



## Integrating green marketing with halal Principles: Impact on consumer behavior, market dynamics, and brand strategy

Nurul Fauzi<sup>1</sup>, Nawal Husna<sup>2</sup>, Hidayat Nur Alim<sup>3</sup>, Nurul Hidayati<sup>1,\*</sup>, Rashdi M. Casim<sup>4</sup>

<sup>1</sup>Faculty of Economics and Management, IPB University, Jl. Agatis, Dramaga Campus IPB, Bogor, West Java, 16680, Indonesia

<sup>2</sup>Faculty of Mathematics and Natural Sciences, IPB University, Jl. Tanjung, Dramaga Campus IPB, Bogor, West Java, 16680, Indonesia

<sup>3</sup>Faculty of Human Ecology, IPB University, Jl. Kamper, Dramaga Campus IPB, Bogor, West Java, 16680, Indonesia

<sup>4</sup>MS Farming System, Mindanao State University, Marawi City, 9700, Philippines

### ABSTRACT

This study aimed to thoroughly explore the manner in which green marketing can be incorporated alongside halal principles to influence consumer behavior, market dynamics, and brand positioning. Generally, green marketing emphasizes sustainability, transparency, innovation, and consumer engagement, while halal principles ensure compliance with Islamic Sharia standards. The convergence of these methods has been observed to typically address the increasing demand for products that are both environmentally and ethically compliant. For instance, brands such as Kiva and Zalal Foods have successfully adopted effective integration strategies to ensure the production of eco-friendly halal-certified products, which, in return, enhanced brand reputation and consumer trust. During the course of this study, challenges associated with the integration of green marketing and halal principles, including stricter material selection and dual certification processes, were also discussed. The results showed that integrating green marketing and halal principles led to the development of a unique value proposition, allowing brands to meet evolving consumer preferences and positioning each producer as a leader in sustainable and ethical markets. This integration was observed to be particularly essential for expanding market share, fostering brand loyalty, and addressing growing awareness of social and environmental responsibilities among global consumers.

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### 1 Introduction

The concept of sustainable products and business practices is about minimizing negative environmental impacts while adding value through innovations in both products and processes (Taali & Maduwinarti 2024). As reported in a previous study, halal industry, which typically focuses on products and services that comply with Islamic Sharia principles, has seen significant growth across various sectors, including food, beverages, cosmetics, and fashion (Meylinda & Matondang 2023). This is evidenced by the observation that Muslim consumers are increasingly demanding products to meet both halal criteria and environmental responsibility. Studies in this context have shown that approximately 70% of Muslim consumers in Southeast Asia preferred products with sustainability certifications in addition to halal certification (Azam & Abdullah 2020).

In Indonesia, despite the increased environmental awareness among consumers, the integration of sustainability into business practices faces significant challenges. This elucidation is supported by a 2023 Nielsen report stating that only around 27% out of a total of approximately 73 million consumers in Indonesia actively considered sustainability when making purchase decisions, while 58% signified a lack of information on eco-friendly products (Setiawan *et al.* 2024). Furthermore, data from the Indonesian Retail Entrepreneurs Association (APRINDO) for 2022 showed that only 12% of retail companies had fully integrated sustainable practices, though 45% had started implementing some sustainability measures.

This study aims to explore the manner in which sustainability principles or green marketing can be incorporated alongside halal principles to influence consumer behavior, market dynamics, and brand positioning. Specifically, it will examine the relevance of sustainability to halal product offerings, with a focus on principles such as transparency, innovation, and consumer engagement. The growing halal market, with its increasing demand for both safe and sustainable products, is central to the investigation. It is also important to comprehend that through case studies, the exploration will outline examples of brands that have successfully

integrated these practices, and offer insights into respective strategies and results.

### 2 Methodology

This present study adopts a qualitative review method to examine the integration of green marketing and halal principles. The focus is on synthesizing existing literature, theoretical frameworks, and case studies to explore the impact of combining sustainability and halal standards on consumer behavior, market dynamics, and brand strategies.

