the various secular and Islamic certification bodies (Ali, 2014, Bonne and Verbeke, 2008a, Bonne et al., 2008). Indeed, mislabelled foods and 'implied halal' have been raised as major issues in both Muslim and non-Muslim countries (Chuah et al., 2016, Shafie and Othman, 2006). In a recent Malaysian study, 112 of 143 tested meat products contained ingredients that were not included on the labelling. Some even contained ingredients that are haram in Islamic law (Chuah et al., 2016). For Muslims, this can be a serious religious issue if they adhere strongly to a halal diet, and it is also a serious health and safety issue if foodstuffs are undeclared or mislabelled. This lack of consistency in approach allows indirect branding to take place, as noted in Malaysia. This occurs when companies use apparent Qur'anic verses or an apparent Islamic look to imply that a food is halal compliant without ever stating clearly that it is or is not (Shafie and Othman, 2006). Clearly, the aim is to attract Muslim customers who do not check their foods too carefully. In addition, where research has been conducted with proprietors of halal restaurants, different interpretations of halal have been expressed, demonstrating the various understandings of halal in different cultural manifestations of Islam (Zannierah Syed Marzuki et al., 2012b).

Research has highlighted a desire among Muslim consumers for a global, recognisable and trustworthy halal brand that clearly denotes that a product is sharia

compliant: "a symbol, some icon … as a trust mark being placed on the halal products so that Muslims would know that such products are halal or acceptable for the Muslim community" (Cheng and Low, 2008). The desire for collaboration and consistency across halal producers and companies is clear in the lack of general trust that researchers have found (Cheng and Low, 2008). This is the case in both Muslim and non-Muslim countries. As a result, halal branding, instead of being simple, is in fact confusing for consumers in some cases (Ali, 2014).

The strategic usefulness of halal as a brand has been widely noted (Wilson and Liu, 2010) and there have been attempts, both theoretical and practical, to specify a clear definition and conceptualisation of halal as a brand. Alserhan (2010) produced an initial conceptual framework for understanding and defining halal as a brand, after noting that traditional brand theory is too narrow to apply fully to the idea of halal. Broadly, his framework outlines three dimensions for halal branding: compliance (with sharia and certification), origin and customer (specifically a Muslim). This fits into the debates surrounding Islamic marketing, which are outlined in chapter 3. However, in its current state, halal cannot yet be seen as a brand in and of itself. Its cultural meanings, practices and uses are too broad and multi-faceted. If halal does become a global brand, there is potential for a traditional form to emerge (Wilson and Liu, 2010). Attempts are being made to produce a global standard for halal certification by, for example, the World Halal Council, Global Halal Certification, the Halal Authority Board and the Islamic Halal Integrity Alliance. The last-mentioned organisation has developed the IHI Alliance Halal Standard in conjunction with the International Organization for Standardization (Alliance, 2016). As yet, none of these has become a global standard, but there is potential for it to do so in the future.

The size of the halal food market has been estimated at USD $150 billion a year, with a projected annual growth rate of 2.9% (Mukherjee, 2014). Another estimate has suggested that the global halal industry is worth USD $2.1 trillion (Fathi et al., 2016). This shows that there is a serious absence of reliable estimates of the halal market and its future.

The first legal step towards defining halal began in the form of halal compliance certification. This process is offered by various organisations, some voluntary and some government-based. Certification aims to ensure that everything labelled halal within a certain jurisdiction meets basic standards. These certifications are driven by consumer demand. Research has shown that consumers are willing to pay a 13% premium for certified halal foods. Indeed, if the trust regarding the quality of meat in supermarkets is low, more people will be willing to pay extra for certified halal meat at Islamic owned and operated businesses (Verbeke et al., 2013). They are also willing to pay a premium for halal foods certified as being transported and stored in sharia-compliant ways (Fathi et al., 2016).

Certification is a contentious issue in many parts of the world, including Australia. Certification bodies vary and they have been criticised for not being consistent. Inconsistency arises because there is a wide variation in the strictness requirements of different certification bodies (as a recent comparative analysis of nine global certification bodies revealed). For example, while all nine certification bodies require there to be no contamination during food transport, only five require that halal foods should only be transported and stored with other halal foods, and only one forbids stunning animals prior to slaughter (Latif et al., 2014). Therefore, foods certified as halal by The Halal Monitoring Committee (HMC) in the UK would not be certified by Jabatan Kemajuan Islam Malaysia (JAKIM). This is an issue confounded

further by the fact that many countries, including Australia, do not have a centralised government-run halal certification body. Instead, they have multiple third-party certification bodies, most of which are religious in nature and some of which charge for certification (Australian Food and Grocery Council, n.d.). The Australian Senate listed 22 certifying bodies in Australia in 2015 (Committee, 2015). Furthermore, these certifications are voluntary. There is no requirement for food which proclaims itself halal to be certified by any official body (Australian Food and Grocery Council, n.d.). This has been a difficult issue In Australia, and a recent inquiry by the Australian Senate raised questions about the lack of transparency and accountability in third-party certification and was wary of bodies who charge fees for certification (Committee, 2015). The Senate committee recommended that the Australian government take control of halal certification, standardise it and fully oversee it. Even where halal certification is standardised by the government, issues still arise regarding enforcement and monitoring. In Malaysia, which has the strictest global requirements for halal certification through the government-run JAKIM, the lack of enforcement or punishment for breaking halal rules has been noted (Shafie and Othman, 2006). It results from inadequate staffing.

Halal certification remains a complex and multifaceted concept, not even applied consistently within countries. Individuals, cultures, companies and certifying bodies all have different requirements for what they consider to be halal and these requirements are sometimes fluid. There is also a lack of trust and collaboration around the issue of halal, between companies and between companies and consumers. At its most basic, however, halal requires – according to sharia law – adherence to simple rules regarding the slaughter and contents of food.

Halal certification becomes a matter of antecedence to halal businesses only when there is heavy demand from consumers for proof that the food they are being offered is genuinely halal. When it is a Muslim restaurant, halal is automatically assumed, and consumers, including Muslims, may not insist on having halal certification verified. In the case of non–Muslim-owned restaurants, only Muslims may want that assurance. A large number of non-Muslim consumers might be satisfied by oral assurance, even if not truly certified. However, the bulk of halal businesses in Australia are dependent on non-Muslim customers due to the low population of Muslims in Australia. Such circumstances could lead to false claims, fake certificates and fake products, if halal certification is insisted upon. However, the bulk of these restaurants are likely to want to avoid the cost of certification, especially if certification is in effect unnecessary. This means that halal restaurants vary in the matter of certification, ranging from no certification, giving oral assurance, displaying a logo, offering a separate halal menu, offering some certification (fake, perhaps) to showing a proper and true certificate. The consequences on business performance of these differences in halal certifications might not be related to the degree of trustworthiness of the certification, but it might affect the trust a consumer has in a particular restaurant that it is offering halal, whether or not it has a certificate.

2.5 Halal Practices

Despite the many complexities of halal production and certification, maintaining a *strict* halal environment and ensuring that halal quality is always met in a restaurant requires a set of practices that are rigorous and subject to unceasing oversight. Rigorous attention and effort is needed at every stage of the restaurant's operations. These practices are particularly important when the restaurant obtains halal

certification from a recognised organisation and displays the halal logo outside the restaurant to reassure and attract Muslim customers.

The processes involved in order to ensure halal compliance at the highest level do not permit flexibility. The regulations for accreditation from Halal Australia (Australia, 2015a), Australian Halal Food Services (AHFS, 2010) and the Australian Federation of Islamic Councils (Latif et al., 2014) demonstrate the specific Australian context of certification. There are several categories for analysis when considering halal certification. Latif et al. (2014) lists some of these as: company profile, premises, workers, equipment, raw material, labelling, logistics and suppliers. For the purposes of this brief analysis, these can be merged into three: supply and transportation of raw foods, preparation of foods, and premises and workers.

2.5.1 Halal Practice: Logistics and Supply Chain

One of the non-negotiable elements of halal certification is that the animal must be slaughtered according to Islamic practice. Although there are debates over whether stunning is a part of this practice – for example, the Islamic Council of Western Australia will not certify any abattoir which uses stunning, while many others consider this to be animal cruelty (ICWA, 2016) – the most significant criteria are that the slaughterer is Muslim, that a prayer is said and that the animal is killed in the correct manner. Therefore, in order for a restaurant to be halal, they must be able to prove that the meat they purchase originates from a halal slaughterhouse. The variations that apply to restaurant certification also apply to slaughterhouse accreditation, and this too can be a challenge. Certainly, this has been raised as an issue by restaurant managers in New Zealand who refused to attempt halal accreditation. This was because of the difficulties and expense involved in sourcing

halal certified foods, which meant that they sometimes resorted to non-halal supplies (Hassan et al., 2009).

For a product to be halal everything about the product including its logistics and supply chain should be halal. The Malaysian Standard for Halal Logistics (MS: 2400:2010) prescribes the requirements of halal logistics as per Sharia laws. The specifications for processing, handling, distribution, storage, display, serving, packaging, and labelling of halal products are included in these standards. Based on personal interviews with 156 managers of logistic providers in Malaysia, Ahmad Tarmizi et al. (2014) noted that the factors for implementing these standards were: company vision for change, top management support, employee acceptance, enforcement of Halal Assurance System and environmental regulations.

In their review, Ab Talib and Johan (2012) argued for extending halal concept to packaging also. The issues in this respect are: halal certification of packaging, halal method of handling the product while packaging and halal traceability of packaging. This is, especially, an important point as the likelihood of packing halal food using non-halal materials exists. According to Ab Talib et al. (2016a) halal certification improved logistics performance through proper application of resources. The moderating role of government in this relationship was also noted. Another review of halal supply chain was done by Ab Talib et al. (2015a) to identify the critical factors for the success of halal supply chain management. The review found support of the government, information technology, collaborative relationships, transport planning, human resource management, halal certification and traceability as the critical success factors of halal supply chain management.

Based on the results of in-depth interviews, Tieman (2011) concluded that halal supply chain management avoids direct contact with *haram*, contamination being

interpreted in terms of Islamic perceptions. Thus, the product characteristics (compliance with Islamic laws of food processing) and market characteristics (Muslim consumers) become important in halal supply chain management. Not much work has been done on halal supply chain management in non-Muslim countries and its comparison with Muslim countries.

Proposing a framework for halal food supply chain, Tieman et al. (2012) identified the halal control activities and assurance activities contained in the logistics of the business processes. The focus was on transportation, warehousing and operations at the terminal end of the chain. A large discussion group and many focus group discussions were used as the methodology. Both product and market characteristics impacted the vulnerability of supply chain to contamination of halal products. Halal control and assurance activities are meant to minimise this vulnerability. It was shown that halal supply chain is different from conventional supply chain management. Specifically, it requires a halal policy. Halal-specific design parameters are required for supply chain objectives, logistics control, the structure of supply chain network, supply chain business processes, supply chain resources and the metrics of supply chain performance. In another work on establishing the principles of halal logistics, Tieman (2013) used large group discussions to define the scope of halal logistics, its principles and foundations separately for Muslim and non-Muslim countries. Halal logistics consist of transportation, warehousing and terminal activities. Steps to implement the halal principles for a global halal logistics should not cause many barriers to the firms. Prevention of cross-contamination by haram products, separate supply chain and its management, benchmarking with current best standards and practices are required.

According to the results of a survey on 44 Malaysian food manufacturers by Tieman and Van Nistelrooy (2014) halal logistics is a shared responsibility in food supply chain and value chain. They also stress on the need for a dedicated transportation and storage for halal. In the case of cold chain products, the need for a dedicated halal sea/airport complex is also recognised. In the case of ambient food products, avoiding mixing of halal and non-halal in the same zone is sufficient. This is sufficient to assure the Muslim consumer. Most manufacturers (especially small and medium) are willing to pay more for a separate halal logistics system. Government regulatory pressure for a separate halal logistics as an essential requirement for halal certification is recommended by the authors.

In recent years, the supply chain of halal foods has been a rapidly growing area of research, often focusing on Malaysia as a halal supply hub (Othman et al., 2009). Research has shown that supply chains are sometimes hard to navigate, making it difficult to ensure that all foods are traceable and certified halal (Meuwissen et al., 2003). Table 1 below outlines some of the more significant issues that arise in halal supply chains at various levels of complexity and desirability.

Table 1: Halal supply chain complexity and desirability (Tieman, 2011)

Phase	1 Muslim company	2 Halal product	3 Halal supply chain	4 Halal value chain
Name				
Characteristics of *Halal* supply chains	Based on trust	Based on local *Halal* standard Source is *Halal* certified	Based on complex set of local, regional and international *Halal* standards International *Halal* manufacturing and distribution zones	Islamic multinational food companies that control entire supply chains from seed to fork Islamic science based *Halal* supply chains One international Islamic currency
Issues in *Halal* supply chains	Lack of *Halal* certification authority *Halal* integrity concerns on imports	Efficiency of *Halal* certification Transparency of *Halal* standard Lack of *Halal* certified ingredients	*Halal* standards are not harmonised Lack of certified logistics service providers	Lack of Islamic and *Halal* researchers Lack of food scientists Ownership of natural resources
Example countries	Many countries in the Middle East, Africa, Asia and Eastern Europe	GCC countries, Indonesia, Singapore, Thailand, the USA, Canada, France, The Netherlands, Australia, New Zealand, Bosnia, the UK	Malaysia and Brunei are in the early stage of phase 3	None

This lack of harmony and transparency means that restaurant managers might need to undertake extensive research and develop an understanding of the various global accreditation systems, if they wish to meet a specific set of halal certification criteria. For example, in order to meet the AFIC requirements, genetically modified organisms (GMOs) must not be included in foods, whereas meeting the JAKIM regulations does not require the exclusion of GMOs. Thus any foods sourced from Malaysia could be problematic in Australia (Latif et al., 2014). Therefore, the entire supply chain must be as transparent as possible – and as local as possible – for restaurants to be sure that their products are halal. In addition, restaurant managers must develop strong and long-term relationships with suppliers and wholesalers in order to ensure that supplies are readily available and meet the demands of halal compliance (Wu et al., 2006).

The importance of halal assurance system and supply chain strategy to develop Malaysia as the global hub for halal foods was discussed by Muhammad et al. (2009).

The authors presented a strategy-structure-performance diagram to position the halal hub in relation to the broader supply chain strategies. However, the authors have used the paradigm applicable to firms rather to a country context in suggesting the framework. The nature and dimensions of the framework for a halal hub integrating supply chain and halal assurance system at country level will be quite different from the firm level framework proposed by the authors.

The supply chain integrity framework for halal food proposed by Ali et al. (2017) consists of four dimensions: raw material, production, services and integrity of information. However, the authors admit that the current industrial practices are insufficient for a good supply chain integrity. Absence of standards is pointed out as one of the issues. The precision of framework suffers as the dimensions of the framework are the same as for any other food supply chain and there is nothing specific to halal here.

Case studies were done on two fast food, two casual dining, two fresh processed meat products and one kopitiam in Malaysia by Helmi-Ali et al. (n.d.). The authors conclude that supply chain integration facilitates food integrity management with reduction in transaction cost for focal firm. An outward integration strategy based on trust reduces transaction cost while ensuring halal integrity. Supplier or customer facing strategy for halal integrity will involve moderate transaction cost with trust. High transaction cost occurs in the case of a periphery facing supply chain for halal integrity with no involvement of trust. Thus, according to this finding, the level of transaction cost and halal integrity depends on the nature of supply chain. However, the evidence provided by the authors are not adequate to substantiate all these conclusions. Halal integrity, on the other hand, logically should depend upon how effectively the firm complies with halal certification standards.

Using case studies on four types of halal food supply chains- fast-food, casual dining, kopitiam and meat processing - Ali et al. (2014) studied the factors involved in halal food integrity or halal assurance system. The authors observed that halal supply chain integration directly impacted on integrities of raw materials, production, service and information. Supplier facing supply chain strategy ensures supplier visibility an assurance of safety, traceability and visibility are provided by this strategy. In the customer facing strategy, the stress is on information integrity and this is achieved by genuine labelling. The periphery facing strategy provides both production and service integrity. Internal systems and flexibilities within the producing firms ensures production integrity. Service integrity includes delivery, security and training are used for achieving these integrities. These steps involve delivery and serving of the product, avoiding non-halal contamination, improving human elements of the system for better service to customers.

Based on a review of literature, Zulfakar et al. (2012) proposed a framework of the factors which determine the integrity of halal supply chain to ensure product integrity consisting of traceability, quality assurance, asset specificity and trust and commitment. The authors have wrongly included halal supply chain integrity as a factor although that is the output of the factors. In a subsequent paper, Zulfakar et al. (2014b) observed that halal food consumers were concerned whether the food products they bought are halal all the way. The authors discussed issues involved in halal certification, standards, traceability, dedicate assets, trust and commitment among the members of the supply chain and the role of the government in ensuring halal integrity as the components of a conceptual framework of halal supply chain integrity.

Halal integrity is absent in the conventional stages of the food chain. There is need to develop critical consciousness for halal integrity within the food chain. Only then, it is possible to address the needs of rapidly growing halal markets. In an attempt to define halal integrity from this perspective, Soon et al. (2017) considered the issue of cross-contamination in detail. This background was used for conceptualising halal integrity involving farm to fork or global supply chain models.

The need for real time halal tracking system was appreciated by a majority of survey responses in the work of Anir et al. (2008). However, a large percentage of respondents did not know about radio-frequency identification (RFID) as a possible method. The desirability of replacing the slow and ineffective current manual tracking system is established. Tracking of certified food firms through periodic inspections, e-halal portal of JAKIM and SMS facility of JAKIM are some of the current tracking practices. Most of them are not real time. These defects can be rectified using RFID which is comparatively better than bar codes although a little more expensive. The authors also proposed a model diagram for RFID tracking system. The paper reveals the large amount of opportunities that exist for Malaysian halal industry in this connection.

Based on interviews with halal certifiers, regulatory bodies and food manufacturers, Noordin et al. (2014) proposed a new halal ecosystem consisting of a new halal value chain and a new halal work system as its components. According to the process flow, there is no sequential order. All matters pertaining to halal certification is centralised in JAKIM. Other organisations check, report results and provide feedbacks to JAKIM. Therefore, the powers of JAKIM should be overriding the powers of other government departments in matters related to halal certification. However, how far it is true remains a question. This halal governance structure deals

with certification only. Hence, the authors should have titled it as Halal certification governance structure, like the title given here. Evidently, halal governance, as a whole consists of many aspects in addition to certification.

2.5.2 Halal Practice: Preparation and Storage of Foods

Preparation and storage are aspects that restaurant managers have the most control over, as they apply exclusively to the premises and the goods on those premises. However, proper halal handling and preparation requires training and knowledge in order to avoid contamination. Halal foods require exceptionally high standards of cleanliness and hygiene, due to the broad definition of 'filth' (which includes alcohol and anything touched by something that is not halal). For this reason, all certification boards require staff to be trained and some, including the AHF, require managers to allow them to observe food preparation and service once a year to ensure that standards are being adhered to (AHFS, 2010, Latif et al., 2014). Moreover, separation from any food which is considered haram must be visible and obvious. This includes utensils, storage containers and – on some occasions – fridges and freezers (Riaz and Chaudry, 2003, Afendi et al., 2014). Thus, practices in the kitchen must be absolutely halal and permit of little flexibility if halal is to be fully maintained. Furthermore, many halal-certifying bodies require at least one employee to be fully trained and knowledgeable in halal practices so that there is someone who can provide constant oversight (Kordnaeij et al., 2013b).

2.5.3 Halal Practice: Premises and Workers

Employees in halal-compliant restaurants must be better trained and potentially more skilled in preparing food in specific ways. Therefore, recruitment and training must be more halal-specific than in non-halal restaurants (Blooma et al., 2011). Some halal certification bodies require that at least two employees at all times are Muslim, although these are all in Muslim-dominant countries (Latif et al., 2014). Training and oversight, however, are universal in certification requirements.

In terms of the restaurant premise, there are two decisions that need to be made that affect halal compliance. The first is whether alcohol will be allowed on the premises and the second is whether non-halal foods will be offered. Alcohol on the premises is a challenge, as alcohol is always non-halal and there is potential for contamination. Some might feel that having an alcohol license means breaking halal norms, while others feel that, in non-Muslim countries, failing to provide alcohol in a restaurant is likely to affect business (Hassan et al., 2009). One compromise on this matter is the Bring-Your-Own (BYO) model, where customers who wish to drink alcohol can bring their own without risking contamination with other foods (Hassan et al., 2009). This does raise a potential issue regarding contamination of glasses, with strict halal-observant employees needing to ensure that glasses that contained alcohol are kept separate from other glasses.

The second decision is whether non-halal foods will also be sold. As halal requires the avoidance of certain e-numbers, animal fats, gelatine, emulsifiers, flavourings and enzymes, this can be an enormous challenge (Australia, 2015a).

Sourcing halal-compliant foods is very hard and adopting the practice of separating halal and non-halal foods in a kitchen means more possibilities for contamination and more practices that must be very rigorously carried out. Moreover,

some of the stricter halal certification bodies require the premises to be 100% halal and produce only halal foods. This is true of JAKIM in Malaysia, the Federation of Islamic Associations of New Zealand (FIANZ) and the Islamic Food and Nutrition Council of America (IFANCA), but not for AFIC (Latif et al., 2014).

2.5.4 Halal Practices: Summary

At each stage of the restaurant business, from sourcing to serving, the decision to fully comply with halal requires significant effort and maintenance on the part of managers and employees. In addition, the majority of certification bodies engage in external auditing and yearly reviews to ensure that the restaurants they certify continually meet their required standards (Australia, 2015a, AHFS, 2010). Thus, there is external, third party accountability for these practices. The difficulty of maintaining halal is part of its function as an individual religious observation, but in a commercial setting it can become onerous and restrictive. Therefore, the decision to embrace halal as a business practice needs to be taken carefully and with full awareness of the consequences.

2.6 Advantages and Disadvantages of Halal Practice

Adopting halal can be onerous and with many barriers, and halal compliance is especially challenging. There are significant initial and ongoing costs – in time, money and effort – in researching and maintaining halal compliance. Nonetheless, there are clear strategic advantages for restaurants that are halal-compliant, and especially if they have halal certification. There are also benefits from an operations management perspective. Operations management refers to the coordinated control of internal processes and activities, from supply to the finished service (Heizer and

Render, 2013, Slack et al., 2010). Effective operations management must be guided by a clear strategy and plan if the restaurant is to be financially successful, and halal guidelines provide the basis for such a strategy (Heizer and Render, 2013).

2.6.1 Advantages to Customers of Halal Practice

Some of the significant advantages that derive from halal compliance can be gleaned from the perspectives of consumers, both Muslim and non-Muslim. The demand for halal restaurants is evident in the existence of websites such as Zabihah.com and halalSquare.com.au. Thus, it is likely that engaging in, and advertising, halal practices will increase the volume of Muslim consumers who are seeking halal options for eating out. Such a phenomenon can be seen in Australia in the opening of the halal-complaint McDonald's in Punchbowl (a suburb of Sydney), which has attracted Australian Muslims from across the city (Chan and Zain, 2012). A further benefit of halal certification is that Muslim customers develop trust and confidence in those businesses and restaurants (Shafie and Othman, 2006, Llach et al., 2013, Zailani et al., 2015, Zannierah Syed Marzuki et al., 2012a). This trust can be hard to gain, but once gained it has clear advantages. Customer trust transforms into customer loyalty, which is one of the most valuable attributes of a customer from a business's perspective. It ensures that customers return. It can also contribute to new customers and hence new sales. It has been estimated that 60% of all new customer sales result from word-of-mouth recommendations from existing loyal customers (Reichheld and Sasser, 1990). Loyalty in a halal context is vital for both consumers, who desire trustworthy halal restaurants, and for businesses (Mukherjee, 2014, Hassan et al., 2009). It contributes to enhanced reputation and a booming business. Thus, the reputation of halal compliance is likely to increase the number of customers, as does providing a product

that fills a consumer gap. The likely result is increased business volume and higher profits.

Another customer benefit that derives directly from halal certification is the perception that genuine halal foods are clean and safe (Zannierah Syed Marzuki et al., 2012b). As a result of the tightened regulations regarding food contamination, and the general Islamic emphasis on cleanliness and hygiene, halal foods are perceived, by Muslim consumers especially, to meet higher health and safety standards (Amat et al., 2014, Zailani et al., 2015). This perception prompts another perception, namely that the product or service is of high quality, which translates, both intuitively and empirically, into better business performance (Llach et al., 2013). The implementation of quality management practices has been demonstrated to have measurable effects on customers' perceptions of a business and thus on the business's performance. Halal compliance is a form of quality management strategy (Llach et al., 2013) and is thus likely to improve the image and reputation of the restaurant, leading to more customers and higher profits.

From a consumer's point of view, halal certification implies that a restaurant is halal-compliant and thereby dedicated to health, safety and quality. For Muslim consumers, halal certification indicates that a restaurant can be trusted to serve sharia-compliant foods and can be visited with confidence. These are all positive impacts.

2.6.2 Advantages to Business of Halal Practice

The positive impressions customers gain from halal compliance can be leveraged by managers as a strategic marketing strategy. The benefits of halal as a marketing tool and as a brand have been widely noted by business, researchers and consumers (Zannierah Syed Marzuki et al., 2012a, Zailani et al., 2015, Wilson and Liu, 2010).

The demand for halal is evident (Cheng and Low, 2008) as is the move to brand halal. Therefore, there are obvious benefits to engaging in halal practices and advertising these practices to consumers, borne out as an antecedent to halal adoption in research undertaken in Muslim countries. For example, Zailani et al. (2015) demonstrated that the most significant internal and external drivers of halal certification were business benefits, followed by halal market demand. In some countries, non-certified hotels advertise themselves as being halal because they do not serve pork (Zailani et al., 2011). Thus, halal compliance is a useful and beneficial differentiation strategy for restaurants.

This is particularly true in the growing area of halal tourism. Although this takes into account a much wider range of tourist services (travel, hotels and shopping), restaurants are key to tourism (Zailani et al., 2011). Halal travel companies are a growing industry, as are websites and resources for halal-compliant tourists. In cities which rely heavily on tourism, such as Sydney and Melbourne – which are popular with tourists from Muslim dominant-countries such as Malaysia and Saudi Arabia – there is a market for halal-compliant tourists (Hassan and Hall, 2003, Battour et al., 2010). This is likely to increase as a result of the 'There's Nothing Like Australia' campaigns in Indonesia and Malaysia, campaigns which are likely to add to the AUD $10.8 billion spent annually by tourists on food and drink (Australia, 2016). This figure does not include the domestic travel of Muslim Australians, who are also an obvious market. Tourism Australia recognises this, as demonstrated by their inclusion of recommended halal restaurants on the official Australia.com website, and the idea of a 'halal tourism boom' in Australia is one that is growing (finance, 2015).

A second area of business advantage for halal practices is in the benefits of quality management. At its most basic, quality management is a process-oriented

approach to ensuring that quality is maintained at every stage of a business, not just in the product or service (Gitlow, 2000). Quality is defined as uniformity, dependability and cost-effectiveness, and it depends on fitness for purpose and careful management and close attention to detail at every step. Such close attention to detail is evident in halal practice. Quality management has been empirically linked to better business performance in a number of ways, including competitive advantage (Al-Dhaafri and Al-Swidi, 2016, Kafetzopoulos and Gotzamani, 2014, Flynn et al., 1995). In particular, evidence suggests that supplier relationships and work attitudes are significantly correlated with better performance from a quality management perspective, two areas that are strong in halal practices (Flynn et al., 1995). Thus, management practices that mirror the rigor of halal are likely to lead to improved business performance.

2.6.3 Other Advantages of Halal Practice

Halal practice also offers a number of benefits to the organisation, stemming from an operations-management approach and how the organisation links to its cultural roots. For example, halal practice can forge links to religion and places. It can also contribute to a human resources strategy, especially with regard to training and skills. Operationally, human resourcing is vital to a successful business, fostering commitment among employees and contributing to better overall business performance (Buller and McEvoy, 2012, Kehoe and Wright, 2013). Halal practices could also contribute to the internal culture of a business, that is, to the values, patterns of thinking and day-to-day activities of employees and managers (Slack et al., 2010). The emphasis on rigour, lack of flexibility and ethical processes in strict halal compliance is likely to influence the culture of a business and therefore the

motivation and performance of employees. While the lack of flexibility could potentially lead to stress among employees, the clear culture and its associated guidelines – along with an emphasis on training and development – should offset this and contribute to improved employee motivation and employment satisfaction (Slack et al., 2010).

The decision to comply with halal requirements also gives managers and owners a clear pathway with regard to market orientation and business practices. While non-Muslim customers can and will eat halal foods, and are broadly positive about halal practices (Latif et al., 2014, Mathew, 2014, Ayyub, 2015), the major market for halal restaurants will be Muslim people. Market orientation and its benefits will be explored more thoroughly in chapter 3, but there is a clear link between a market orientation strategy and business performance (Grinstein, 2008).

2.6.4 Disadvantages of Halal in Australia and New Zealand

Despite the multi-dimensional benefits of halal as a practice, it is important to note that there are disadvantages to the decision to adopt halal in Australia. The first is the confusion and lack of consistency regarding certification and accreditation, as outlined earlier. The multitude of certification bodies, the lack of transparency and accountability of these bodies, and the controversies regarding fees and potential corruption mean that making decisions regarding halal certification in Australia is complex and will require research (Hassan et al., 2009, Rosly Othman et al.). This confusion is compounded by the anti-halal Islamophobia that has played out in much of the Australian media in recent years. Islamophobia played a significant part in the 2015 inquiry into halal certification. Accusations were made in Australian right-wing media that halal certification bodies were connected to, and funding, terrorist groups.

The accusation was investigated by the Australian government and, although ultimately dismissed, a perception had been created that all Islamic practices are connected with terrorist activities (Shafie and Othman, 2006). Indeed, the accusation remains popular on Facebook and Islamophobia blogs.

A secondary concern about halal, also raised in the Australian Senate, was the idea that halal certification and labelling is a 'religious tax' on non-Muslims (Committee, 2015). A number of campaigns that propagate this idea are still running, some demanding boycotts and the abolishment of halal certification in Australia (e.g., halalchoices.com.au). It is difficult to see this concern as anything other than Islamophobia.

Finally, there is widespread concern in Australia that halal slaughter without stunning (as promoted by some, but not all, certification bodies) is animal cruelty and causes unnecessary suffering (RSPCA, 2015).

Research in New Zealand found that many restaurant managers who had adopted halal practices were reluctant to seek or advertise halal certification as a result of Islamophobic sentiments (Hassan et al., 2009). The process of halal certification is sometimes seen as being onerous and time-consuming, with few tangible benefits to restaurant owners (Rosly Othman et al.). The linking to terrorism, the unsubtle racial othering and other negative insinuations associated with halal found in the Australian and New Zealand media raises the prospect that the overall consequences of adopting halal will be negative rather than positive. As Australian anti-halal campaigners have been known to directly target businesses that use halal certification and labelling, this is a legitimate concern for restaurant owners (Mathew, 2014).

Basically, halal practices are meant to ensure that the food consumed is pure, clean, of high quality, nutritious and free of any substances harmful to human health.

If these were the only criteria, there are any number of brands and products available in the market that are sourced from authentic producers, transported to processing sites safely and quickly to avoid spoilage, packed hygienically, transported to distributors and sellers quickly to avoid any damage which may contaminate the product and affect storage life, and sold to consumers in intact packages labelled with legally required declarations regarding its health and nutritional quality, packed date, expiry date and batch number of the processing unit. The records kept throughout this process ensure traceability from source to buyer, should any complaint be reported. Thus, the only distinctive feature of halal is its Islamic character. But giving Islamic context to the brand may deter some customers. This is a real dilemma in branding halal. At the same time, just as other ethnic cuisines (like Italian pizzas) are produced and sold, the positioning of halal as an ethnic brand may be possible. The antecedents of branding halal as an ethnic brand, and its consequences on business performance, were studied in this work.

2.7 Compliance versus Choice and Niche versus Generalist Halal Strategies

The decision to comply with halal as a set of halal practices is a strategic management decision. Therefore, it is subject to the issues that surround strategic management in general. A helpful lens for exploring issues of strategic management and decision-making is the concept of strategic paradoxes. A strategic paradox arises where there are two or more incompatible or conflicting strategic approaches that a business manager could take and the manager is forced to decide which will be best for their business (De Wit and Meyer, 2010). A classic example is the decision to be resource-focused or customer-focused. Since it is impossible to focus fully on both, a strategic

manager must decide which will be best for their business (Smith et al., 2010). This is an approach to strategy that complements the structure–conduct–performance framework outlined in chapter 3. While halal practices have the potential to offer a wide range of business advantages to restaurants, adopting halal is not in itself enough to be a strategy (Zailani et al., 2015). Managers will need to make subsequent decisions about their strategic focus within halal in order to most effectively exploit its benefits, and this will raise paradoxes that will need to be managed. At the core of halal as a business practice are two paradoxes: the paradox of compliance versus freedom, and the paradox of profitability over ethical responsibility (De Wit and Meyer, 2010).

The decision to embrace halal, and to use of halal compliance as a marketing and business strategy, requires restaurant owners to engage in difficult, time consuming, restrictive and potentially more expensive practices, as outlined earlier. These halal practices, by design, limit freedom of choice for managers and restaurants. This means that a restaurant cannot be compliant with the requirements of a halal certifying body and have the same freedom and flexibility as other restaurants. They cannot, for example, change suppliers easily or switch to using the cheapest possible ingredients. This is a strategic paradox: whether to comply with the rules or to retain flexibility (De Wit and Meyer, 2010). Research into why business do not embrace halal certification has found that this freedom to change and make short-term decisions is a defining reason (Zannierah Syed Marzuki et al., 2012a, Zailani et al., 2011). This is another issue that a strategic manager must take into account and approach with knowledge and foresight in order to manage successfully. Another key paradox is whether the organisation should focus on a niche segment or connect with a broader range of customers. This study shows how organisations can manage the

possible trade-offs between focusing on halal segments and being attractive to a broader group of customers.

In order to manage paradoxes successfully, it is necessary to be clear, dynamic and focused as a manager and leader (Smith et al., 2010). Most significantly, managers must be dynamic. This lens through which to view strategic decision-making in halal restaurants in Australia will be particularly useful, as it offers a series of decisions that must be made, each of which has antecedents, throughout the strategic planning process. It is a useful partner to the structure–conduct–performance paradigm outlined in the following chapter. This paradigm forms the theoretical core of this thesis.

The level of compliance to halal specifications – with or without certification – can become an antecedent to market and customer choices. Strict compliance and certification are safe bets in extending the halal brand. Both Muslims and non-Muslims can be targeted. However, the effort required may not make commercial sense if it attracts only a few more customers.

In the Australian context, the absence of a national certification policy or widely respected certification organisations complicates the issues of both halal compliance and certification. When these two become antecedents, low levels of Muslim population and Muslim tourists may not economically justify going completely halal. The consequence might be an inadequate increase in customer volume, and the insignificant effect on profits might render the effort not worthwhile. However, most halal restaurants are small-scale in nature, mostly found in areas with a large Muslim community. These restaurants operate at very low levels of efficiency and are satisfied with modest profits. Therefore, as long as they make reasonable profits with their current customers, they may not be concerned about issues of halal compliance

and certification. Notably, although Muslim ownership is regarded as automatic halal assurance, the only elements of halal in such restaurants might be those related to animal sacrifice and no non-halal contamination. Other halal aspects, such as healthy food and clean food processing, might be missing. On the other hand, larger restaurants, mainly owned by non-Muslims and located in major Australian cities, might find it more prudent to offer a broader assortment and choices that might expand customer volumes considerably. Therefore, the decision to accept or reject strict halal compliance can be an antecedent to business performance through customer volume. Ownership and location could also be critical antecedents. Whether that is the case with Australian restaurants can only be known by comparing the performance of strictly complying halal restaurants with that of restaurants that are not as strictly complying but which sell foods labelled halal. Part of the data in this study provides such a comparison.

Chapter 3: Review of the Literature on Halal and Hospitality

3.1 Introduction

Koutroumanis (2011) argued that restaurants and hotels face increased competition in the industry. They are competing for more customers, for skilled employees and for better locations. Canina et al. (2005) contended that firms that operate in the same industry use various strategies in order to perform better than their competitors. A competitive advantage is achieved when a firm adopts strategies that meet customers' needs better than those adopted by rival firms. Enz et al. (2008) show that a restaurant's location is very important and restaurant owners give much consideration to finding a location best suited to the needs and perceptions of the customers they are hoping to attract. This adds another dimension to the complex strands of competition in the restaurant industry. To remain competitive in today's times, the managers and restaurants need to understand the various facets of the business and halal from both their and their customers' perspectives.

3.2 Research on Halal Consumers around the World

Much research on halal considers the consumer and why they buy halal. Interestingly, much of this research has been undertaken in Muslim-majority countries. Wilson and Liu (2010) theorised that the principle of halal (see sub-section 2.4.1) has resulted in the creation of many ingredient brands and some co-branding that consumers particularly look for. Based on the results of a survey on 727 Muslims in Kelantan

Shafiq et al. (2015) concluded that factors relating to ingredients, ownership and marketing encouraged consumers to buy halal while displaying the halal certification logo was of little importance. The halal logo was a non-issue as Kelantan is regarded as the corridor to Mecca. Further, processing had no influence on consumer intention to buy halal. This was due to the difficulty Malaysian consumers had in recognising the genuine halal logo, caused by the existence of multiple and fake logos (Shafiq et al., 2015).

Based on a survey of 213 Malaysian Muslim halal shoppers, Abdul et al. (2009a) concluded that they were concerned with both the presence of a logo and the ingredients used. The importance of religion was noted, with the assurance of halal needed to motivate them to buy halal. This implies that risk and uncertainty are factors in the decision to buy halal. Other factors included the process, product and environment.

The degree of confidence to manufacture halal foods and to use logos was evaluated by Rezai et al. (2012) based on a survey of 1,560 Malaysian consumers. Less confidence in the halal label was expressed by older, rural, more educated and more religious consumers. Attitudinal factors related to the absence of the JAKIM halal logo, unfamiliar brands, food products from non-Muslim countries and the absence of a list of ingredients (or its vagueness) also made consumers unsure of the products.

Awareness of halal food and its consumption by Malaysian Muslims has been found to be determined by religious belief, halal exposure, presence of the halal logo and health considerations (Ambali and Bakar, 2013). Partial least squares structural equation modelling was done in this study, but how the data was collected is not clear.

A survey of 113 Malaysian Muslims was used to study halal food awareness (Ahmad et al., 2013). The authors found that the level of awareness of halal food among Malaysian Muslims was determined by their understanding of the concept of halal. Muslims were more likely to buy foods based on price and taste rather than halal certification or the presence of the halal logo.

According to Ambali and Baker (2014), religious belief, exposure, a certification logo and health factors contribute to the halal awareness of Muslims, with health reasons being the most important factor. The authors used qualitative research by literature review and a quantitative survey of Muslim consumers.

According to a survey conducted by Kamaruddin et al. (2012), customers were willing to pay the additional costs incurred in halal-compliant logistics. A logit model was used to identify the external factors influencing this willingness.

A survey of 384 halal customers in Malaysia uncovered a significant relationship between advertising and progress for products with halal brand, relative quality of halal products, religion, barriers to consumption, attitudes towards other products and mental norms with attitude towards the halal brand (Kordnaeij et al., 2013a).

A study by Mohd Suki and Abang Salleh (2016) found that Malaysian Muslim consumers were more favourable towards stores displaying a halal image. Such an image generated a positive attitude, a perception of behavioural self-control and prompted subjective norms, leading to an intention to patronise the stores. The results were obtained from a survey of 548 consumers.

Certain extrinsic attributes can provide cues that convey the halal status of products. For example, a survey of 420 Malaysian consumers found a significant relationship between manufacturer identity, product label, physical product and its

packaging, and country of origin and a perception of the product as being halal (Ishak et al., 2016).

The halal purchasing intentions of Pakistani customers were studied from the responses of 300 participants in a survey (Awan et al., 2015). Halal marketing, perceptions of the customer and of the society, halal branding practices, sales promotions, endorsements by celebrities and halal certification were found to be significant factors. Religious belief did not influence halal purchasing intentions. Customers were willing to spend more money, and expend greater effort, in order to buy halal products.

A study of consumer awareness and perceptions of halal foods in Pakistan was conducted by Salman and Siddiqui (2011). The study was based on a survey that collected cross-sectional data. Religious belief was found to be strongly related with religious commitment. Highly religious people may not be aware of the availability of halal foods. Attitude towards halal food is strongly related with beliefs. Identity is more strongly related with intrinsic rather than extrinsic forces associated with the customer. The authors noted the general low level of awareness about halal foods, even though Pakistan is a Muslim country. Also, there is no certification organisation for halal foods in Pakistan.

An increase in the Muslim population and in Muslim tourists has led to an increase in demand for halal food in the USA. However, a study by Kamaryusniza et al. (2015) found that in regions were Muslims are in the minority, getting halal food can be difficult. Even where halal can be obtained easily, inconsistent regulations lead to variations in assured standards, generating uncertainty about the genuineness of the halal brand. The definition of what makes a meat product a halal can also be confusing. These challenges in sourcing genuine halal food can be overcome in some

part by enlisting the help of social media. The operative community dynamics in these cases were found to be linking, defending and protecting. The authors suggest that inter-linking of sub-communities will help prevent their marginalisation. Social media platforms can be used to mediate between market and religion, interpreting and altering patterns of consumptions and supporting a life of identity conformity.

Kamarulzaman et al. (2014) used netnographic methods to analyse the involvement of social media with respect to halal foods in USA. They found that social media provides an excellent platform for identifying sources of halal products, their location and quality, and for overcoming barriers to access and uncertainty concerning authenticity. They also serve as moderators of the relationships between religion, the market and consumption. Social media provides a venue for dialogue on standards of commitment and faithfulness, plays the role of a community-based arbiter of standards, supports identity construction and helps overcome the marginalisation of minority populations.

Halal awareness and product ingredients significantly influenced the intention to buy halal foods by Saudi Arabian consumers, even when they were packed by non-Muslim manufacturers (Azam, 2016). Religious belief, certification, logo use and exposure were the main determinants.

A study of Zimbabwe consumers found that socio-cultural values did not have any effect on the perception or consumption of halal food by people from selected Christian denominations (Mutsikiwa and Basera, 2012). People of all religions – other than Protestant, Catholic, Baptist and Apostolic – were highly sensitive to their socio-cultural orientations.