The method comprised reviewing relevant academic articles, industry reports, and case studies of companies that have successfully integrated both green marketing practices and halal certification. The review emphasizes identifying key strategies, challenges, and opportunities that arise from the integration of these principles.

A thematic analysis method was used to categorize and synthesize the key findings, allowing for a deeper understanding of the manner in which green marketing and halal principles intersect and influence the broader market landscape. This method provides valuable insights into current practices and potential areas for innovation, without introducing new primary data.

### 3 Green Marketing Principles and Practices

Green marketing refers to a strategic method in marketing that emphasizes the creation, promotion, and sale of products and services while considering environmental impacts (Dangelico & Vocalelli 2017). The main objective of green marketing is to reduce the ecological footprint of products and business processes while increasing consumer awareness about sustainability. Accordingly, its core principles include sustainability, ensuring that products and business practices reduce negative environmental impacts, and promoting the use of sustainable resources. The concept fosters transparency, which includes openly communicating eco-friendly aspects of products, including materials

\*Corresponding author.

E-mail addresses: [nurulhidayati91@apps.ipb.ac.id](mailto:nurulhidayati91@apps.ipb.ac.id)



used in production, and innovation, to drive the development of solutions that enhance efficiency and reduce environmental harm. It also fosters consumer engagement, with the aim of actively including consumers in sustainability initiatives (Chuah *et al.* 2020).

According to a previous investigation, promotion practices in green marketing often include transparent communication of the environmental benefits of a product. For instance, more than 70% of Fortune 500 companies publish sustainability reports to inform consumers about respective environmental initiatives (Ottman 2017). This not only meets the expectations of an environmentally conscious market but also reinforces the commitment of a company to sustainable practices.

#### 4 Sustainable Product Design and Supply Chain Management

Within the context of green marketing, product design and development have been observed to play a very significant role in reducing environmental impact while meeting the expectations of increasingly sustainability-conscious consumers (Danciu 2017). This process typically begins with selecting eco-friendly raw materials, such as renewable, recycled, or low-carbon footprint materials. It is also important to state that energy efficiency in production becomes a priority in this regard, hence the adoption and use of energy-saving technologies and waste-minimizing manufacturing methods are essential. Moreover, environmental impact assessments, including life cycle analyses, are conducted to evaluate and mitigate potential impacts at each stage of the production process.

Sustainable supply chain management is another critical component of green marketing. Studies have shown that approximately 80% of carbon emissions from a product typically originate from supply chain, making its management a key factor in reducing the entire carbon footprint of the product (Genovese *et al.* 2017). For instance, Patagonia integrated sustainability into its supply chain through the use of recycled materials and ensuring suppliers adhered to strict environmental and social standards (Erhun *et al.* 2023). Accordingly, the company reported that more than 60% of its raw materials were recycled, and over 1,000 suppliers had gone through sustainability audits. This is similar to Sustainable Sourcing Program organized by Unilever, where it was ensured that 100% of the main raw materials of the company are obtained from sustainable sources, achieving 75% certified sustainable raw material use by 2023 (de Arruda Pollice 2024). The outlined examples show that sustainability-focused supply chains not only reduce environmental impacts but also meet growing consumer demand for environmentally responsible products.

#### 5 Halal Principles and Market Dynamics

The concept of halal, derived from the Arabic word meaning "permissible" or "lawful," refers to products and services that comply with Islamic Sharia principles (Khan & Haleem 2016). Although halal certification is often associated with food and beverages, its scope has expanded to include cosmetics, pharmaceuticals, and other products. According to a previous study, halal certification played an essential role in ensuring product compliance with Sharia principles while building consumer trust and enhancing market access.

Considering the global Muslim population exceeding 1.8 billion people, halal market represents a significant economic opportunity. Spending on halal products globally is projected to reach USD 2.2 trillion by 2024 (Calder 2020). In Indonesia, the largest halal market in the world, consumer spending on halal products was observed to reach approximately USD 173 billion in 2022. Halal cosmetics, another rapidly growing sector, is expected to reach a market value of USD 95 billion by 2024, supported by robust infrastructure and regulatory frameworks in countries such as Malaysia and the United Arab Emirates (UAE) (Azam & Abdullah 2020).