Based on a survey of 485 Malaysian consumers, Lada et al. (2009) found that the intention to choose halal products can be predicted using the theory of reasoned

action. Attitude and subjective norms were positively related to intention, with the latter having greater influence.

Using the theory of post-modern tribalism (also known as neo-tribalism), Karoui and Khemkhem (2016) found that Islamic consumer behaviour is strongly influenced by religion and culture. This Islamic nature drives consumer behaviour, reflected in a preference for Islamic products such as halal foods. The current rise of Islamism is the result of globalisation. Islamic consumers are also seekers of identity and, being proud of their religion and culture, buy only products that are labelled as Islam. It gives them a sense of belonging and solidarity within the Islamic community.

A survey of 100 participants on halal buying from supermarkets in Malaysia found a positive relationship between attitude, subjective norms and personal behavioural control with halal purchasing intention (Afendi et al., 2014). These three factors are components in the theory of planned behaviour.

The halal food consumption intentions of the Generation Y population in Malaysia was evaluated by Khalek and Ismail (2015). A survey of 425 members of the Generation Y population found that the intention to consume halal food was influenced by attitude, subjective norms and a perceived control of one's behaviour. The authors used the theory of planned behaviour to explain their observations.

The influence of antecedents of Halal Consumption Congruence (HaCC) on buying intentions and decisions of Malaysian consumers was studied by Said and Hassan (2014). Three types of consumption congruence were identified: country of origin, ethnocentrism of consumer and religious commitment. The congruence of the image of the product with the consumer's self-image was found to be an important determinant in consumer buying decisions.

Religious factors can induce specific consumer behaviours. Self-identity as a Muslim and the need for dietary acculturalisation with the host culture were found to determine the halal consumption patterns of Chinese Muslims (Saiti and Othman, 2014). Based on a survey of 368 Chinese Muslim participants, the authors obtained significant positive attitude for motivation to comply with religious needs and personal conviction towards intention to consume halal meat. Perceived control had a negative effect. Halal meat consumption was generally influenced by pressure from others, personal conviction and perceived control. The authors used the theory of planned behaviour to explain the results.

In a survey of Muslim students between 16 and 35 years of age, Khalek (2014) found a positive attitude towards halal foods with JAKIM certification. Subjective norms were less important compared to attitude and behavioural control in selecting halal foods. Promotions, publicity and certification can address issues related to selected halal foods. The theory of planned behaviour was not applicable in full.

The theory of planned behaviour was further tested in a study of halal purchasing intentions of Malaysian consumers (Shah Alam and Sayuti, 2011). The study found that all factors influence halal food purchase intentions significantly and positively.

Khalek et al. (2015) surveyed students between 16 and 35 years of age at institutes of higher learning in Malaysia. They obtained 255 useful responses. Among the three components of the theory of planned behaviour, only positive attitude and behavioural control towards halal foods were related to the intention to consume halal food among the students. The third component of the theory, subjective norms, was not a factor.

Responses obtained from 548 Malaysian consumers were analysed by Suki and Salleh (2016). The results showed that attitude, perceived behavioural control,

subjective norms and halal image positively influenced the intention of consumers to patronise halal stores. Stores displaying halal images were favoured, as they induced confidence about the genuineness of the halal food offered by the stores. Thus, the theory of planned behaviour was corroborated in this study.

In the findings of Aziz and Chok (2013), food quality was negatively related to halal buying intention of Malaysian non-Muslims. On the other hand, there was a positive relationship between halal awareness, certification, market promotion and brand with halal buying intentions.

Wibowo and Ahmad (2016) proposed a conceptual model regarding the acceptance of halal food by non-Muslims. Inner perspective, Halal logo credibility and habits were the drivers, the introduction of acculturation was the moderator variable, and understanding on how the non-Muslim consumers accept the Halal food products was the outcome in the model. The authors admitted that they had not attempted to validate the model, which is highly theoretical and needs further detailed study.

Haque et al. (2015) found that, in Malaysia, attitude, subjective norms and perceived behavioural control of non-Muslim consumers influenced their perception of halal foods. (These three factors are the components of the theory of planned behaviour.) Structured interview responses of 500 non-Muslim consumers were subjected to factor analysis and structural equation modelling.

From a closed-ended structured survey of 100 non-Muslim consumers across Malaysia, Nastasha (2015) concluded that attitude, subjective norms and perceived behavioural control influenced the perception of non-Muslim consumers about halal food products. This meant that non-Muslim consumers were willing to purchase halal

products, but their perceptions related to personal and socio-cultural factors did not influence their willingness.

From a survey of 400 non-Muslims in Malaysia, Rezai et al. (2010) found that non-Muslims were aware of the halal concept, halal food and the advantages of the halal way of slaughtering animals (in terms of sustainability, animal welfare, food safety and the environment). Higher education, older generation, higher level of religiosity and an urban lifestyle were associated with greater halal awareness. Interestingly, the authors extended the theory of planned behaviour to cover an assumed intention to purchase halal foods. At the same time, the authors acknowledge that the disapproval of the halal method of animal slaughter and the food consumption behaviours dictated by their own religion (as important to them as the belief of Muslims about their food consumption behaviours) stands in the way of non-Muslims actually buying halal foods. Halal is legitimised only by the ritual of an Islamic religious scholar reciting a Qur'anic verse during the slaughter. This may not be acceptable to people of other religious faiths. Those factors which determine the actual buying of halal food were not studied by the authors.

Jamal and Sharifuddin (2015) studied the results from 303 in-depth interviews of 10 British Muslims. The study showed a significant positive relationship between perceived usefulness, vertical collectivism and religiosity and both intent to buy halal products and intent to patronise halal stores. It also showed a negative relationship for horizontal collectivism. This negative relationship was moderated by religiosity. Perceived value was positively related with intent to patronise, a relationship that was also moderated by religiosity. The study also found that halal labelling enhances the shopping experiences of British Muslims.

A survey as well as observational studies reported by Ahmed (2008) showed that British Muslims were either not aware of the availability of halal meat in supermarkets or did not trust the food to be truly halal. Instead, they trusted only local Muslim vendors for buying halal meat.

In a detailed study, Bonne and Verbeke (2006) examined the motivation of Belgian Muslims towards halal meat consumption. The most relevant consumer trends were related to the guarantee of safety, quality, trustworthy information, convenience and animal welfare. Religion also influences consumer attitude and behaviour in food-buying decisions and eating habits. The authors used the means–end chain (MEC) theory and laddering technique. MEC theory states that the attributes of a product can be related to abstract cognitive elements of consumer behaviour. The theory was originally based on the ideas of Tolman at al. (1932), later expanded upon by Rosenberg (1956), made into models by Gutman and Reynolds (1979) and Olden and Reynolds (1983) and further developed by Hermann (1996) and Kliebisch (2002). According to the model, the method by which consumers relate to products follows a hierarchical model of three interconnected levels: product attributes, consequences of use and personal values. An assumption is that consumers consider products as a means to important ends. The theory tries to explain how this is achieved during the selection of a product or service.

According to the results Bonne and Verbeke obtained, most of the respondents bought meat from an Islamic butcher, Islamic abattoir or at the farm gate. Freshness, slaughter method and taste were the most important selection criteria. The end values are enjoyment of life, care for family, health, faith, tradition and respect. Faith and tradition had direct links with halal labelling. Obedience and tradition were values given only by second-generation Muslims (who were only weakly concerned about

the slaughter method). For males, faith is strongly linked to slaughter method, with tradition only weakly linked. Care for family and obedience were not in the final values of males. On the other hand, for females care for family was more prominent and strongly linked to taste and liking. Obedience, tradition and faith were only weakly linked with slaughter method.

Cross-sectional data collected from 202 Belgian Muslims by Verbeke et al. (2013) showed that more acculturated and female consumers were willing to buy certified halal meat from supermarkets. However, the supermarkets had to guarantee the separation of halal from non-halal products. The study found a willingness to pay a premium (up to 13%) for halal-labelled meat from Islamic butcher shops, but not from supermarkets. Gender and generation were the factors related to the willingness to pay a premium. Halal certification was also important, although there was a mistrust of halal status.

In another study by Bonne and Verbeke (2008a), four market segments were identified. These were based on increasing levels of confidence in controlling, monitoring and communicating the halal status of meat among Belgian Muslims. These market segments were termed *indifferent*, *concerned*, *confident* and *Islamic idealist*. The study found that 29.1% of the market was in the indifferent segment and about 60% was in the confident and idealist segments. These segments also differed in their trust in the sources of information and of institutions, their perceptions of the health and safety of halal meat, consumption barriers, behavioural variables such as frequency of halal meat consumption and place where it was bought, acculturation, self-identity factors, socio-cultural aspects and certain other individual characteristics of the consumer. Those in the indifferent segment were undecided as to who should monitor the status of halal meat and most open with regards to buying halal meat in

supermarkets. Those in the concerned segment had more confidence in Belgian than Islamic institutions and considered lack of information, poor hygiene and safety concerns as barriers to buying halal meat. Those in the confident segment preferred Islamic institutions for monitoring and communicating about halal. Younger second-generation consumers were mostly found in the Islamic idealists segment. They had a high degree of Muslim self-identity and a very low level of confidence in Belgian sources and institutions. Although these four market segments were identifiable, it is unlikely that they are located in geographically distinct regions. They are best thought of as merely representing consumer categories.

Hall and Sevim (2016) used the theory of planned behaviour to explain the determinants of halal food consumption by Turkish Muslim immigrants in Germany. The results, obtained from the survey of 400 participants, showed that attitude, subjective norms (which were of the highest significance) and perceived behavioural control could be used to predict the intention to consume halal food. Thus, the theory of planned behaviour was found to be able to explain halal consumption.

In a study of North African immigrants in France, self-identity as a Muslim and acculturalisation was found to influence halal consuming behaviour (Bonne et al., 2007). The study surveyed 576 Muslims and revealed a correlation between a positive attitude towards halal consumption, the influence of peers and perceived behavioural control with an intention to consume halal foods.

In a comparative study of 250 Muslims in Malaysia (a Muslim country) and 250 Muslims in Netherlands (a non-Muslim country), Tieman et al. (2013) found a higher level of segregation and a higher level of willingness to pay for halal foods in Malaysia than in the Netherlands. The subjects studied emphasised that there should be a heavy responsibility on manufacturers to ensure that halal practices are applied

along the entire supply chain. However, is not clear whether this responsibility was insisted upon in both countries.

In an Austrian study, Schlegelmilch et al. (2016) noted that while halal food endorsements are perceived positively by a focal target group, they are perceived negatively by consumers who have animosity towards that group. Using social identity and social dominance theories, the authors were able to explain the reaction of a group of Christians against a group of Muslims with regards to halal endorsements. The animosity was stronger with social dominance theory than with social identity theory. The animosity played a role on a customers' willingness to buy halal products.

From all these studies it can be concluded that halal is an important phenomenon in a growing number of countries. The motives of consumers are very diverse, ranging from food quality and religion to the cuisine that they know and love.

3.3 Halal Certification

In a review by Ab Talib et al. (2016), institutional theory was found to offer a suitable explanation for the motivation behind implementing halal certification. The halal food market is highly institutionalised with government regulations. There is also demand from Muslims and a high level of competition in the market. The authors claim that apart from explaining external factors, institutional theory also explains internal factors.

A survey of 2,080 Malaysian restaurant managers conducted by Marzuki et al. (2011) led to the conclusion that restaurant managers had high commercial expectations of halal certification, as it ensures trust, safety and hygiene. It also provides an opportunity to expand the international tourism market. This work was

extended in the following year (Zannierah Syed Marzuki et al., 2012b), finding that restaurant managers recognised the relevance of halal certification for strengthening their sales. This is because certification provides a guarantee of halal quality, which is critical if Muslims are to accept the restaurant's food offerings. The high level of religiosity among Muslims makes this a sensitive issue. From a marketing point of view, halal foods can be offered as unique products that conform to Islamic dietary rules.

A survey of 547 Malaysian small-to-medium enterprises (SMEs) in the business of halal food production evaluated the gaps between the expectations and experiences in the operation of the halal certification services of JAKIM (Badruldin et al., 2012). The SERVQUAL model was used to identify the gaps. The results showed that none of the five quality dimensions met the expectations of the SMEs. The most significant gap was with empathy. More effective functioning of JAKIM was recommended.

Abdul et al. (2009b) conducted a survey of 136 SMEs (65% halal-certified, 44% Muslim). An analysis of the results indicated a significant relationship between religion and halal certification, and no relationship between halal certification and international venturing, even though 60% of them had ventured internationally. Only about half of those who had obtained halal certification agreed that Malaysia has a proper system to monitor compliance with halal certification requirements. Only about 38% agreed that information about the halal hub in Malaysia is adequate. The authors recommended addressing the implementation gaps identified in this study.

Abdul Aziz and Chok (2012) studied the effect of halal certification on the purchasing intentions of non-Muslims. They surveyed 226 people and found that halal awareness, halal certification, brand promotion and marketing had a positive relationship with halal purchasing intentions. The authors strongly recommend halal

certification as a way of increasing business and also recommended that governments make halal certification mandatory.

Mohamed et al. (2014) interviewed 300 OIC food manufacturers in Malaysia and found that perceived behavioural control was an important determinant in adopting halal certification. The attitude towards halal was found to influence the intention of OIC food managers.

Identifying four types of stakeholders – certifying organisation, consumers, firms and government – Prabowo et al. (2015) considered factors that might hinder restaurants and caterers in an Indonesian region from adopting halal. Using a method called nominal group technique (NGT), they found that the most important issue was the lack of socialisation and information, which led to a lack of awareness about halal certification.

The perceptions of Indonesian SMEs on halal certification was evaluated by Abdul et al. (2013). Based on a survey of 102 entrepreneurial SMEs, they found that awareness of the halal hub, internal auditing of halal compliance and educational level had a significant influence on halal certification.

A Pakistani study by Inam et al. (2016) evaluated the managerial perceptions of halal certification, the motivation or halal certification and the effect of halal certification on the performance of restaurants. Responses from 163 managers of international food chains to a quantitative survey questionnaire were obtained. Islamic attributes, customer equity (trust and confidence among Islamic customers), marketing benefits (brand establishment, strategy tool, competitive advantage and tourism market) were found to impact performance of restaurants. Although Pakistan is an Islamic country, non-Muslims are also increasingly attracted to halal foods. The cost of compliance did not affect the decision to seek halal certification. Halal

certification increased the performance of restaurants, from both a customer perspective and a competition perspective.

3.3.1 Problems and Challenges of Certification

Malaysia aims to become the major global halal hub in the near future. To achieve this landmark, the country needs to consider the challenges of halal certification for international marketing. Highlighting the problem, Shafie and Othman (2006) identified the issues and challenges that need to be addressed if Malaysia is to achieve its goal. The main issues are the inconsistent definition of the term 'halal', especially regarding the slaughter of animals, varying halal logos, the use of Arabic or Islamic brand names, misuse of the Holy Quran by firms to convince customers that their products are genuinely halal, and the inadequate enforcement of regulations regarding the use of halal logos. The main challenges are inadequate control and enforcement, and inadequate government assistance to the halal regulating body (JAKIM). JAKIM does not have the power to enforce compliance, it lacks cooperation from global certification organisations, and it is dependent on third-parties for research and development and for inspections before, during and after halal implementation. Halal certification is considered by Muslims to be more important than other types of certifications, and there is pressure on the government to make halal certification compulsory for all halal products marketed in the country and to require traders to display halal products at prominent places in their stores.

Based on a literature review, a Pareto analysis was conducted by Ab Talib et al. (2015) on 36 motivational and 37 limiting factors for implementing halal certification. About 80% was accounted for by 15 motivational and 20 limiting factors, and these were considered as the critical factors for implementing halal certification.

The inadequacy of halal orientation of even halal-certified firms has been pointed out by Talib et al. (2010). A number of orientation issues were discussed in the paper, but the authors did not offer any specific solutions.

A comparative analysis of the certification standards of various halal certification organisations around the world was conducted by Latif et al. (2014). Nine parameters were used as the basis of comparison. The results showed that JAKIM is the most stringent certifying organisation among those examined.

Sungkar and Hashim (2009) noted the characteristics of global halal food markets. The characteristics were highly fragmented, due in part to the diverse meaning of halal, varying income levels and their associated purchasing power, varying awareness of halal, location, religiosity and ethnicity. Major challenges in the international halal trade include the high level of reliance of current halal importers on non-tradeable domestic food sources, the insufficient supply of halal food in countries where halal food is already the food in most demand, the lack of world-class technologies to build global brand awareness and loyalty, the difficulty in adapting products to different markets, and logistics and distribution difficulties. The need to preserve total halal integrity across the supply chain is necessary to retain customer confidence. In the absence of global standards, the misuse of halal certification is already evident. Efforts to standardise halal certification globally were outlined by the authors.

The need to empower religious authorities to take legal action against fraudulent halal labelling was emphasised by Ibrahim and Mokhtarudin (2010). Although the conclusion may be valid, relying on only one interview – with a quality assurance provider – prevented the authors from identifying other possible factors involved in false labelling and considering how it might be prevented.

Although the Malaysian government is continuously attempting to provide a holistic centre for halal certification, monitoring and enforcement, the institutional framework – with its low level of centralisation – is unable to fulfil these tasks effectively. It lacks the ability to network with international organisations and experts on halal topics. Multiple qualitative techniques were used by Iberahim et al. (2012) to arrive at these conclusions.

The credibility of halal certification depends on its governance structure. This structure needs to prescribe rules within which the certification must operate. Based on interviews with stakeholders on both the demand and supply sides of halal foods, Noor and Noordin, (2017) proposed a governance structure. They also considered relevant political, economic and institutional dimensions.

Marzukia et al. (2014) conducted a factor and cluster analysis of Muslim and non-Muslim restaurant owners. Their study identified three groups: certification advocates (consisting of Muslim owners), certification ambivalents (consisting mainly of Chinese Buddhists) and those who focused on the cost of compliance. The religious divide was quite clear in the characteristics of these groups with respect to halal foods and their certification.

Halal certification is clearly an important consideration in the halal industry, but a broad range of antecedents is likely to determine whether halal is adopted by a restaurateur. From the review so far, it is also clear that halal is developing around the globe but that there are also issues, which may or may not be location specific. Across the range of studies however, it is clear that there are both cultural (including religion) and market motives for restaurateurs to adopt halal.

3.4 Market Orientation

Market orientation is an important driver of performance in companies (Jaworski and Kohli (1993). Definitions of market orientation are multifarious and nebulous, ranging from the 'implementation of a marketing concept' (McCarthy and Perreault, 1984) to 'the set of cross-functional processes and activities directed at creating and satisfying customers through continuous needs-assessment' (Deshpandé and Farley, 1998). The concept of market orientation has become more complex in recent years. For the purposes of this research, the latter definition is more helpful, as it takes into account more aspects than the former (which essentially reduces it to marketing). Deshpandè and Farley's definition also posits market orientation as a series of processes rather than a single activity, processes that range from sourcing suppliers through to presenting the food. This multi-process approach is more applicable to the adoption of halal practices, given how all-encompassing and strictly halal they must be (Zannierah Syed Marzuki et al., 2012b). Therefore, this definition will underpin this research.

The antecedents and consequences of market orientation have been widely researched, from both a theoretical and an empirical standpoint, and became particularly important in the 1990s. Jaworski and Kohli (1993) in particular contributed much to this area of research. Based on empirical research, they proposed two conceptual models of market orientation, each outlining how and why market orientation came about, how it was successful and what the consequences of market orientation are. In their 1990 work (Kohli and Jaworski, 1990) they produced a model that defined market orientation as having two major parts: a focus on the customer and coordinated marketing. Their conceptual framework identified three antecedents

to successful market orientation: senior management factors, interdepartmental dynamics and organisational systems. Their 1993 work extended this framework, exploring the quantitative impacts of market orientation. They found that market orientation was positively related to business performance. Additionally, they found the rest of their model to be weakly supported or unsupported, probably due to its relative simplicity. Their primary finding however, was significant, and it supported other contemporary research (Narver and Slater, 1990).

The relationship that Jaworski and Kohli demonstrated between business performance and market orientation has become one of the most strongly held convictions in marketing literature (Grinstein, 2008). The concept has remained a fundamental part of business strategy thought and research, and is one that is still used in contemporary research that includes multiple factors, such as innovation orientation (Grinstein, 2008, Ngo and O'Cass, 2012).

The concept of market orientation has been nuanced considerably since the 1990s, and mediating factors have been widely explored. In particular, the broad concept has been broken down into constituent parts, most notably customer orientation and competitor orientation (Narver and Slater, 1990, Ozkaya et al., 2015, Deshpandé and Farley, 1998, Gatignon and Xuereb, 1997).

As with much business management research, human and behavioural factors have begun to be acknowledged as vital to market orientation. One of these factors is market-based innovation, which is seen as innovation that departs from the existing mainstream market provisions and creates new markets with new customer values (Ozkaya et al., 2015, Zhou et al., 2005). There are many innovative ways to study behaviours. For example, Chandra and Leenders (2012) studied user innovation and entrepreneurship in the virtual world. Recent evidence has demonstrated that market-

based innovation mediates a relationship between market knowledge, market orientation and business performance (Ozkaya et al., 2015). Within this framework, the decision to embrace halal practices in the Australian restaurant market can, in part, be seen as a market innovation, for it is a diversion from mainstream non-halal practices and is underpinned by religious values that are not served by existing markets.

However, much of this research has focused on large organisations, with multiple departments and employees. SMEs often face very different conditions and have different experiences in the market. While evidence has demonstrated that many of the relationships that exist for large business also hold for SMEs (Kara et al., 2005), there has also been much research that emphasises the impediments to SMEs in implementing a market orientation strategy. Most significantly, SMEs usually have limited finance, time and knowledge to expend on the research required for implementing a comprehensive market-orientation strategy (Carson and Cromie, 1989). This leads to uncertainty about who their customers or competitors are, and a largely random approach to management that is based in short-term thinking rather than long-term strategy (Harris and Watkins, 1998). However, this is not always the case. There is evidence that some SME businesses are more in touch with their customers than even some large organisations and are much more flexible in their ability to manoeuvre (Mc Cartan-Quinn and Carson, 2003, Tzokas et al., 2001). Therefore, it is not necessarily a lack of information that leads to uncertainty and lack of market orientation, but a lack of knowledge or resources to implement market orientation successfully.

Some research has emerged recently that relates market orientation to the hospitality industry and to small restaurants. A recent study of small restaurants found

that there was an emphasis on customer information and customer orientation to the detriment of competitor orientation (Perry, 2014). Two groups of restaurant owners were defined by Perry (2014): reactive or proactive. Reactive owners tended to base their strategic decision-making on intuition, experience and previous knowledge, showing some distaste for the idea of changing strategy on the basis of customer comments (from, for example, Yelp.com). Proactive owners on the other hand accepted that their experience and knowledge had limitations and were more interested in collecting information on competitors and customers in order to develop more well-rounded strategies (Perry, 2014).

In specific relation to halal practices as a market orientation decision, two recent pieces of research are relevant. Lee et al. (2016) explored innovation as a factor in market orientation and its effect on business performance in Australian restaurants. An analysis of 198 restaurants and cafes where entrepreneurship was evident, 'developing new product and market opportunities' was found to have the strongest empirical relationship with business performance. The second strongest relationship was 'defining core purpose'. These results have clear relevance to the decision to adopt halal practices in Australian restaurants. A halal restaurant is one which has a commitment to differentiation from mainstream competitors, and demonstrates a core purpose that, by definition, will permeate the entire business. This suggests that the adoption of halal practices will be a successful market orientation strategy in the Australian restaurant market.

Further useful research is a study by Altinay (2010) of minority ethnic-owned hospitality businesses and a study by Jamal (2005) of the marketing practices of the same businesses. Altinay explored Turkish-owned restaurants, cafes and takeaways in the UK. The Turkish population in the UK is predominantly Muslim and interested in

halal practices. Altinay's study examines two factors which are relevant to this research: how the food outlets negotiate co-ethnic and mainstream consumer behaviours, and how they manage intense minority ethnic competition. Both studies highlight the specific circumstances of minority ethnic business owners, especially in the hospitality industry. The owners tend to lack resources and lack formal education, more so than mainstream owners (Altinay and Altinay, 2008). Moreover, due to different cultures, languages and religions, they tend to find themselves as conduits between mainstream culture and ethnic communities (Jamal, 2005, Altinay, 2010). This influences their marketing and positioning strategies. Importantly, minority ethnic restaurant owners are often extremely innovative in identifying new markets and in marketing ethnic products to mainstream consumers (Jamal, 2005). They take branding, marketing and both consumer and competitor orientation much more seriously than their mainstream counterparts (Perry 2014; Altinay, 2010).

One factor to note is that these studies were all conducted in highly ethnically diverse areas of London, where many business owners had been operating for decades. This is significant for this study because many owners interviewed by Altinay (2010) declared that they were moving away from their original differentiation strategies – which focused on Turkish halal foods – and towards more mainstream products that did not focus on halal as a marketing factor. This is because the Turkish businesses had integrated into mainstream London, and the changing behaviour of second- and third-generation Turkish consumers was forcing a reconsideration of their business strategy. In Australia, however, diversity is lower and immigration from Muslim countries is a much newer phenomenon than in London (Statistics, 2012). Moreover, as explored below, the restaurant market in Australia is unique, with trends in the minority ethnic-restaurant industry likely to be

different. Within this study, this will be defined as 'cultural orientation', being the marketing practices drawn from a specific cultural background. In the case of this thesis, those practices relate to halal foods as set out in the sharia tradition of Islam and which are predominately marketed towards Muslims.

3.5 Cultural Orientation

Halal is often perceived as being relevant only to Muslim consumers and driven by religious motives. The purposes of certification and halal branding are to appeal to observant Muslims and to reassure them that the food they purchase is compliant with Qur'anic requirements (Bonne and Verbeke, 2008b, Hanzaee and Ramezani, 2011). Therefore, Muslim consumers form a niche market and are being targeted with halal marketing. Certainly, there is a demand among Muslim consumers for halal-certified foods that are sharia-compliant. Thus, the branding of halal and the marketing of halal to Muslim consumers as a niche market has become a vibrant area of academic research in its own right. Halal as a concept is too easily restricted by religious branding theory, which limits the use of halal and the ability of businesses to implement customer orientation (Wilson and Liu, 2010). For example, Alserhan (2010) attempted to define halal as a specifically Islamic form of branding, one based on the ethics and values of Islam. In particular, he highlights that in order to effectively implement a market orientation strategy that targets Muslim consumers and provides differentiation from the mainstream market through promotion of Islamic practices, the strategy must be undertaken in a specifically Islamic manner, one which takes into account Islamic values, guidelines and standards. Moreover, in a multi-ethnic market such as Australia, a marketing mix will be needed, one that engages both Muslim and non-Muslim consumers.

One of the key issues highlighted by Alserhan (2010) has also been observed in Australia. Called 'ethnic marketing' by other researchers (Chan and Ahmed, 2006, Chan and Zain, 2012), this issue is the significance to Muslim customers of the county of origin foods labelled as halal. Abdur Razzaque and Nosheen Chaudhry (2013) noted that Australian Muslim consumers took considerable interest in researching the origin of, and production processes involved, in the halal foods they purchased, a trend that was specifically related to high religiosity. This issue was also highlighted by Ali (2014) in his research on male Muslim consumers in Australia regarding halal labelling. Many of Ali's respondents were very concerned about the reliability of halal labelling, and undertook research to ensure that the foods they consumed were halal. Two of the major indicators they used were the country of origin and the use of official Australian halal certification. As there is no secular or government authority that oversees halal certification in Australia, it is unclear which label they are referring to, and they were unaware of the sheer number of certifying bodies in Australia. Still, it is clear that trust was broadly placed in third-party bodies that certify halal compliance (Ali, 2014). The country of origin of foods was also seen a source of reassurance for the respondents, as they believed that certain Muslim-majority countries produced halal foods even if the producers were not certified (Ali, 2014). Again, we see a difference in what is understood as halal, which makes marketing it complex. Some of Ali's respondents believed that halal slaughtering practices were enough to mark a food as halal, even when certification bodies require that processing and transportation must also meet certain standards before the food can be marked as halal (Latif et al., 2014).

Ali's work also identified an area that is emerging as significant in relation to customer orientation towards Muslim consumers, namely the concept of Islamic

marketing. The first foray into a theoretical understanding of Islamic marketing was made by El-Bassiouny (2014). This was in response to what she saw as the marginalisation of one billion Muslim consumers in strategic marketing and business planning literature. She aimed to outline the specific characteristics of the religious Muslim consumer and the implications this had for marketing that aimed to engage Muslims. (She noted, for example, that religious Muslims are likely to react negatively to marketing that included sexual appeals.) El-Bassiouny's work is significant in beginning a conversation about marketing to specifically Muslim consumers. However, critics claimed that her approach was based on simplistic stereotypes of Muslims and Islam and that it did not have widespread application (Jafari and Sandıkcı, 2015). This is likely to be a vibrant area of academic debate in the future, to which this research will in part contribute.

Cultural orientation is the orientation towards the characteristics and knowledge of a particular group of people, where culture includes language, religion, cuisine, social habits, music and arts. However, where halal is concerned it is a highly complex area, requiring careful consideration from a theoretical perspective. Halal is a religious issue, but it is also a cultural one. Further, it is now a global brand with meanings that are only loosely related to religion (Hanzaee and Ramezani, 2011). Furthermore, as Alserhan (2010) and Ali (2014) have noted, on an individual level, the meaning of halal is multifarious and dynamic. Halal is not a rigid or static concept, and especially not in the field of market orientation. For the purposes of this research, one of the most significant things to note with regards to cultural orientation is the different concepts of halal as a brand – highlighted by Alserhan (2010) – and the difference between halal as an Islamic practice marketed to Muslim consumers, and halal as an Islam-derived practice marketed to non-Muslim consumers.

3.6 Degree of Adoption of Halal

As has been shown earlier, there is considerable diversity in the interpretation and understanding of halal as a religious practice, cultural practice, and as a commercial endeavour. This diversity is mirrored in the disparities in implementing halal in restaurants in both Muslim-majority and Muslim-minority countries. While some restaurant owners have embraced halal certification and display their certificates, others have approached halal practices more loosely, aiming for halal supplies but not halal preparation and refusing certification (Hassan et al., 2009). At the centre of these issues lies trust, an issue that is raised in almost all studies concerning halal. Muslim consumers need to be able to trust restaurant owners, food suppliers and certification and oversight bodies that the foods are truly halal.

There is currently very little research exploring the degree of halal adoption in either Muslim-dominant or Muslim-minority countries. Only one model for measuring the degree of halal adoption exists, developed by Razalli et al. (2015). Named SIHAT (Sharia Islamic Hotel Assessment Tool), the model is explicitly designed for hotels rather than restaurants. It was developed using hotels in Malaysia, the country where most of the research concerning halal in the hospitality industry has been undertaken. However, a number of the areas the model considers – such as food and beverages, administrative practices and service practices – are applicable to restaurants. Administrative practices here refer to four areas of management: the existence of a sharia oversight committee, the importance of Islamic principles to the business, the use of compliance audits, and the implementation of a program for continual improvement. The authors suggest that Islamic finance should underpin the business for full sharia compliance. With regard to service practices, the authors

include the use of an Islamic greeting, the banning of alcohol from the premises, the clear display of halal food information, and clear price display as relevant factors in assessing sharia compliance. Food and beverage practices are clearly the most relevant in transferring the SIHAT model to the restaurant context. Importantly, banning alcohol on the premises is foremost among the authors' requirements for halal compliance, as well as a Qur'anic verse. However, the rest of the guidelines are very vague, simply stating that certification from JAKIM must be sought. As JAKIM is the strictest halal certification authority, and a state-run one, it is assumed by the authors that certification requires a very strict compliance. This requirement is not transferrable to an Australian context, due to the existence of disparate and opaque private certification bodies. Nonetheless, Razalli and his colleagues offer a useful starting point for further research on the degree of halal adoption. Indeed, their work can be placed alongside that of Latif et al. (2014) in providing a useful initial framework. Latif developed a set of 44 criteria within 9 categories by which halal certification bodies could be assessed. With little modification, these criteria could easily be applied to restaurants.

There are many ways to market halal compliance. These include obtaining and displaying halal certification, placing stickers on doors and windows, and mentioning it in flyers and advertisements. There are also more modern and more subtle approaches – which will only reach those consumers who are interested – such as seeking inclusion in online halal listings such as Zabihah.com, halalsquare.com.au and halaltrip.com. Such an approach will make halal compliance obvious to those consumers who care to search for the information, but not to the general public. Social media advertising through Facebook, Yelp or Twitter can also be used to publicise halal compliance without needing certification. Marketing these marking

decisions, however, is the degree of compliance. Full compliance with a strict certification body will be a stronger foundation for explicit marketing of halal practices than weak or variable compliance, such as in the case of those managers discussed by Hassan et al. (2009) who occasionally purchased non-halal meat when it was easier to get.

There is very little research that considers the actual marketing methods used by restaurants who offer halal. While there is a small, and growing, area of marketing research which explores halal as a brand in general, this has tended to focus on food producers rather than service restaurants (Alserhan, 2010, Chan and Zain, 2012, Hanzaee and Ramezani, 2011, Mukherjee, 2014, Rarick et al., 2012, Wilson and Liu, 2010). That research has either focused on compliance (Zailani et al., 2011) or on consumer intentions (Ayyub, 2015). No-one has considered the specific marketing of halal as a brand or attribute in SME restaurants, either in terms of strategy or effectiveness. It is therefore necessary to draw on a very new theory of Islamic marketing (Alserhan, 2010, El-Bassiouny, 2014, Jafari and Sandıkcı, 2015). However, as the ongoing debate between El-Bassiouny (2014, 2016) and Jafari and Sandıkcı (2015) shows, this is an area which is highly volatile. It is also highly theoretical. Therefore, generic research concerning the strategies of SME restaurants can provide a useful foundation.

As stated in Chapter 1, the aim of this research is to explore the relationship between the market and cultural orientation and company performance as influenced by the adoption and marketing of halal practices. The research will explore market and cultural orientation as antecedents to the degree of adoption of halal practices, and the decisions regarding the marketing of halal practices. The research will explore

the impact that the degree of adoption and marketing of halal practices has on restaurant performance.

The basic model that is derived and that provides the theoretical lens for the empirical study (e.g., Eisenhardt, 1989; Leenders and Chandra, 2013) is presented in Figure 1 below.
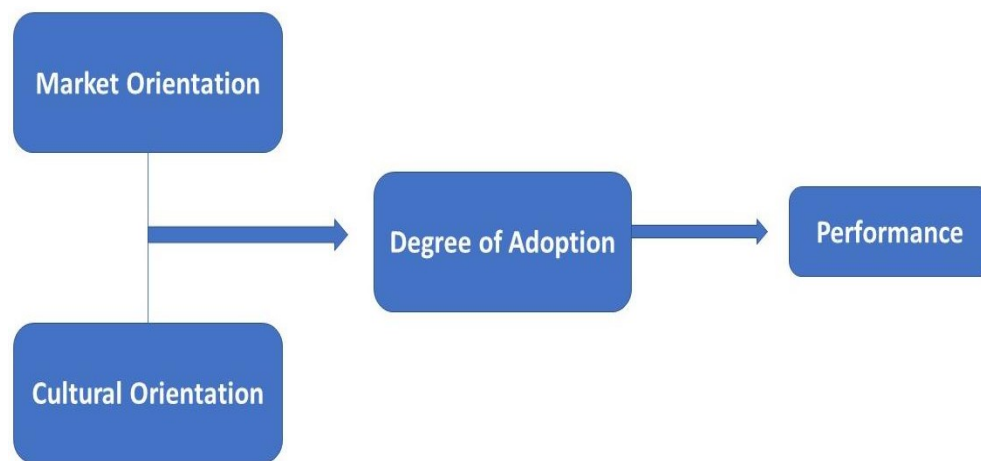
Figure 1: The framework proposed for this research

Halal as an industry is growing quickly and in complex ways. However, the vast majority of research which explores halal as a business decision has been conducted in Muslim-majority countries, primarily Malaysia. In most of these studies, the religious drivers are prominent and presumed. Research which does explore halal industries in non-Muslim countries has mainly focused on global food production rather than on small businesses. Indeed, there is very little which considers what opportunities halal offers owners of small restaurants. This is particularly true in countries such as Australia, where halal is a deeply contentious public issue, perceived as a religious practice but also a business decision. This research will be the first to explore why restaurant managers choose to adopt a form of 'halal' in a

Muslim-minority country, how they implement their halal practices and what the performance outcomes of this decision are.

In addition, this research offers a unique perspective on halal in Australia. Halal is likely not a simple act of marketing orientation in the Western world but also rooted in religious and cultural practices in many countries including Australia. Culture is perceived as shared art, language, music, food, social habits, place, religion, ethnicity and tastes, among many other things. Thus, a more nuanced halal concept needs to be developed in order to understand it as a business practice on its own terms. Cultural orientation will be related to the idea of cognitions within the structure–conduct–performance (SCP) framework that guide this study. These two antecedents are likely to be related to the degree of adoption of halal which is likely to be related to the performance of restaurants in a variety of ways. More important, an in-depth study on the motive of some form of halal adoption may lead to new insights on additional motives and forms of adoption of halal.

CHAPTER 4: Methodology

4.1 Introduction

This chapter will offer an overview of, and justification for, the chosen research design, methods and strategies. The design provided a framework that guided and shaped the research as it progressed.

4.2 Comparative Case Study Design

Data collected from a range of restaurants was studied to explore and enrich the theoretical model proposed by Eisenhardt (1989). A qualitative research design was selected as the most appropriate, as halal restaurants have received very little research so far. The field of Islamic marketing is emerging but the issues which are the focus of this research – the antecedents of halal practices, the restaurant's market-orientation processes and the performance consequences of adopting halal – have not been explored thoroughly (Eriksson and Kovalainen, 2015).

The aim of this research is to understand why restaurant managers have taken the decision to adopt halal practices, what they have done to implement those practices and what they perceive to be the advantages and disadvantages of halal practice in the Australian restaurant context. Finally, performance outcomes will be explored.

This research used an interpretivist and constructivist epistemological paradigm where interpretation and experience are considered to be of primary importance alongside the specific context in which the research is conducted (Creswell, 2013a). This is important in this research because halal itself is not an objective concept. The

concept is a blend of cultural, moral and religious aspects and thus inherently subjective. Where one individual feels that they are adhering to halal practices, another may consider them to be far too lax. This is true in both judgements of a person's adherence to halal and in judgements of a business's adherence to halal. It is therefore important to explore levels of halal adoption and how these are perceived, constructed and understood by the managers who implement them.

Furthermore, qualitative research emphasises the process of research in and of itself, viewing data and theory as being linked in a reciprocal manner (Marvasti, 2003). Theory emerges as data is interpreted, analysed, reinterpreted and presented during the research process. In qualitative research, theory is not a rigid or static element being tested (Creswell, 2013b). This research, as most qualitative research, is therefore exploratory and inductive in nature. It is, however, an approach which places the researcher as an individual at the centre of the research process. It is the researcher alone who develops the questions, framework and data collection tools, and who then collects and analyses the data. The researcher's assumptions, interpretations and perspectives are therefore fundamental to most qualitative research (Creswell, 2013b). It is necessary to recognise this feature of qualitative research and take steps to address it.

The extent to which the themes and patterns in the data are actually present in a halal restaurant was corroborated an independent rater (i.e., the researcher's supervisor). This ensured validity and reliability of the findings. In addition, certain scales were used during interviews. For example, the following question will be asked with respect to market performance: 'rate the market performance of your restaurant compared to similar restaurants that you know' (1= lowest 20% and 5 is highest performing restaurant). This information will accompany the qualitative analysis.

4.3 Sampling of Restaurants

In line with a qualitative exploratory research design, this research used a purposive sampling technique (Neuman, 2002). Purposive sampling is a strategy that ensures that all participants are chosen for their relevance to the research questions. Specifically, each will have a personal perspective on the issues being explored, and each will have their own stories and own experiences regarding the issues under investigation (Bryman and Bell, 2015, Creswell, 2013a). The sampling aimed to represent a specific group with specific characteristics, in this case, halal restaurant managers and/or owners in the multicultural city of Melbourne in Australia. Managers and/or owners of halal restaurants were chosen for this study as they are the most likely to have the requisite knowledge and opinions. It is the managers and/or owners who will have made the decision to adopt halal practices, who will oversee and manage the degree and specifics of adoption within their restaurant and who will have experience and opinions regarding the advantages and disadvantages of halal adoption. They therefore meet all the objectives of this study. The interviews were therefore carried out with halal restaurant managers and/or owners.

An unavoidable part of any research is that it is necessarily limited by time and resources. Therefore, it was decided to study just one location in Australia: the city of Melbourne. According to Zabihah.com (2016), there are 382 halal restaurants in Melbourne, ranging across multiple types of cuisine. These were the focus of this research.

Sample size in an important issue to consider in all research, although the specific issues of representativeness and generalizability are drawn from positivist, quantitative research and are not necessarily transferable to a qualitative context

(Eriksson and Kovalainen, 2015). One approach to developing an appropriate sample size is drawn from grounded theory and focuses on the idea of saturation. Data saturation is reached when interviews are no longer generating new themes or issues and therefore fresh interviews are unlikely to add new useful information (Creswell, 2013a). Such an approach means that sample size cannot be decided in advance, and there is no guarantee in advance that data saturation will be reached. Indeed, some suggest that data saturation can never be truly reached (Bryman and Bell, 2015). Therefore, this research takes a more pragmatic approach to sample size, opting to gather as many participants as possible within the constraints of time and resources. A sample size of 50 restaurants was chosen, representing roughly 13% of the total number of halal restaurants in Melbourne. If more data points are needed because the results do not converge, further research could include more restaurants.

The restaurants included in the research were chosen at random from the halal restaurants in Melbourne listed on Zabiniah.com. Therefore, all the restaurants in this research were self-declared that they are halal-compliant and have advertised themselves as such. The sample will include both full-service and fast-food restaurants. Potential restaurants were approached at first by telephone or by personal visit. This increased the chances of participation and reduced the non-response rate. Upon agreeing to participate, the restaurant managers and/or owners were provided with participant information and a consent form, and a date was arranged to conduct the interview.

In summary, the sample in this study will be chosen to meet the specific aims of this research. The participants were the managers and/or owners of halal restaurants in Melbourne, Australia. In total, 50 restaurants were included in this research as a

convenient and reasonable sample of the population of halal restaurants in Melbourne in 2016.

There were 328 halal restaurants in the city of Melbourne in 2016. Out of the 328 restaurants, 88 restaurants were telephoned or visited. Out of the 88 restaurants, 50 agreed to participate in the study. These restaurants were located in the suburbs as listed in Table 2 and marked in the map in Figure 2. Therefore, a response rate of 57% was achieved.

Table 2: List of sampled halal suburbs in Melbourne

Suburb
Coburg
Brunswick
Coolaroo
Reservoir
Bundoora
Campbellfield
Fawkner
Hoppers Crossing
Tarneit
Lalor
CBD
Docklands
Glenroy
Fitzroy

Figure 2: Map showing the location of sampled halal restaurants in Melbourne

4.4 Data Collection Methods

The interviews formed the basis of this research were semi-structured rather than fully structured or unstructured interviews. Structured interviews are more frequently used in quantitative research, due to their closed nature and singular focus (Bryman and Bell, 2015). Unstructured interviews, on the other hand, are purely qualitative. However, they require an enormous amount of skill to conduct and an equally enormous amount of time to fully analyse the information collected. Unstructured interviews can be very long and cover many topics, as they are not guided by any specific focus. Thus, it is never guaranteed that the issues under investigation will

arise (Creswell, 2013a). As this research is not action research or grounded theory, it was decided that semi-structured interviews would be most appropriate (Creswell, 2013a).

Semi-structured interviews are guided by an interview protocol (also called an interview guide; see Appendix 1) that covers the specific topics or questions which need to be addressed in the interview. However, these can be addressed at any time, in any way and the wording of questions can change during the interview (Crano et al., 2014). In a semi-structured interview, the focus of the conversation is on the interviewee and their experiences. While the researcher has control of the conversation, and eventually guides it to focus on the relevant topics, the interviewee should do the majority of the talking (Creswell, 2013b). The aim of a semi-structured interview is to gather rich, deep data about the experiences and perspectives of the interviewee that is not limited or bound by the pre-formed opinions or assumptions of the interviewer. Thus, the interviewee is encouraged to ramble, give long answers, and engage in conversational diversions, bringing up the issues connected to the primary topic that they consider important (Bryman and Bell, 2015). Such an interaction is ideally a fluid and flexible conversation. It is for these reasons that the semi-structured interview format was chosen for this research.

An interview guide was developed for the interviews, with questions that were derived from the literature review and related to the study's aims and objectives. The questions were few in number and, importantly, they were open-ended and neutral so as to encourage the participants to talk as much as possible. In addition to the questions, the guide also contained prompts to encourage participants to continue talking if they give short answers or if they do not answer a question fully. Nonetheless, the guide acted only as a general spine for each interview while still

ensuring that the interviewer addresses all the necessary topics. It was not be a script to be followed by the interviewer, as this would have inhibited flow and rapport.

The lack of flexibility is one of the potential pitfalls of a semi-structured interview, particularly for novice interviewers (Bryman and Bell, 2015). There is a tendency for both interviewer and interviewee to fall into pre-defined roles of leader and follower respectively, where the interviewee is a passive repository of knowledge and the interviewer plays the role of an investigator trying to extract information (Marvasti, 2003). Such a dynamic is useful only in a structured interview. In a qualitative interview it is a hindrance. This can result if questions are too narrow, the interview guide is followed too closely, there is a lack of confidence on the part of the interviewer, or a lack of ability or desire to articulate one's thoughts and feelings on the part of the interviewee (Bryman and Bell, 2015, Creswell, 2013b, Crano et al., 2014). Navigating this tendency can be very challenging for researchers and it is necessary to develop strategies for avoiding or addressing it. Probing questions and prompts can be of great use. Further, developing a rapport and ensuring that the interviewee knows what to expect from the interview and the research can be crucial in determining the success of a semi-structured interview (Bryman and Bell, 2015, Creswell, 2013a).

To address these issues, the participants were briefed about the nature and purpose of the research and given a copy of the *Participant Information and Consent Form* (PICF) in advance of the interview. This allowed them to familiarise themselves with the purpose of the interview and what their expected role would be. In addition to the ethical necessity of this action, it also enabled participants to prepare their thoughts in advance and not be surprised by the topics that were probed. All questions were open-ended and neutral in order to allow the participants to interpret them and

answer them in their own way. This encouraged them to answer in depth and in detail. The aim of the interviews was to discover why the restaurants decided to adopt halal practices, how far they have adopted halal (such has whether they have pursued certification), what their reasons were for the degree of adoption, what they think the advantages and disadvantages of halal practices are for a restaurant in Australian, and whether they believe that adopting halal practices has affected their restaurant's performance. While the literature review has identified likely answers to these questions, this research aimed to obtain this information from the decision-makers themselves. It was therefore important that the interviewees were able to speak in detail about these issues.

The semi-structured interviews lasted for approximately one hour and took place in a quiet location chosen by the participant. This not only eliminated potential distractions, but also allowed the participants to feel comfortable and at ease; this made them more open and honest about their experiences and thoughts (Bryman and Bell, 2015). The researcher opened with brief ice-breaker questions concerning demographics and the history of the restaurant. This set the interviewee at ease and got them comfortable with talking in an interview setting. In order to ensure that the interviews were accurately recorded, they will be audiotaped and later transcribed. The researcher also took notes regarding body language, personal thoughts and any other information that might be relevant later. The aim was to gather as much rich information as possible.

In addition to the interview, the researcher looked around the restaurant, noting aspects of the interior and exterior, the personnel working and any other standout features that might be related to halal. Since this was an exploratory exercise, the researcher went with an imaginative and open mind. This is important because not all

communication (about halal or anything else) is direct and explicit. Sometimes, there are indirect or implicit indications of a concept or practice (halal in this case). To be able to identify both direct and indirect indications of halal practice, the researcher took detailed notes about how the restaurant communicated its halal status to its customers. For example, notes were made about any certifications on the wall, any props on display, the ambience, any music that was playing, any painting on the walls, the colour scheme use for the interior and exterior of the restaurant, and anything else that the researcher thought was of relevance. Copious notes were taken to ensure that leads uncovered during subsequent analysis would not be thwarted due to the lack of information that could have been gathered.

4.5 Interviews and Analysis

There were 50 interview sessions (A copy of the semi-structured interview guide is shown in Appendix 1) and, correspondingly, 50 transcripts to be analysed. Ethics approval was obtained beforehand from the relevant committee at the researcher's university (see Appendix 2). The procedure involved providing the research participants with an information and consent form. Qualitative analysis of the data was conducted using thematic analysis. Quotes from the interviews were given identifiers (they can be obtained from the researcher on request), coded, classified into subthemes and then aggregated into major themes related to the research questions.

During the visit to restaurants, the researcher also took notes about certain features that are related to halal. These are described below:

1. Regional food style: A halal restaurant typically specialises in a particular regional food style (such as Afghani, Pakistani, Lebanese etc.). The researcher

noted this, along with the extent to which the restaurant was catering to a particular community (e.g. was the menu written on their language).

2. Loyalty to culture: Halal restaurants typically adopt a style that indicates an allegiance or appeal to a certain culture. The researcher measured this by noting details such as the restaurant's design, staff clothing, music associated with a certain culture, flags on the wall and maps belonging to a certain country.

3. Religion: The researcher tried to measure the religiosity of the halal restaurant by noting any quotes from the Quran on the wall, the presence of a prayer room and the characteristics of the staff (such as whether women were wearing a hijab and men sporting a beard).

4. Similar cuisine within 250 metres: The researcher walked around the vicinity of restaurant and noted whether there are other restaurants nearby that offered a similar cuisine.

The qualitative data was also coded (see section 5.5 for coding details) in quantitative format using 2 trained and independent coders to validate the findings of the qualitative analysis. The aims of the quantitative analysis are summarised below:

1. To present descriptive statistics for the themes and subthemes, degree of halal adoption and outcomes considered in the research.

2. To uncover the relationships motives, halal adoption and performance.

Multiple linear regression is used to model the strength and direction of the relationship between independent variables and a dependent variable (Tabachnick and Fidell, 2007). The technique was used in this research to gain insights into the drivers of degrees of halal adoption and restaurant performance. With the degree of halal

adoption as the dependent variable, the independent variables were lifestyle choice, innovation, nearby restaurants (within 250 m), similar cuisine within 250 m, premium quality of food and services offered, religion, loyalty to culture, and regional food style. With restaurant performance as the dependent variable, the independent variables were measures for lifestyle choice, innovation, competitiveness from nearby restaurants (within 250 m), similar cuisine within 250 m, premium quality of food and services offered, religion, loyalty to culture, regional food style and halal certification. The measures and results of these analyses are summarised in Chapter 5.

This data will be analysed in the next chapter, where the results are presented.

Chapter 5: Results

5.1 Introduction

The data collected during the interview process was analysed using a thematic analysis approach. The interview sessions were recorded, transcribed verbatim and then coded for particular themes. The result is a collection of opinions, perceptions, experiences and priorities of the managers or owners of halal restaurants in Melbourne, Australia, regarding the issue of halal food certifications (such as the antecedents and consequences, the cultural orientation to marketing of halal food, the priorities for making the restaurant a success etc.).

5.2 Themes

The thematic analysis identified three major themes in the responses of the restaurant managers or owners (hereafter *restaurateurs*). These themes were classified as market orientation, cultural orientation and personal development. Each theme was derived from a number of identified sub-themes. The market orientation subthemes were related to passion for food and quality, location and competition, innovation and differentiation, customer trust and reducing business uncertainty. The cultural orientation subthemes were related to religion, loyalty to culture, and loyalty to traditional and regional food styles. The personal development subthemes were related to lifestyle choices, independence, business performance and security. In addition, the researcher, through observation, assessed the apparent degree of halal adoption, classifying it as symbolic, explicit or core existential. An overview of the

findings is shown in the figure below and discussed at length in the following subsections.
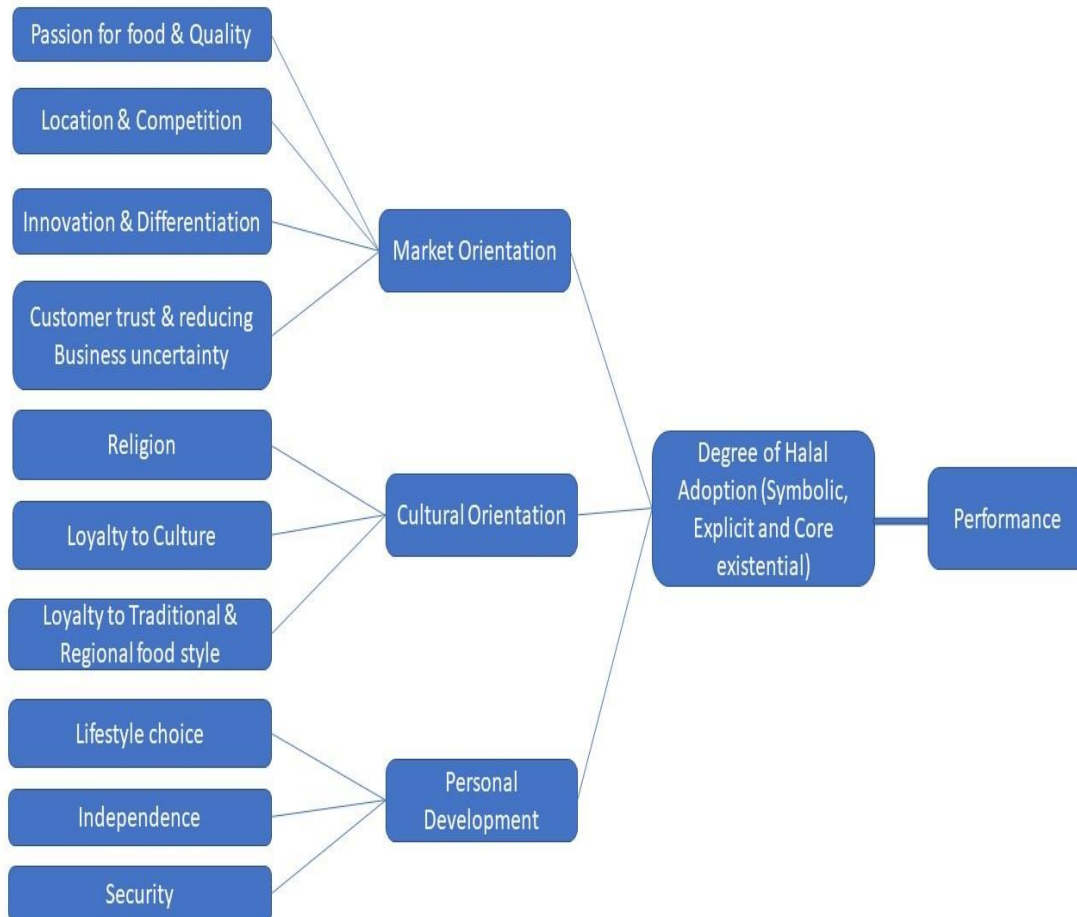
Figure 3: Overview of the findings

5.2.1 Market Orientation

Market orientation was a major theme that came up during the coding of interview transcripts. This theme is commonly seen in related literature (For example, the model of Jaworski and Kohli (1993) included marketing orientation). The theme included such factors as the internet listings, word-of-mouth publicity, discounts being offered by the restaurant, the quality of the food, halal and menu displays, prices, customer

satisfaction and loyalty, competitiveness, promotional offers and advertising. It basically included all activities that the restaurant engaged in in order to market itself to its target customer base. Since the internet has become such an important part of today's marketing world, the restaurant's marketing and advertising efforts on the internet were of special importance, particularly on social media sites such as Facebook and Twitter. Word-of-mouth publicity is probably one of the most important facets in the success of any restaurant, and one form of it is the customer review and rating on social networking sites. This attracts more customers and drives up sales. In this study, word-of-mouth publicity was a strong element of the market orientation theme. Promotional offers and discounts were also found to be strong elements, as were customer satisfaction, customer loyalty and competitiveness.

"Yeah, it's advertisement, local advertisement. There's also national advertisement, which is on the news, I mean on TV, on radio, on tram stops, on stuff on the trams, you might see some Nando's logos on stuff. But just to know people around my area that we're here."

"Through different marketing campaigns…like different vouchers, through different campaigns, through our Facebook page…yeah…so we have a marketing campaign…"

"…through social media, definitely incorporating social media and investing in social media…that's definitely…it's been I would say…tremendous the effects that we have had."

Specifically, the theme of market orientation included the subthemes of passion for food and quality, location and competition, innovation and differentiation and customer trust and reducing business uncertainty.

Passion for food and quality

This subtheme emerged from the coding of the interview transcripts. It includes aspects related to the quality of the food and services being offered by the restaurant, the kind of food that is being served, whether the restaurant offered food that was considered by customers to be value for money, and whether the restaurant was popular in the neighbourhood in which it operated. This subtheme basically relates to whether the restaurant is coming across as being passionate in offering quality food and services. In reviewing the relevant literature (see Chapter 3), it was found that market orientation comprises aspects of customer orientation and competitor orientation (Narver and Slater, 1990, Ozkaya et al., 2015, Deshpandé and Farley, 1998, Gatignon and Xuereb, 1997). The emergence of this subtheme is related to customer orientation. A passion for food and quality resonated through some of the comments made by the respondents, hence this subtheme was named 'passion for food and quality'.

> *"The good restaurant try to give the, you know very good service to the customer"*

> *"The good quality of food, the customer service, like everything is got to be perfect like, fast work, this is the success factor of this restaurant"*

> *"usually a good restaurant like I told you that, good customer service, quality of the food"*

> *"The good restaurants try to give very good service to the customer"*

> *"usually a good restaurant, good customer service, quality of the food"*

These comments clearly demonstrate that restaurateurs have a passion for food and quality.

Location and competition

The subtheme of location was very important. It can make or break a restaurant. In the case of halal restaurants, location assumes an even greater significance. Such a restaurant invests a lot of time, money and effort towards maintaining rigorous processes in order to be halal-compliant. If it is located in a neighbourhood where the primary clientele does not value this effort, the restaurant's success would be far from certain. The subtheme of location is related to both customer and competitor orientation (Narver and Slater, 1990, Ozkaya et al., 2015, Deshpandé and Farley, 1998, Gatignon and Xuereb, 1997). The customer needs to be a focus, so the chosen location should be based on demographic information. The research also confirms that SME owners are well aware of who their customers are and are in touch with their needs (Mc Cartan-Quinn and Carson, 2003, Tzokas et al., 2001). The competition also needs to be a focus, as the restaurant should be strategically located, that is, with regards to the location of competitors. The subtheme of location also included such issues as city traffic, parking, and whether the area had a Muslim population.

The following quote demonstrates how a good location can attract more customers.

"The location matters, yes it does. Because you want always have the houses housewife ...people walking around for example and see your business today and he they might eat. Say if you're in a good location that's move, attack more customer. But if you're in a poor residential area where look much traffic poor traffic or car traffic is coming full you're not going to be well known for what you do"

The following quote demonstrates that having a halal restaurant in an area where there are a lot of Muslims is beneficial for the business.

"Of course location location and better people too. Too many Muslim people, the problem is that, If you want to do the halal thing, the halal restaurant, you need to find good location, look at how many percent Muslim stay in that area, you know and because something like this, you know"

Another subtheme that emerged was competition aspect of the location. Given that most of the restaurateurs were aware that their greatest competition is other restaurants in the neighbourhood, it was interesting to see how they perceived their own restaurant's performance compared to that of the competition. Too much competition can be detrimental to all restaurants in the neighbourhood, so setting oneself apart can be advantageous for the business.

The following quotes demonstrate that location becomes especially important when there is lot of competition in the area.

" Location is very important, especially this time a lot of competition there"

"Location is very important and the competition, especially this time a lot of competition there is in this area. So, that is everything else, but the area is very nice. People coming in for taking the food"

"But like if we always getting the comments from our customer like the feedback different that yeah or like traditional box there or you can check on the internet. So, we are getting the good feedback in the restaurant. We are not a part of the competition"

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"Not really, not at the moment. 'Cause we do have a lot of competition, what we are doing what we do around in the area. Yes, it's a bit swollen. The influence of the religion… You'll get a 9 there, because is sort like of, Arabic food you know, you have to have sort a background to be able to make this food, you got to know what it taste like and what is look like before you. I think the background I think no, should not affect, didn't affect the person to run a restaurant"

The comments above indicate that competition is a concern shared by many restaurateurs.

Innovation and differentiation

This subtheme gauged whether the restaurants in the sample were keen on innovation, whether they regularly introduced new items on their menus, whether they had exclusive dishes (that is, dishes unique to their restaurant) and whether they studied the competition in order to gain a competitive advantage through innovating. Some relevant comments are given below:

"I think what we do to be more competitive from others; firstly Nando's has a certain product that no other company has. It does, where it does better than anyone else. So there's no other competition really to Nando's, or the group class that it wants to be. It doesn't want to be a fast food restaurant, it wants to be a casual dining restaurant, which is probably maybe in between fast food and a proper restaurant. It has cutlery, it has ceramic plates, food is bought out to you, so that's what it does to be a bit more competitive to get from others as well. Just because you pay for your certification, doesn't mean you throw that cost onto your

customers. Some restaurants, or some other brands might, but this brand,

Nando's, does not do that. Because the customer will see the benefit.

People will go to a restaurant with a certificate than people that will go to

a restaurant without a certificate. So it's like I think someone with a

degree and someone without a degree, someone will hire you with a

degree than without a degree"

"we are the only on the street and in this area, that does the chicken

charcoal"

"my food is first time in Australia. It's kind of a combination between

Mexican and Lebanese food"

These comments indicate that the restaurateurs had a fairly good understanding of who they were competing with and their place in the market. This is also consistent with the literature reviewed in Chapter 3, which found that restaurateurs are innovative in identifying opportunities which help their business (Lee et al., 2016). The participants demonstrated that they had engaged in some innovation to differentiate themselves from their competitors, in the hope of maximising their returns.

Customer trust and reducing business uncertainty

This subtheme relates to whether customers had more confidence and trust in a restaurant if the restaurant was halal-certified. Having a halal certificate or being thought of as halal-compliant works towards gaining the Muslim customer's trust. This finding is consistent with the literature reviewed in Chapter 3 (Hassan et al., 2009). For some restaurateurs, halal certification acted as a confidence booster for many of their overseas customers. This translates into greater sales for the restaurant.

This subtheme was named 'customer trust and reducing business uncertainty' as the comments of some restaurateurs indicated that having halal certification removed any doubt that the customers had about the halal status of the restaurant. Some relevant comments are given below:

> *"Benefits, that we know that is halal the product that we use in is 100 percent halal and we guarantee that we are giving our customer halal food. The benefits are they give the customer the assurance that they're eating the right product, eating the right halal product. So it's something that they take into their heart, they want to do right by the religion, so yeah, that's the benefit, I reckon"*

The following comments demonstrate how restaurateurs provide evidence that their restaurant is halal-compliant:

> *"Yeah, obviously…because they would have in mind that we don't have a lot of halal meat here because the owner is Indian, he's not a Muslim…but we've got certification, we've got bills…so whenever a customer asks for any proof, we just show them the bill, the certification that yeah, the meat is halal… we don't want to hurt their religious sentiments or something"*

> *"If there is any problem or if there any issue come from the council or other customer we can show them this is a halal restaurant. As we live here you know this is not a Muslim country. So, some people come from overseas they really don't trust to other people. So, if they want to see, I want to see that certificate, then I will believe, then I will buy the food, for some reason we keep this."*

The following comments indicate how some people do not ask for proof of halal but trust the restaurateur:

"Normally, they don't…because when it comes to a restaurant like this…it's a Pakistani restaurant…so, normally people don't ask it for a specific certification because most of our customers are from our own community…like maybe 80%...ya, so they normally don't ask it…there's one another aspect of halal thing…that is the hand slaughter thing…you don't get a certificate for the hand slaughter thing anywhere…so that's the thing that they ask…that is – is the meat hand slaughtered? So you say yes, and where do you get it from….and we have the certificate that we get it from this shop…so that makes it easier for them…"

"It gives more confidence to our customers… yes, that you are selling halal food…"

"Just provide the customer that they know us a peace of mind. And is more for them that for us. We know is halal but for them is to make sure everything"

"It gives more confidence to our customers… yes, that you are selling halal food…"

Some restaurateurs admitted that because they were not Muslim by religion, their customers did ask for proof of halal.

"Yeah, obviously…because they would have in mind that we don't have a lot of halal meat here because the owner is Indian, he's not a Muslim…but we've got certification, we've got bills…so whenever a customer asks for any proof, we just show them the bill, the certification

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that yeah, the meat is halal… we don't want to hurt their religious

sentiments or something…"…. "Yeah, not always, but

sometimes…because if he's a strict follower of the religion, he will ask for

the proof…"

The comment above indicates that Muslim customers might be generally distrustful of non-Muslim business owners who claim to run a halal restaurant.

5.2.2 Cultural Orientation

Cultural orientation was a major theme found during the coding of interview transcripts. Culture lay behind many of the decisions that restaurateurs took when seeking to certify and maintain their halal status, in marketing their restaurant, in deciding how best to satisfy their target customer base and in deciding whether or not to expand. Subthemes included religion, loyalty to culture, and loyalty to traditional and regional food styles.

Religion

Religion was a major subtheme identified in the interviews. It was the prime reason why these restaurants had opted to go halal, and the decision attracted a lot of customers from the Muslim community. Many of the restaurateurs themselves belonged to the Muslim community, which made it easy for them to choose the halal way. The influence of a religious background in running the restaurant was also an important facet of the subtheme of religion. Many customers equated having an halal certificate with affirmation of, or allegiance to, Islam. This finding is consistent with the literature reviewed in Chapter 3, which noted that Australian Muslims eagerly searched for information about the origin of, and processes involved in producing, the

halal foods they purchased, a trend that was specifically related to high religiosity (Abdur Razzaque and Nosheen Chaudhry, 2013). These reasons went towards calling this subtheme 'religion'. Some relevant comments are given below:

> *"It is basically to attract the Muslim customers because they don't eat other than the halal meat...if it's halal, only then can we get the Muslim customers."*

> *"For us, like I said...definitely it's an ethics and a values thing...it's like much of what we do...it definitely incorporates a hundred percent of our religion...because we do only and are only permitted to eat halal food...anything outside of that is frowned down upon and anything outside of that is forbidden ...so I think for my parents and...because they've had this when we were very young...they started young...I think it was important for them to just play that attachment to culture and religion and didn't want us growing up with alcohol in any venues that we were at...coz this is virtually our second home...I remember I grew up here...so afternoons, after high school, this is where I was..."*

> *"more Muslim customers will be attracted"*

> *"because I am Muslim and I have to do the halal"*

The subtheme of religion is also related to the concept of Islamic marketing (Alserhan, 2010, El-Bassiouny, 2014, Jafari and Sandıkcı, 2015) and it was considered to have this subtheme as a part of the market orientation theme. However, it was decided to have the religion subtheme as a part of cultural orientation, as arguably religion is more closely related to culture than marketing.

Loyalty to culture

Another subtheme that emerged from the interviews was the loyalty to the restaurateur's culture. This subtheme came up whenever owners talked about how true they were being to their culture in terms of the quality of service they provided their customers, the kind of food they were serving, or how authentic the food and the décor in their restaurant was. This is also consistent with the literature reviewed in Chapter 3, which found that some restaurant owners were considered to be representatives of, and conduits to, their respective cultures (Jamal, 2005, Altinay, 2010).

The following comments suggest that loyalty to culture is expected of restaurateurs who are Muslim:

> *"We've never, ever really needed a halal certificate because I think being an Afghani restaurant, our niche is already that we are an Afghani restaurant in Sydney Road Brunswick ...it's almost part and parcel of owning a restaurant here...that you are a halal joint."*

> *"to know fulfil the need of community given our halal our food. A lot people asking me you know we need our food that's halal you know that's why I let myself as civil engineer as my profession but we got the halal demand. So, I sacrifice and I come to start this business"*

> *"Definitely...the ambience has...I think...incorporated a lot of Afghani elements....a lot of ethnic, I guess is the word to say for lack of a better word...but mostly, hand crafted material....so because our food and our bread, everything is cooked from scratch...off the rock...or my mom*

makes it out of scratch …that's what our ambience displays as well…like

the chandeliers they are handmade…the cups that you drink from…"

These comments indicate that demonstrating loyalty to one's culture is an indirect way of demonstrating one's allegiance to halal. This is covered in detail later, when a way of classifying the degree of halal adoption is proposed.

Loyalty to traditional and regional food style

This subtheme relates to whether the restaurant serves the regional food of the restaurateur's home country. It surfaced many times during the interviews, which was to be expected given that many interviewees were born outside Australia and were selling food from, or in the style of their home country. Many of their customers visited their restaurant primarily to experience authentic cuisines. Loyalty to traditional and regional food styles contributed to this sought-after authenticity. Some of the literature reviewed in Chapter 3 (Alserhan, 2010) found loyalty to traditional and regional food styles to be a core element of Islamic and halal branding, more so than having a halal certificate.

The following comment is indicative of the emphasis that restaurateurs place on offering regional food styles:

"The reason why we have an Afghani restaurant is that because that is

our niche and it's our niche because there aren't very many Afghani

restaurants in Brunswick…there are several Afghani restaurants in

Dandenong…there's maybe within a kilometre radius of each other…but

here in Brunswick, we wanted to provide Afghan food because that we're

good at and I think, there's not very much of it…"

The following comments emphasise the importance that restaurateurs place on offering traditional food styles:

> *"we have like mostly Pakistani, Indian food, like I said all traditional"*

> *"mostly it's…my mom…with her dishes as such she tries to make vegetarian-friendly food…in Afghani cuisine"*

This subtheme included cultural factors, such as the cuisine name, the restaurant's design, the playing of traditional music and the waiters' clothes. These factors are also related to Islamic branding (Alserhan, 2010).

The following comment indicates that loyalty to traditional and regional food style is a form of Islamic branding.

> *"traditional food, make you successful because people love traditional food" "And our restaurant is traditional look because here this one is any restaurant this is traditional. Peoples come, sit, takes their shoes out, and eat and sometimes we serve they food eat together and not separate and that eat and enjoy and then go"*

> *"why did you choose this style? Because there is people is traditional"*

5.2.3 Personal Development

The theme of personal development included the subthemes of lifestyle choice, independence, security and business performance.

Lifestyle choice, independence, and security

A number of restaurateurs indicated that running a restaurant and it being halal was related to their personal motivations for running a business (in particular, their

preference for working for themselves rather than working for someone else). This subtheme was termed 'lifestyle choice' as the underlying message in the relevant comments was that the restaurant owners had made a choice about their careers and their way of life. This finding is consistent with the literature reviewed in Chapter 3, which found that entrepreneurial self-sufficiency is a trait common to restaurateurs (Lee et al., 2016).

The following comments demonstrate the significance of lifestyle choice in the decision to open a restaurant:

"Personal motivation, to know fulfil the need of community given our halal our food. A lot people asking me you know we need our food that's halal you know that's why I let myself as civil engineer as my profession but we got the halal demand. So, I sacrifice and I come to start this business"

"Of course we want to make profits, yes to have good live. As I am owner and the manager at the same time I have to keep on, keep the business running, to get as, as much as I can, success, good reputation."

"Having good life"

"Take care of my family"

"Having experience"

"Working for yourself, having a bit more of an independent and freedom"

"Restaurant business is the only thing to do"

These comments indicate that owning a restaurant is a lifestyle choice for many and not necessarily governed only by profits.

5.3 Business performance

During the interview, the theme of business performance also came up. The performance outcome theme emerged during a consideration of who the owner of the restaurant was, what was its competition and how important the performance of the restaurant was and what it meant. It also took into account how the restaurateur rated their own restaurant. The following are some relevant comments:

"increase more customers, like more profits"

"The biggest advantage and very critical, like a very good tool to attract this people is like be beyond the line with all this multinational companies who are running. "

"Making profits and money "increase more customers, like more profits"

"Yes I'm Very happy of my restaurant performance as it's a small business and it's doing very well"

The comments above illustrate restaurant performance and is consistent with literature reviewed in Chapter 3 (Lee et al., 2016, Jaworski and Kohli, 1993).

5.4 Degree of Halal Adoption

While collecting the qualitative data for this study, the researcher also took notes about the apparent degree of halal adoption by the restaurant. Explicit and implicit indicators of halal-compliance were noted. These indicators were then grouped according to the degree of halal adoption.

Responses to the interview questions also revealed varying degrees of halal adoption, as revealed in the quotes below.

The comment below illustrates that some restaurateurs did not feel the need to get halal certification as it was implied by their actions.

"No, we do not (have the halal certificate). The butcher that we get the meat supply through ....they are fully halal certified butcher...they, I think, get halal meat from the halal poultry farms. And so they have certificate for that...their chicken is hand (indecipherable) and all their other animals.... We've never, ever really needed a halal certificate because I think being an Afghani restaurant, our niche is already that we are an Afghani restaurant in Sydney Road Brunswick ...it's almost part and parcel of owning a restaurant here...that you are a halal joint."

The following comments demonstrate that sometimes it is the values of the restaurateurs that lie behind adopting halal:

"...they would definitely be personal factors and then not so personal factors...the personal factors I would kind of say are the values my parents hold and it's ethically important for them to have halal food...to offer halal food to their customers of their certain ethics and principles and morals but also I think because maybe everything that they do in their daily life is a reflection...should be a reflection of how they sort of they should always live or the values they should always live by ...that's probably why they thought that definitely we should have a halal restaurant.

"...so I think it's really really important for my parents to be...I think embed and ingrain a lot of our beliefs and maybe a lot of our values from

that young age in everything…not just our home, but in business and in

dealing with finances and making sure that we're

The following comments show that some restaurateurs used the halal certificate as evidence that the restaurant is fully halal-compliant:

"I think I've made it quite clear, I've got a sign on the door, I've got a

certificate up on the wall, I've got another logo, halal logo on the register

as well"

"And we put it on our window, front window, and we have an A full size

printer and hanging on the wall"

"we actually we have like a certification on the wall"

"This one is not enough (halal sign). I have to put one more somewhere.

Some people they are not believe us, because there are too many shop

with the halal sign"

"halal certificate. Accredited an Islamic accredited of Australia

something. It is in the front"

"we should have the sign so they can come and have the meal as much"

"I don't see importance of the sign in the menu. But at least is should be

there on your promotion, like the sign, or certificate, or something, saying

that you're serving halal food"

The degree of halal adoption has been classified as symbolic, explicit or core existential. The results of this research are shown in Figure 4 on page 107. A review of the literature (see Chapter 3) found that many halal restaurateurs try to win the trust of their customers (Hassan et al., 2009), and some were doing this via Islamic

branding. Different restaurateurs do this in different ways. Some consider halal to be an important strategy in the Islamic branding of their restaurant, while others do not.

DEGREE OF HALAL ADOPTION

SYMBOLIC
- Flags of countries
- Quotes from Quran
- Maps of countries
- Traditional music
- Traditional clothes of restaurant staff
- Traditional dishes, cups and utensils
- Pictures of Mosques and Islamic holy places

EXPLICIT
- Certificate Shown on walls or when required.
- Halal signs on menus, walls or outdoor.

+

SYMBOLIC

CORE EXISTENTIAL
- Demonstration of religiosity (e.g. beards for men and hijabs for women
- Playing of Qur'anic verses instead of traditional music
- Prayer room or prayer area

+

SYMBOLIC

+

EXPLICIT

Figure 4: Degrees of halal adoption

The findings relate to three levels of adoption of halal. The lowest degree of adoption is called *symbolic*. This might include displaying the flag of the restaurateur's home country, quotes from the Quran, maps of Islamic countries, traditional music, staff wearing traditional clothing, traditional dishes, cups and utensils, and pictures of mosques and Islamic holy places on. All these expressions could be seen on the walls, windows or tables. Some of the country flags and maps that the researcher saw were of Pakistan, Saudi Arabia, Lebanon and Afghanistan. The quotes from the Quran were mostly framed on the walls of the restaurant (as were pictures of mosques and other

Islamic holy places). The traditional music that was playing in some restaurants included devotional songs for the Prophet. The traditional clothing observed included the shalwar kameez on men and the hijab on women. Traditional dishes and cups had Arabic writing and Islamic designs on them.

The middle degree of adoption is called *explicit*. This is indicated by a halal certificate fixed to the wall or somewhere else in the restaurant and/or halal signs on the menu, walls or outdoors. The researcher noted that the halal certification was commonly on the wall behind the payment counter. In some instances it was on the window facing the outside of the restaurant. Some restaurants had halal signs on both the menu and the outward-facing window.

The highest level of adoption is called *core existential*. To earn this classification, pretty much all aspects of the restaurant must indicate that it is fully halal-compliant, often with strong religious elements. Such elements include beards for men and hijabs for women, the playing of Qur'anic verses instead of traditional music and the presence of a prayer room or dedicated area for praying. In some cases, the prayer room was visible from the dining area. In other cases, the presence of a prayer room was not apparent. In almost all cases, customers had to get permission from restaurant staff to use the prayer room. Prayer rooms either had a carpeted floor or had mats that customers could use. They also had a picture of the Great Mosque of Mecca on whichever wall faced Mecca. This was so that the customers could pray in the way prescribed in the Quran.

5.5 Relationship between Motives and the Degree of Halal Adoption

Analysis was undertaken to establish the relationship between the themes uncovered during the interviews and the degree of halal adoption. Table 3 on page **Error! Bookmark not defined.** shows the major themes, the keywords of selected top subthemes and how many times those keywords were repeated in the interviews. Presenting the data this way helps in understanding which subthemes are prominent for each degree of adoption and thereby gain an insight into the relationship between the motives and degree of adoption. For example, the term 'religion' was quoted 58 times during the interviews, the notion of religion is a subtheme of the main theme of cultural orientation, and it is the most prominent motive for those restaurateurs whose halal adoption was classified as core existential. This does not mean that 'religion' was not quoted by restaurateurs whose halal adoption was classified as explicit or symbolic. It was, but to a lesser extent.

Table 3 indicates that the motives of religion and culture are most strongly related to a core existential degree of adoption, the motives of location, innovation and differentiation are most strongly related to an explicit degree of adoption, and the motives of freedom and experience are most strongly related to a symbolic degree of adoption.

Table 3: Relationship between themes and degree of halal adaption

Relationship between Themes and Degree of adoption

Theme	Keyword	Highest Frequency	Quote	Degree of adoption
Cultural Orientation	Religion	58	*"we do have beliefs and out religion does say to follow the methods of Islam"*	CORE EXISTENTIAL
	Culture	34	*"Most of our food depends on our culture"*	
Market Orientation	Location	110	*"Location matters, as far I'm concern that it's summer at the moment, so , the hotel is lonely today, you know, no many people are coming in, as far as when is winter, many people come in"*	EXPLICIT
	Innovation & Differentiation	62	*"my food is first time in Australia. It's kind of a combination between Mexican and Lebanese food"*	
Personal Development	Freedom	4	*"Working for yourself, having a bit more of an independent and freedom"*	SYMBOLIC
	Experience	8	*"you have to love what you're doing, and you have to be willing to sacrifice your time, and effort and experience. All of those things work for a good management"*	

The data gathered is also presented as an infographic in Figure 5 on page 111. The height of a bar indicates how strongly a subtheme is related to a particular degree of adoption. For example, the relationship between the subtheme of religion and core existential adoption is stronger than the relationship between the subtheme of a passion for food and quality and symbolic adoption.
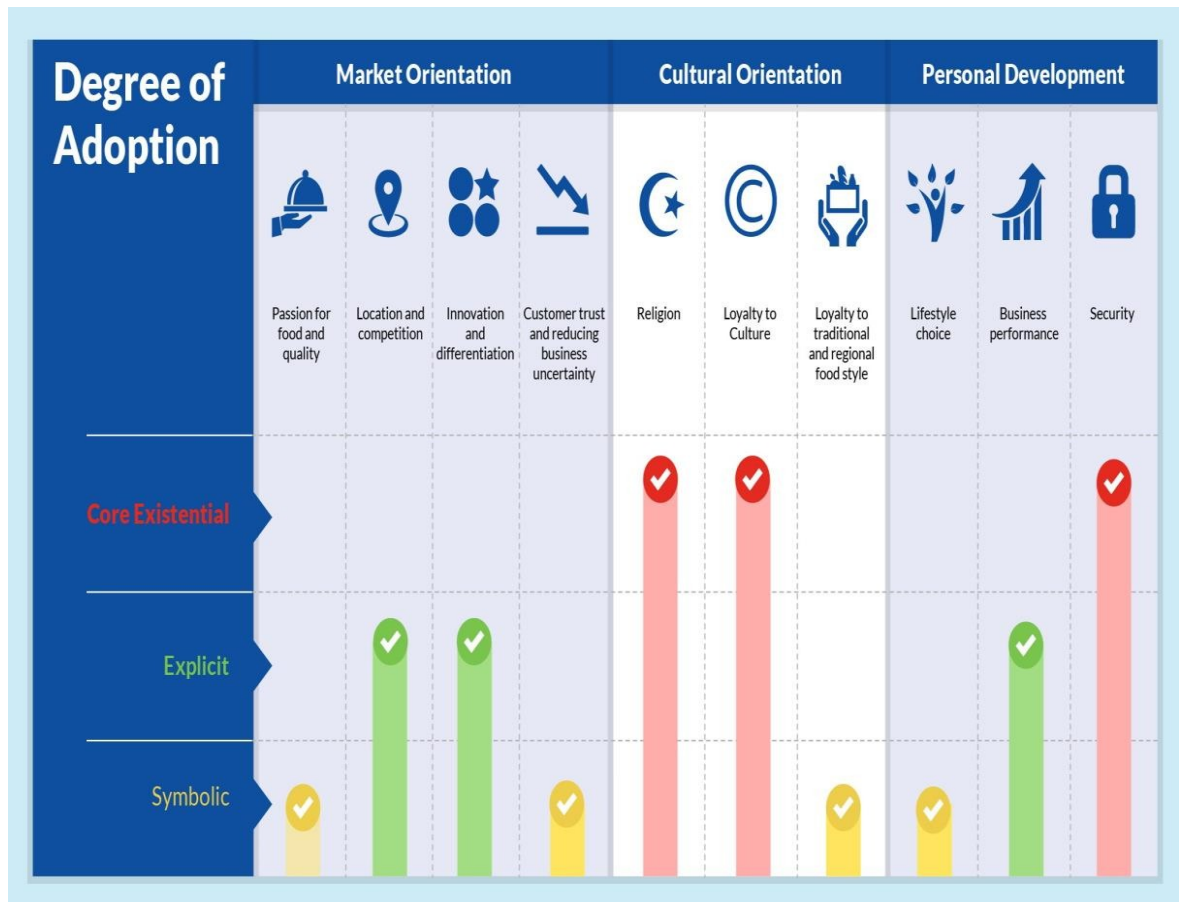
Figure 5: Infographic of the relationship between themes and degree of adoption of halal

5.6 Quantitative Analysis

The descriptive statistics for all the quantitative variables explored in this research are shown in Table 4. Performance, lifestyle choice, innovation and differentiation, premium quality of food and services offered, religion, and loyalty to culture were rated on a 1 to 5 scale, where 5 indicates higher levels for the variable by 2 independent and trained coders. After the individual codes were allocated, the coders discussed possible differences and consensus was reached in all cases. Using observations in the street, the 'nearby halal restaurants' (within 250 m) variable indicates a count of restaurants in a 250-meter radius, also using the information from Halalsquare.com. Similar cuisine (within 250 m) variable was a binary variable and

coded as 1-yes and 0-no, and halal certification variables was also a dichotomous variable (1-no, 2-yes).

Table 4: Descriptive statistics (N=50)

	Mean	SD
Performance	3.80	0.69
Lifestyle choice	1.20	0.40
Innovation and differentiation	1.48	0.51
Nearby halal restaurants (within 250 m)	3.12	2.69
Similar cuisine (within 250 m)	0.58	0.95
Premium quality of food and services offered	3.96	1.37
Religion	2.56	1.79
Loyalty to culture	2.50	1.43
Regional food style	3.16	1.23
Halal certification	1.86	0.35

The average performance in the restaurant is 3.8 on a 5 point scale which shows that the average business is performing quite well. Restaurants score somewhat low in lifestyle choice (M=1.20) and Innovation (M=1.48). There are on average three halal competitors in the radius of 250 meters and 58% of restaurants have a restaurant with similar cuisine in a 250 meters radius. Interestingly, the religious motive is around the mid-point (M=2.56) and regional food style is a key motive for many restaurants (M=3.16). Halal certification was verified during the visit and 86% showed the certificate.

The correlations are given in Table 5. There were positive and significant correlations between performance and regional food style, and performance and halal certification. Additionally, the following positive and significant correlations were also observed: lifestyle choice was positively and significantly correlated with religion; nearby halal restaurants within 250m were positively and significantly correlated with similar cuisine within 250m; and similar cuisine within 250m was positively and significantly correlated with regional food style.

Table 5: Correlation analysis

	Performance	Lifestyle choice	Innovation and differentiation	Close restaurants within 250m	Similar cuisine within 250m	Premium quality of food and services offered	Religion	Loyalty to culture	Regional food style
Lifestyle choice	0.048								
Innovation and differentiation	–0.140	0.025							
Nearby restaurants (within 250 m)	–0.274	–0.004	0.201						
Similar cuisine within 250 m	–0.108	0.011	0.123	0.637**					
Premium quality of food and services offered	–0.270	0.199	0.105	0.029	0.018				
Religion	0.264	0.294*	0.079	0.130	0.021	–0.066			
Loyalty to culture	–0.016	0.000	0.223	–0.021	0.038	0.073	0.184		
Regional food style	0.335*	0.139	–0.011	0.123	0.337*	–0.056	0.162	0.254	
Halal certification	0.311*	–0.086	–0.018	–0.199	–0.180	–0.054	0.095	–0.061	–0.136
*. Correlation is significant at the 0.05 level (2-tailed).									
**. Correlation is significant at the 0.01 level (2-tailed).									

The following subsections present the results from different multiple linear regression models that were developed with either the degree of adoption of halal or the restaurant performance as dependent variables.

Degree of halal adoption

A multiple linear regression model was developed with the degree of halal adoption as the dependent variable and lifestyle choice, innovation, nearby restaurants (within

250 m), similar cuisine within 250 m, premium quality of food and services offered, religion, loyalty to culture, and regional food style as independent variables (Table 6). The results of the analysis indicate that the independent variables accounted for an insignificant proportion of degree of halal adoption: $R^2 = 0.166$, $F(8, 41) = 1.018$, $p = 0.438$.

The independent variables included in the model explain approximately 16.6% of the variance in a restaurant's performance. The only predictor of the degree of halal adoption which is near significant (0.052) is religion.

Lifestyle choice, nearby halal restaurants, and loyalty to culture are negatively associated with the degree of halal adoption. It is possible that people who are running a restaurant for lifestyle choice reasons are not very inclined to adopt a higher degree of halal as their motivations for running the restaurant may not be religious. If there are a number of halal restaurants nearby then that would mean that the area might be a predominant Muslim area. Therefore, the owners/managers of the restaurants might not feel the need to adopt a higher degree of halal as it might be implied. A similar argument can be made for the negative relationship between loyalty to culture and degree of halal adoption. If the area is predominantly Muslim, then the owners/managers of the restaurants might be highly loyal to culture but not inclined to adopt a higher degree of halal as it might be implied. These interpretations should be viewed with caution as the regression model is not significant.

Innovation, similar cuisine within 250 m, premium quality of food and services offered, religion, and regional food styles are positively related to the degree of halal adoption. Higher levels of innovation might be associated with higher degrees of adoption of halal, which the greater adoption as being the innovative bit. The presence

of high levels of similar cuisine nearby the restaurant, might encourage the owners/managers of the restaurant to adopt a higher degree of adoption of halal to differentiate themselves from the competition. There was a positive correlation identified between similar cuisine within 250 m and regional food style. Similar to the argument about similar cuisine within 250 m, higher levels of regional food style and higher levels of adoption of halal by some restaurants might be a differentiation strategy and a way to stay ahead of the competition. The positive association between religion and degree of adoption of halal has also been demonstrated through the qualitative analysis reported above. As with the variables which were negatively associated with degrees of adoption of halal, these findings should be viewed with caution as the regression model is not significant.

Table 6: Regression model for the degree of halal adoption

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.877	0.905		3.179	0.003		
Lifestyle choice	−0.837	0.443	−0.294	−1.890	0.066	0.839	1.191
Innovation	0.034	0.365	0.014	0.093	0.927	0.900	1.111
Nearby halal restaurants (within 250 m)	−0.016	0.082	−0.037	−0.190	0.850	0.549	1.821
Similar cuisine within 250 m	0.217	0.240	0.179	0.903	0.372	0.516	1.936
Premium quality of food and services offered	0.118	0.125	0.141	0.946	0.350	0.917	1.091
Religion	0.202	0.101	0.314	1.997	0.052	0.824	1.214
Loyalty to culture	−0.043	0.125	−0.053	−0.341	0.735	0.842	1.188
Regional food style	0.089	0.151	0.096	0.589	0.559	0.775	1.291

a. Dependent variable: Degree of halal adoption

Restaurant performance: Model 1 – with halal certification included as an independent variable

A multiple linear regression model was developed with restaurant performance as the dependent variable and lifestyle choice, innovation, nearby restaurants (within

250 m), similar cuisine within 250 m, premium quality of food and services offered, religion, loyalty to culture, regional food style and halal certification as independent variables (Table 7). The results of the analysis indicate that the independent variables in the model accounted for a significant proportion of a restaurant's performance: R^2 = 0.362, $F(9, 40) = 2.519$, $p = 0.022$.

The independent variables included in the model explain approximately 36.2% of the variance in a restaurant's performance. The only significant predictor of performance is the regional food style variable. Similar cuisine within 250 m, religion, regional food style and halal certification are positively related to performance. Lifestyle choice, innovation, nearby restaurants (within 250 m) and premium quality of food and services are negatively related to performance, though not significant.

An endeavour by the restaurant's owners/mangers to increase its customer perception about the kind of regional food they offer may have positive benefit on the performance. For example, a Pakistani restaurant can try and highlight its cuisine better to the customers to increase its chances of performing well. The multiple linear regression confirmed the significant relationship between restaurant performance and regional food style rating as identified by the correlation analysis previously. Similar cuisine within 250 m and restaurants performance were positively related implying that having competition nearby is good for business. Halal certification was also found to be positively related to restaurants performance implying that Halal certification contributes positively to sales. Note that these findings should be viewed with caution as the regression model did not find these specific relationsiops to be statistically significant.

Lifestyle choice was found to be negatively related to the degree of adoption of halal. Here too, it has been found to be negatively associated with the restaurants performance. The same argument as before is possible that people who are running a restaurant for lifestyle choice reasons are not very inclined to be driven to perform better. Innovation was found to be negatively associated with the restaurants performance. This may imply that innovation to do with halal restaurants is not received well by customers. They may be expecting traditional and authentic settings and food. Having more nearby halal restaurants was found to be negatively associated with the restaurants performance. This may be because the restaurant going market in the area will be divided amongst more customers. Premium quality food and services was found to be negatively related to performance. This may be because premium quality food and services may be expensive and might deter customers from visiting the halal restaurants, thus, causing their performance to be lower. Once again, these findings should be viewed with caution as the regression model did not find these specific relationships to be statistically significant.

Table 7: Regression model for performance (model 1)

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3.011	0.696		4.328	<0.001		
Lifestyle choice	−0.025	0.226	−0.015	−0.112	0.912	0.827	1.209
Innovative	−0.055	0.185	−0.039	−0.295	0.769	0.899	1.113
Close restaurants within 250m	−0.067	0.042	−0.272	−1.573	0.124	0.535	1.869
Similar cuisine within 250m	0.006	0.122	0.008	0.045	0.964	0.516	1.937
Premium quality of food and services offered	−0.094	0.063	−0.196	−1.482	0.146	0.916	1.091
Religion	0.082	0.052	0.222	1.569	0.124	0.798	1.253
Loyalty to culture	−0.055	0.063	−0.120	−0.873	0.388	0.837	1.195
Regional food style	0.199	0.077	0.372	2.584	0.014	0.769	1.301
halal Certification	0.421	0.249	0.224	1.692	0.098	0.908	1.101

a. Dependent Variable: Performance

Restaurant Performance: Model 2 – with degree of halal adoption included as an independent variable

A multiple linear regression model was estimated with restaurant performance as the dependent variable and lifestyle choice, innovation, nearby restaurants (within 250 m), similar cuisine within 250 m, premium quality of food and services offered, religion, loyalty to culture, regional food style and degree of halal adoption as independent variables (Table 8). The results of the analysis indicate that the independent variables in the model accounted for a significant proportion of a restaurant's performance: $R^2 = 0.344$, $F (9, 40) = 2.329$, $p = 0.032$.

The independent variables included in the model explain approximately 34.4% of the variance in a restaurant's performance. The only significant predictor of performance is regional food style rating. Lifestyle choice, religion, regional food style and degree of halal adoption are positively related to performance. Innovation, nearby restaurants (within 250 m), similar cuisine within 250 m, premium quality of

food and services offered, and loyalty to culture are negatively related to performance as expected, though again not significant.

Table 8: Regression model for performance(model 2)

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3.595	0.520		6.916	0.000		
Lifestyle choice	0.016	0.238	0.010	0.066	0.947	0.772	1.295
Innovation	–0.048	0.188	–0.034	–0.255	0.800	0.900	1.112
Nearby restaurants (within 250 m)	–0.076	0.042	–0.311	–1.800	0.079	0.549	1.823
Similar cuisine within 250m	–0.020	0.125	–0.029	–0.161	0.873	0.506	1.975
Premium quality of food and services offered	–0.108	0.065	–0.224	–1.658	0.105	0.897	1.115
Religion	0.076	0.054	0.207	1.398	0.170	0.751	1.332
Loyalty to culture	–0.059	0.064	–0.129	–0.922	0.362	0.839	1.191
Regional food style	0.178	0.078	0.333	2.281	0.028	0.768	1.302
Degree of halal adoption	0.104	0.080	0.182	1.299	0.201	0.834	1.199

a. Dependent variable: Performance

In this model too, the multiple linear regression confirmed the significant relationship between restaurant performance and regional food style rating as identified by the correlation analysis previously. The arguments about the various positive and negative relationships between the various variables and restaurant performance that were made in the last model should apply here as well. The new variable that has been introduced in this model is the degree of halal adoption. This variable is positively associated with restaurant performance. This may be because restaurants that exhibit greater degree of halal may be considered more authentic by customers, leading to more customers visiting such restaurants and better performance.

Gauging from these results and interviews, it is clear that halal is no longer just a religious issue but is influenced by other factors as well. Furthermore, it has been

found that the degree of halal adoption varies. These varying degrees have been classified as symbolic, explicit and core existential earlier. Different restaurants approach Islamic branding and winning customer trust in different ways. The results from the quantitative data indicated that the only predictor of the degree of halal adoption that is near significant ($p = 0.052$) is religion but is does hardly explain any variation in adoption of halal. Interestingly, the key predictor of a restaurant's performance is its regional food style.

Chapter 6: Discussion and Conclusions

6.1 Introduction

With the growth in Muslim populations around the world, the number of halal restaurants is increasing. The decision to adopt halal is not a dichotomous one. Restaurants adopt halal in various forms and in different degrees. The primary motive for adopting halal is often presumed to be religious. This study explored various possible motives, identified varying degrees of halal adoption, and tested the relationship between motives, degree of adoption and restaurant performance. The data – collected from visits to restaurants, observations and from interviews with 50 restaurateurs – was used to address the main research question, which is "What are the cultural and market antecedents of the degree of adoption of halal food and what is the impact on the restaurant's performance?". In this chapter, the results are discussed with the aim of deriving some useful conclusions.

6.2 Motives for Adopting Halal

Thematic analysis of the interview responses yielded market orientation, cultural orientation and personal development as the three major themes influencing the degree of halal adoption. In other words, market orientation, cultural orientation and personal development are the antecedents (or motives) behind a restaurateur's decision to adopt halal.

The decision of a Muslim restaurant owner to adopt halal might be considered automatic, given that this is the only choice allowed by their culture. This implies that

cultural orientation plays a significant role in the decision to adopt halal. The findings from Muslim-majority countries (Abdul et al., 2013) and the research by Bohari et al. (2013) demonstrate that cultural compulsion may be the only driver in adopting halal certification.

Where a non-Muslim restaurant is located in a Muslim majority area, there is a good potential market of Muslim consumers, provided that the products on offer are culturally acceptable. In such cases, market orientation – with the primary motive of attracting customers and creating valuable food options – becomes a key driver of halal adoption. Ab Talib et al. (2016) considered these aspects in defining emerging markets for halal foods. Ahmad et al. (2015) examined the extent of religiosity and knowledge about halal among halal consumers. The findings showed that religious factors drive Muslim consumers to opt for only halal foods. Therefore, offering any other type of food in Muslim areas does not make sound marketing sense. Thus, a non-Muslim restaurant in Muslim areas better adopt halal foods – not for cultural reasons, but for marketing reasons. This is also evident in the findings of Bonne and Verbeke (2008a) and Bonne et al. (2008) from research conducted in Belgium.

Where a non-Muslim restaurant is located in an area that does not have a Muslim-majority population, halal is one of many ethnic cuisines that could be offered. It could be marketed as a distinct brand offering high quality, safe and healthy food, potentially increasing the number of non-Muslim customers. The findings of Abdul Aziz and Chok (2012) regarding the halal purchasing intention of non-Muslims show that halal certification serves as a guarantee of the ethnicity and quality of the food that is claimed by the restaurant. It may have nothing to do with religious sentiments. Further, research by Ahmed (2008) suggests that non-Muslims might be eager to experiment with halal as a variation to their regular cuisine. Supermarkets are usually

located in commercial areas. The majority of people visiting them in non-Muslim countries, such as the UK, will be non-Muslims. Thus, adopting halal becomes a marketing orientation factor for such supermarkets. Al Zahrani (2015) insisted that, even in the case of halal, quality management is not related to religion, but purely a hygienic practice. Altinay (2010) also discusses how market orientation should be the prime motive for adopting halal for ethnic-minority-owned firms located in large Muslim areas. Aziz and Chok (2013) also discussed these points with respect to halal purchasing intentions on non-Muslims. What is important in this study is that the results show that there are many different levels of adoption of halal, which will be discussed later.

Marketing and cultural motives were expected to some extent. However, this study has uncovered much more richness in the themes and subthemes prompting halal adoption.

A relatively unexpected theme uncovered was personal development that emerged next to cultural and market motives. Personal development motivation arises from the desire to own a business rather than work for someone else. This involves self-respect, satisfaction of the ego, self-actualisation, self-sufficiency and many other personal psychological drivers. This motive clearly emerged next to the expected motives related to market and culture. All three major motives for having halal restaurants are discussed in the following three sections.

6.2.1 Market Orientation and Halal

Although passion for food and quality includes both quality of food and quality of service, interviewees put more stress on service, especially fast service, than on food quality. The halal label itself is regarded as a quality stamp. As long as the restaurant

offers genuine halal food, quality of food is not a differentiator. This leaves service quality as a differentiator. However, adopting this attitude can cause problems, for once it has been granted halal status, a restaurant could, over time, become lax in ensuring that its food is always of high quality. It might be for this reason that that the quality of halal foods varies widely between restaurants. It is doubtful whether restaurant owners recognise this issue.

Location and competition are certainly interconnected. Clearly, locating a halal restaurant in predominantly Muslim areas will improve its chances of success. Alternative locations could be busy commercial areas where people of all religions go to buy and sell goods and services. Those areas that have adequate parking facilities, free-flowing traffic and other basic amenities are likely to attract halal restaurants.

Where two or more halal restaurants are located in the same neighbourhood, competition becomes an important consideration. Almost certainly, there will be many small, and some big, restaurants in a large Muslim area. How they compare in meeting customer needs becomes the central point in assessing their competitiveness. Certainly, consumers will prefer restaurants that meet their needs, but there can be differences in how well a restaurant meets customer needs. However, to be in competition, it is not necessary that customer needs are fully satisfied. If the quality of the food or service is excellent, other customer needs can be subdued. Motivating customers to give some needs primacy over others can be a good method of improving business. Clever word-of-mouth marketing achieves this quite well. Feedback from a restaurant's customers that compares it favourably with other restaurants in the area can be used to advantage in subsequent marketing. Any weakness exposed in feedback can prompt measures to rectify it. Put another way, feedback can uncover both opportunities to gain on competitors and potential threats

to business performance and survival. Opportunities can be seized upon to advance the business; threats can be converted into strategies for improving the business.

Innovation that leads to market differentiation is a well-known business strategy. Changing menus regularly, offering exclusive or unique products, novel marketing, alluring pricing and halal certification are used in varying degrees by restaurants. These are well-known business strategies. The only difference is in the level of implementation. Professionally managed restaurants may attend to all these factors. Others may implement only some of them. Such differences generate different perceptions of restaurants, and restaurant patronage differs accordingly.

There may be only a few lucky restaurants in areas where there is little or no local competition. Many reports suggest that competition is intense with huge variety in types of customers. There may, for example, be many people (such as bachelors) who depend on a restaurant for their daily food, and the area may be well-visited because of the special amenities and services it offers. An example is a restaurant in a small area where there are tailors specialising in Muslim costumes. All Muslims need to visit the area frequently for their costume requirements. Festival seasons are heydays for both the tailors and the local restaurant. If that restaurant can provide a few good food items with a reasonable quality of service quality (as with some home-based restaurants), it can be quite successful. In sum, the market is competitive, diverse and is even more competitive during specific times of the day and year.

Customer trust and reducing business uncertainty is another factor uncovered in this study. For a local small business, halal certification might not be important. In such instances, personal acquaintance with the person running the business (such as the local butcher) is often more valued than certification. If it is a Muslim restaurant, it is naturally a halal restaurant and believed to be so by customers. Therefore,

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customers do not seek proof of certification. When regulations do not exist and no halal certification is issued, trust is a key factor. Customers often rely on the opinions of others in deciding whether to trust that the business is selling halal food. (An example is a small butcher shop in a Muslim-dominant area.) But when it is necessary to attract discerning customers (such as foreigners or quality-conscious locals), certification becomes a necessity. In many countries, restaurants serving only halal foods are non-existent or rare. In these countries, halal food is served only on demand. (Restaurateurs collaborate with local authorised Muslims in conducting the halal ritual and in preparing and serving halal food.) Thus, halal food is only one of several cuisines offered (along with, say, Chinese and Indian). This spread of cuisines makes the business less risky than if it depended solely on halal business. These are often restaurants with many patrons, many of whom are halal customers. However, no special effort is made to attract halal customers. In some western countries with sizeable Muslim populations, these restaurants might offer special halal dishes during Muslim festival seasons, purely to increase business. Islamic customers will seek assurance that they are eating products that would be sanctioned by their religion and will ask to see the halal certificate (especially if the restaurant is owned by a non-Muslim).

Customer confidence and loyalty is linked to a range of signals and practices around reputation, restaurant type, certification and certain religio-cultural aspects. In the absence of a global standard or guideline for producing halal food, varying regulations across countries and cumbersome processes for obtaining and renewing certificates are major obstacles in this regard. This is why I studied the variation in adoption of halal in the first place. In some countries, halal food is not officially

recognised at all and there are no mechanisms or institutions to issue uniform and regulated certificates.

6.2.2 Cultural Orientation and Halal

Halal food is an inherent and inseparable component of Islamic culture. The religion expects every Muslim to consume only halal food. From the restaurateur's perspective, religion may be the motive to own a halal restaurant, or to attract specific customers, or both. In addition, Muslims in foreign countries strongly retain their religious and cultural identity. They are typically assiduous in choosing what foods they will eat. So, they will only go to restaurants that are recommended by their family or friends, irrespective of certification status.

Loyalty to culture is also strongly embedded in some communities. Such loyalty compels people to follow only those practices allowed by their culture (such as eating only certain foods). Islamic religion and its culture are inseparable, as is the case with many other religions. The religion prescribes certain ways of life and can even prescribe punishments for erring members. Thus, fear of punishment as well as enthusiasm and strong determination to follow one's culture can compel people to seek halal foods. These prescriptive and proscriptive aspects of religions are common. They affect Australian Muslims as well as other religious groups.

Culture does not stop with customers alone. For restaurateurs, compliance with culture pervades the entire range of their activities, from sourcing raw materials to the way they provide their services.

6.2.3 Personal Development and Halal

In this study, the researcher found a relatively unexpected motive in addition to market and cultural motives. This theme is labelled "personal development". The subtheme of lifestyle choice, independence, and security constituted the theme of personal development. Some people prefer to work for themselves rather than for anyone else. Some of the restaurant owners indicated that owning the halal restaurant was a lifestyle choice that they had made. This choice gave them independence and security. This trait of entrepreneurial self-sufficiency is seen amongst restaurateurs and the findings are consistent with literature (Lee et al., 2016).

6.3 Degree of Halal Adoption and its Effect on Performance

Varying degrees of halal adoption reflect the level of business at which the restaurant operates. The name of the cuisine, the restaurant's design, the playing of traditional music, waiters' costumes and the seating arrangement of customers are some cultural markers. If the shop's atmosphere is fully Islamic – with green the prominent colour, and with Islamic symbols such as quotes form the Holy Quran on the walls in Arabic, traditional utensils, country flags and pictures of holy places and mosques – the type of halal adoption has been classified as *symbolic*. Such cultural symbols attract customers from that culture. Whether other customers would patronise such a restaurant is an open question and its impact on the business depends on the relative numbers.

The supply chain that stretches from a certified halal poultry farm to a certified butcher to an uncertified Afghan restaurant is puzzling. If the name 'Afghan' was

enough to convince customers that the restaurant's food is genuinely halal, relying on a certified farm and certified butcher are only needed to give the restaurateur assurance, as no customer will ask for see a halal certificate. In this scenario there is no compulsion to get meat from a halal-certified butcher. A Muslim farm and a Muslim butcher, both uncertified, will suffice. If the restaurant needs to pay extra due to the certification costs incurred by the farmer and the butcher, the restaurant's costs increase unnecessarily. However, the restaurateur might be influenced by culture and religion to seek certified suppliers. This sort of adoption has been classified as *explicit*.

Some restaurants wish to convince customers that the food they serve is genuinely halal by displaying a halal sign at the entrance and a halal certificate and halal logo at prominent places inside the restaurants. If that is not enough, they can show the still-to-be-convinced customer the halal register, which is part of the regulatory requirement for certification in Australia. Thus, the restaurant is fully halal, even if it also supplies foods that are not halal. This is an extreme way of ensuring halal business.

Displaying the halal logo and/or a certificate is not uncommon. Such displays not only assure customers of the availability of genuine halal foods but attract new customers. However, if the restaurant has an unimpressive look, no display is likely to help it attract halal customers.

The need for placing the halal sign in the menu might not be considered necessary if all the food served in the restaurant is halal. However, if the restaurant also serves other types of foods, Muslim customers need to be able to easily identify those items that are halal. This important point is often overlooked by restaurant owners who offer a mix of halal and other food.

When many restaurants in the same area display the halal logo and halal certificate, the real marketing value of such displays may be lost. Customers become confused and might not be able to easily decide which restaurant to go to. Further, where there are numerous restaurants with halal signage, customers become suspicious about the genuineness of their halal credentials, thwarting the very purpose of putting up the signs.

A third category of halal adoption is *core existential*. In these restaurants, male employees often sport beards and female employees wear hijabs. Instead of traditional music, Quranic verses are recited. There are prayer rooms or areas in the restaurant. These features are additional props to the symbolic ones discussed above.

Restaurants whose halal adoption is symbolic or core existential, seem to be owned by Muslims. They use the props common to these two categories both to identify with Islamic culture and to attract customers (who will also be Muslim). Where halal adoption is explicit, certificates and halal signs are considered a necessary way to advertise that the restaurant also serves halal food. They could be large restaurants located in the middle of large cities where many types of customers (including many Muslims) are likely to visit. Large restaurants need to attract all types of customers, and so must serve different types of food (of which halal is one).

An analysis of the relationship between the motives for adopting halal (and the associated themes) and the degree of halal adoption found that the motives of religion and culture are most strongly related to the core existential degree of adoption, the motives of location and innovation are most strongly related to the explicit degree of adoption, and the motives of freedom and experience are most strongly related to symbolic degree of adoption. These findings are important, as they can help current and future restaurateurs optimise their business in a competitive market. For example,

restaurants that have chosen the core existential degree of halal adoption need not worry about getting halal certification as it is unlikely that their devotion to religion and culture is going to be doubted. Conversely, it is important for restaurants which have chosen a symbolic degree of halal adoption that they do invest in getting halal certification, as their religiosity and devotion to culture might be questioned.

Analyses of the effect of motives on performance, and of the degree of halal adoption on performance, revealed that the only significant predictor of a restaurant's performance is regional food style rating. Regional food style rating is a subtheme of cultural orientation and indicates that the restaurant is serving foods that are traditionally associated with the home country of the restaurant owner. Many interviewees came from countries other than Australia (such as Afghanistan and Pakistan) and were selling food from, or in the style of, their home country. A likely assumption can be made that a strong regional food style rating for a restaurant that claims to be halal is sufficient for the customers to assume that is it genuinely halal, and this should have benefits for the restaurant's performance. This finding can be useful for the current owners/managers of halal restaurants or for those considering the halal options. If the owners/mangers are able to reinforce or highlight the regional food aspect of their restaurant then this may have positive benefits for the restaurant's performance. As mentioned before, Alserhan (2010) found that loyalty to traditional and regional food styles was more a core element of Islamic and halal branding than having a halal certificate.

The prime motives for adopting halal were identified as market orientation, cultural orientation and personal development. The degrees of halal adoption were classified as symbolic, explicit or core existential.

An analysis of the relationship between the market antecedents of the degree of adoption of halal food and a restaurant's performance found that the only significant predictor of a restaurant's performance is regional food style rating, indicating that adherence to regional traditions and provenance is more a core driver for market performance than having a certificate or the level of halal adoption.

6.4 Implications

This research has implications for both current and future halal restaurant managers and/or owners, and the customers of such restaurants in Australia and beyond. A successful strategy in running a restaurant involves taking good care of customers so that they are satisfied (if not delighted) with the food and service. Satisfied customers can act as advertisers of the restaurant, recommending it to others and through word of mouth.

The very way the customer is welcomed and the perception about the restaurants offering forms an impression. The findings from this research can inform the current and future halal restaurant managers and/or owners about how to provide good customer service to their target market, and at the same time optimise the business.

Many restaurants resort to offering discounts and gifts, especially during festival seasons like Ramadan. Marketing techniques such as celebrity endorsements are also practised. Only big restaurants can afford such strategies and they do so quite frequently, whether selling only halal food or other cuisines as well. This study shows that connection to regional cuisine is a key factor for all types of restaurants, small and large.

From the perspective of halal business management, halal practices may promote efficiency in operations management, as was pointed out by Heizer and Render (2013) and Slack et al. (2010). The procedures followed in halal production and certification lead to a strategy that can create financially successful operations, as claimed by Heizer and Render (2013). The trust and loyalty of Muslim customers towards restaurants that offer genuine halal food can attract more customers through word-of-mouth marketing (Reichheld and Sasser (1990).

Higher health and safety standards may be maintained by halal food production as well. This is a business advantage, as people prefer restaurants that offer healthy and safe foods (Amat et al., 2014, Zailani et al., 2015). This advantage leads to better business performance (Llach et al., 2013). Further, marketing halal leverages off the currently increasing popularity and demand for halal (Zannierah Syed Marzuki et al., 2012b, Zailani et al., 2015, Wilson and Liu, 2010).

Halal has been considered a brand, which prompts even non-certified restaurants to declare themselves as halal-compliant (Zailani et al., 2011). Advanced quality management practices are possible with halal food production due to the highly demanding specifications (Gitlow, 2000). Supplier relationships and work attitudes are important in this respect (Flynn et al., 1995). The cultural focus of halal enables the development of a better organisational culture among the managers and staff of halal restaurants. The special type of training required for halal production enhances worker skills, leading to highly skilled employees. Greater motivation and organisational commitment are considered as additional benefits of a halal culture (Slack et al., 2010, Buller and McEvoy, 2012, Kehoe and Wright, 2013). The findings from this research can inform the current and future halal restaurant managers and/or owners to device strategies to increase their profits and efficiency.

While many Muslim customers may not question the genuine nature of the halal food offered by reputed restaurants, others might require evidence (such as the presence of authorised halal certificates and logos). Due to the high costs of certification, and of meeting the demanding specifications for processing genuine halal foods, many multi-cuisine restaurants comply with the bare minimum requirement, namely, having a Muslim sacrifice the animal while a Qur'anic verse is recited.

While genuine halal production and certification offers many business advantages, the certification process may be both costly and complex. Many certifying bodies have their own definitions, specifications and standards. This, along with the complex production process, encourages much fakery in certification and in production. One of the learnings from this research is that there are various ways to demonstrate halal each of which has a similar impact on customer and restaurant performance. For example, halal can be suggested by symbolic props, explicit certificates and Islamic branding. The degree to which halal is adopted comes down to the extent of Islamic branding (low to high) that the restaurateur chooses and this study inducted three levels. As mentioned before, this study has also found that, out of all the motives for adopting halal, and the degree to which halal is adopted, only the offering of a regional food style significantly affects the performance of a restaurant. This finding can be used by restaurateurs to fine-tune their designs, marketing and management practices and hopefully improve performance.

Three types of restaurants will be highlighted. The small Muslim halal restaurants and butcher shops in Muslim neighbourhoods are the main sources of halal foods for Muslim communities in the area. The products sold were deemed to be genuine halal as the owners were Muslims and are required to follow the food traditions prescribed

by Islamic culture, namely, that only halal food is to be prepared and consumed. The business perspectives of such small-scale halal outlets are very narrow, targeted only at the local Muslim population. These outlets are mostly family-owned. The owners enjoy being Muslim and are proud of their halal offerings.

The next category is the bigger restaurants located in cosmopolitan areas where Muslims are a sizeable population but not necessarily the majority. These restaurants cater to all types of customers, Muslim and non-Muslim, and therefore, offer a range of cuisines, with halal as just one of them. If the restaurant is Muslim-owned, the Muslim consumers automatically assume the food to be halal and buy it. If the owner is a non-Muslim, Muslim customers need to be convinced that the halal cuisine on offer is genuinely halal. The easiest route adopted by these restaurants is to have a Muslim clergy recite a Qur'anic verse while the animal is being sacrificed, however, this is something that is difficult to validate. If this is not sufficient, they obtain a halal certificate and halal logos and display them.

The third category consists of large restaurants located in the city's business areas. They also cater to a wide variety of customers, including a much smaller number of Muslims (including tourists). They obtain halal certificates and logos to give their Muslim customers (and possibly others) assurance that the food they serve is genuine halal.

6.5 Recommendations for future research

Although halal is often perceived as a religious practice, efforts might be warranted to delink this association and connect halal instead to the notion of safe, healthy and nutritious food. This might also reduce the aversion to halal expressed in

Islamophobia. It will also open up business opportunities now limited by the relative scarcity of Muslims in Australia. Were halal promoted as a safe, hygienic and nutritious food without the Islamic cultural label, many restaurants would seek genuine and transparent certification and avoid short cuts, for the number of halal customers would be likely to increase substantially. Such a development could even lead to large halal-specific restaurants being established in city business centres.

More research is needed on the process and outcome of rigorous practices such as halal. The state, territorial and the national governments may establish government institutions to regulate a range of activities related to halal (perhaps aided by an advisory body of halal experts). These institutions will define halal as specifically as possible, without linking it to Islamic culture, and prescribe standards, specifications and guidelines for all aspects of halal production. They will also define the certification process. Legal compliance with these standards, specifications and guidelines by all establishments involved in producing, marketing, selling or certifying halal needs to be strictly enforced.

Behind these recommendations also lies a need for evidence based research that will test whether halal foods are more hygienic, safe and nutritious than other foods. That research will need to quantify the physical, chemical and biological properties of halal foods. Research should also be undertaken to compare the various methods of halal production and quality control.

Leenders (2010) interviewed patrons at a music festival in the Netherlands to determine the relative impact of tangible and intangible factors on the success of music festivals. Brand equity was found to be the most important factor for loyalty. Value equity and relationship equity had less influence. Similar research could shed further light on the drivers of loyalty to halal and its impact on performance. Future

research could also consider the effect of location on performance. For example, how does the performance of a halal restaurant change if it relocates from a predominantly Muslim area to a predominantly non-Muslim area.

Research is also needed on how best to devise freely available informational aids and insights that will enable restaurants owners, managers and other stakeholders to gain a better understanding of halal, make better decisions and thereby become more successful. Finally, more longitudinal research is needed on how the adoption of halal evolves, if it evolves, and what the motives and outcomes are.

6.6 Conclusions

The aim of this research was to understand the varieties of halal adoption and identify the complex interplay between cultural and business motives. Previous chapters covered the background of this study, reviewed the relevant literature, outlined the methodology followed in the research and set out and interpreted the results obtained. In this chapter recommendations were given regarding issues affecting halal adoption in Australia. The conclusions that can be drawn from the findings can now be summarised.

Based on semi-structured interviews, data was collected from 50 halal restaurants and analysed using thematic analysis. The themes of marketing orientation, cultural orientation and personal development were associated with halal adoption. The analysis showed that the degree of halal adoption varies across restaurants, being either symbolic, explicit or core existential. Aspects of the three major themes – market orientation, cultural orientation and personal development – affected the degree of halal adoption in different ways. For example, the subthemes of food quality and service and Islamic religious and cultural aspects were identified as

dominant factors. These findings have important implications for different types of restaurateurs, helping them optimise their marketing and improve their profits.

From the religious and cultural perspective, halal represents the Islamic and cultural traditions of Muslims. Muslims do not want the requirement of halal to be diluted wherever they are, including Australia. This absolute requirement motivated the establishment of traditional Muslim family-run halal restaurants and Muslim butcher shops in areas where Muslims are dominant. The owners gain personal satisfaction from carrying on the family traditions. Profit is a relatively minor consideration. Indeed, small-scale operations usually generate enough profit to sustain the business.

Australia has only about 600,000 Muslims in a total population of about 24 million. Adding another 500,000 Muslim tourists yields a potential customer base about 1.1 million for just 1,200 halal outlets in the country. However, this assumes that all Muslims will eat halal foods in restaurants, which is not the case as mostly they eat at home. So it is not possible for smaller restaurants in Australia to survive solely from Muslim customers. Even to attract this small number of halal customers, these restaurants need to adopt measures to convince customers that the halal food they offer is genuine. In many non-Muslim areas, including city business areas, both small and large restaurants are forced to be multi-cuisine due to the limited number of Muslim customers. Many Muslim customers may not question the genuine nature of halal offered by reputed restaurants. But many others might need to see authorised halal certificates and logos to be convinced, especially Muslims.

The complex nature of the certification process is evident from many factors in the sideline of this study. The absence of a global definition of halal and of standardisation in exactly what is required are serious issues. This leads to certifying

bodies adopting their own definitions, specifications, standards and certification procedures. It is not even certain whether the certification issued by an organisation endorses genuine halal. The problem is more complicated in Australia due to the large number of private certification bodies and the absence of any government agency or mechanism to regulate them. For example, Halal fakery is quite common in Australia. Fake organisations, fake certificates, fake processes and fake products exist. Without stringent regulation and implementation, it is difficult to control such fakery. The state, territorial or national governments might not be especially interested in regulating halal, other than for the potential contribution to the national economy generated by Muslim tourists. However, this study also shows that there are different degrees of adoption of halal.

Targeting halal-requiring and halal-preferring customers requires a sharp customer focus that takes into account the principles of market differentiation and segmentation and also of niche marketing. Stress on providing safe, healthy and nutritious food through halal, and on providing good service, leads to customer satisfaction. Satisfied customers remain loyal to the restaurant. They might recommend the restaurant to whoever seeks information about good halal restaurants in the area. They might also post favourable reviews on social media about the halal food served in the restaurant. These forms of publicity can be built on by word-of-mouth marketing strategies. Further, wealthier restaurants can implement high-level marketing strategies to promote halal during Muslim festival seasons. Halal management involves procuring the right raw materials from the right sources using efficient supply-chain logistics, and processing the raw materials as per halal standards and according to the principles of total quality management. It also involves human resources management, marketing management and overall coordination. Thus

all components of organisational management are brought into play. Islamic culture and traditions followed in halal production fosters a favourable organisational culture, with all employees highly committed, highly motivated and working as a team. All these elements of business management contribute to good business performance.

6.7 Limitations

No study is without limitations. This is because resource and time constraints always lead to some elements of otherwise ideal research being compromised, such as clarity, precision and methodological robustness. On many occasions, such limitations are recognised only after the research has been completed and the results analysed and interpreted.

In this research, all findings and conclusions were based on responses to semi-structured interviews with 50 halal-serving restaurants. Although such a sample size is adequate when interviewees have fairly similar characteristics, it might not be adequate for restaurants in different categories (such as large restaurants in suburban areas).

The restaurants in the sample are all located in Melbourne, Australia and while this is an important multicultural food market, this setting need not be representative for other locations and countries. More research is needed across a broader pool of cities and countries.

This study focusses on the restaurant rather than the consumer. Consumer research is needed on how halal is perceived and what other non-religious benefits exist in the eyes of the consumer, both Muslim and non-Muslim.

Halal is constantly evolving and negative or positive news may change consumer perceptions. This study was done in a time (2014-2018) when there was some negative news around certification and halal in general in Australia. To get an understanding of the kinds of news that was circulating about halal in Australia, we have cited two articles titled "'It is basically extortion': Cory Bernardi renews calls to end halal certification 'scam'" (Chung, 2018) and "Cory Bernardi: Halal certification 'riddled with crooks'" (Jones, 2018). Australian senators Pauline Hanson and Cori Bernardi have recently spoken out against halal certification and related practices (Chung, 2018; Jones, 2018). Senator Bernardi even went to the extent of calling the domestic halal certification is a "racket and a scam" and "riddled with crooks" (Chung, 2018; Jones, 2018). He suggested that halal is a form of religious tax and restaurants are being bullied into getting halal certifications. The 2015 senate inquiry into the halal industry in Australia was prompted by a number of allegations making rounds including a link between halal certification and terrorism funding (Committee, 2015). The committee found there was "no direct link" between halal certification and terrorism funding, according to the counter-terrorism financial watchdog, the Australian Transaction Reports and Analysis Centre, and the Australian Crime Commission (Chung, 2018). The committee had made a number of recommendations for improving the state of halal industry in Australia. The Senate committee had recommended that the Australian government take control of halal certification, standardise it and fully oversee it. According to Senator Bernardi, lot of these recommendations were not implemented for the "fears of being called racist" (Chung, 2018). Such kind of media context may have affected our results but also shows the relevance of the research in terms of trying to understand the broader relationships

between motives and outcomes of adopting halal in restaurants in Australia and beyond.

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Appendix 1 - Semi-structured Interview Questions

A: The first question is, does your restaurant have any Halal certifications?

A: And what are these certifications and how do you communicate them?

A: When did you get these certifications?

A: May I ask you, what are the reasons for obtaining the certification?

A: Do customers ask for proof?

A: So you get the certification from…?

A: From the provider, supplier?

A: And what are the benefits of the certification?

A: and why you put it on the door?

A: What practices have to be followed to get and keep each certification?

A: How rigorous or difficult is to get the Halal certification?

A: For you as Halal restaurant, is there any rigorous practices that you decide to your restaurants, I mean you have to have any staff to do the Halal food or not?

A: Are there any practices, routines, processes that your organization adheres to that play a role in its competitiveness?

A: ok, and are these practices common in the industry?

A: For you as a manager, what is the main reason to be Halal restaurant?

A: So, you mean by being Halal restaurants that gives you more customers to you than non Halal customer or not?

A: Do you communicate these practices to customers? How?

A: So, you think this marketing practice that you do is getting more customers to you?

A: How can you add more customers in your view?

A: What type of customer are you happy with, you have a particular type of customers?

A: So, you think the cleanest of the Halal food that's another reason for open restaurants?

A: ok, are you happy with the performance of the restaurant and what is the performance relative to similar restaurants?

A: Are you happy with the performance?

A: Ok could you please tell me, what are the critical success factors of your restaurant?

A: Are you attracting new customers?

A: As you're in Melbourne city, as you know Melbourne city is a very big city and there are a lot of tourist here, so how can you attack the tourist to get inside your restaurant?

A: Are you keeping customers satisfied and coming back?

A: So are you keeping customers satisfied and coming back?

A: Is your restaurant innovative and in what way?

A: Do you believe that the changes in the menu and meals that's going to attract more customer?

A: Do you work together with other restaurants?

A: What are the personal motivations to run a restaurant?

A: What differentiates good and bad restaurants in your view?

A: Thank you very much. This is the end of our interview thanks a lot.

Appendix 2 – Ethics Approval Letter

**Notice of
Approval**

RMIT UNIVERSITY

Date: 24 November 2015

Project number: 19725

Project title: *Antecedents and competitive Consequences of Adopting Rigorous Business*

                            Practices: A study of Halal Food Restaurants

Risk classification: Low Risk

Chief Investigator: Professor Mark Leenders

Other Investigator: Professor Mark Farrell

Student Investigator: Mr Meshari Nasser Bin Qumaysh

Project Approved: From: 12 November 2015   To: 21 July 2018

Terms of approval:

Responsibilities of the principal investigator:

It is the responsibility of the principal investigator to ensure that all other investigators and staff on a project are aware of the terms of approval and to ensure that the project is conducted as approved by BCHEAN. Approval is only valid while the investigator holds a position at RMIT University.

1. *Amendments*

   Approval must be sought from BCHEAN to amend any aspect of a project including approved documents. To apply for an amendment submit a request for amendment form to the BCHEAN secretary. This form is available on the Human Research Ethics Committee (HREC) website. Amendments must not be implemented without first gaining approval from BCHEAN.

2. *Adverse events*

   You should notify BCHEAN immediately of any serious or unexpected adverse effects on participants or unforeseen events affecting the ethical acceptability of the project.

3. *Participant Information and Consent Form (PICF)*

   The PICF must be distributed to all research participants, where relevant, and the consent form is to be retained and stored by the investigator. The PICF must contain the RMIT University logo and a complaints clause including the above project number.

4. *Annual reports*

   Continued approval of this project is dependent on the submission of an annual report. *5. Final report*

   A final report must be provided at the conclusion of the project. BCHEAN must be notified if the project is discontinued before the expected date of completion.

6. *Monitoring*

   Projects may be subject to an audit or any other form of monitoring by BCHEAN at any time. *7. Retention and storage of data*

   The investigator is responsible for the storage and retention of original data pertaining to a project for a minimum period of five years.

Regards,

Associate Professor Penny Weller

Chairperson

RMIT BCHEAN