#### 6 Intersection of Green Marketing and Halal Principles

The convergence of green marketing and halal principles typically addresses the dual demands of sustainability and compliance with Islamic law. This intersection presents an opportunity for brands to meet the ethical and environmental expectations of consumers. According to a previous exploration, Millennials and Gen Z Muslims, in particular, value both halal compliance and eco-consciousness, while non-Muslim consumers are also drawn to halal products because of the perceived cleanliness, safety, and quality of the products (Ramli *et al.* 2023).

Some companies, including Nestlé and Unilever, have been observed to successfully integrate green marketing principles into respective halal-certified products. These efforts include reducing carbon footprints, adopting sustainable raw materials, and utilizing recyclable packaging (Zaitseva *et al.* 2019). By simultaneously integrating these two principles, brands can achieve distinctiveness in competitive markets, and expand respective reach while building a reputation for ethical and environmentally responsible innovation.

#### 7 Case Studies: Kiva and Zalal Foods

Kiva, a leading brand in halal beauty and personal care, exemplifies the integration of green marketing and halal principles. Using natural, ethically sourced ingredients and recyclable packaging, this brand typically meets consumer demand for sustainability while adhering to halal standards (Ibrahim *et al.* 2018). Similarly, Zalal Foods, a prominent halal food company, emphasizes sustainable agricultural practices and biodegradable packaging to reduce its carbon footprint. Based on observation, brand sources ingredients from certified organic farms, ensuring compliance with both halal and environmental standards (Sari *et al.* 2024).

The outlined case studies show the importance of harmonizing sustainability efforts with halal requirements. Both brands show the potential of transparent communication, innovative materials, and ethical practices to capture the loyalty of environmentally conscious consumers while fulfilling halal obligations (Supian *et al.* 2019).

#### 8 Challenges and Opportunities in Integration

Integrating green marketing and halal principles poses several challenges, including the difficulty of sourcing materials that are both eco-friendly and halal-compliant (Islam *et al.* 2023). Additionally, achieving dual certifications for sustainability and halal often requires extensive audits, which can increase costs and complexity. Despite these obstacles, the integration of green marketing and halal principles invariably offers significant growth opportunities. This is evidenced by previous reports stating that companies where green and halal principles have been successfully implemented could tap into a growing market of consumers seeking ethical and environmentally responsible products (Abdullah *et al.* 2018). The dual focus in this context enhances brand credibility and opens access to diverse markets, particularly in regions with high demand for both halal and eco-friendly products (Jaafar *et al.* 2021).

#### 9 Conclusions

In conclusion, green marketing was observed to significantly influence purchasing decisions in halal market by appealing to the growing consumer demand for both environmental responsibility and ethical compliance. The growing demand was evidenced by the observation that consumers who prioritized sustainability were increasingly seeking products produced in line with respective individual values, often including the intersection of halal and eco-friendly attributes. Accordingly, green marketing strategies that emphasize sustainable practices, such as eco-friendly packaging and energy-efficient production, were inferred to resonate strongly with consumers, enhancing the perception of each individual toward brand as socially responsible and trustworthy. In halal market, where adherence to religious principles is particularly important, combining green marketing with halal certification was perceived to address both ethical and environmental concerns. Based on the observations, the integration of green marketing not only met the evolving expectations of a more aware consumer base but also strengthened the position of brand in a competitive market by emphasizing its commitment to comprehensive ethical and environmental standards.

To effectively support the integration of green marketing and halal principles, as well as promote sustainable practices in halal sector, several recommendations and policy initiatives can be considered. Firstly, brands should invest in education and awareness programs to inform consumers about the benefits of combining halal and green practices. Secondly, collaboration between industry stakeholders, including halal certification bodies and environmental organizations is required, as this can facilitate the development of standardized guidelines and certifications that ensure both halal compliance and environmental sustainability. Additionally, governments and regulatory agencies should offer incentives such as tax breaks or subsidies for companies that adopt eco-friendly production methods and sustainable sourcing practices. Lastly, policies that promote studies and development in sustainable technologies will also drive innovation and reduce the cost of implementing green practices.

For future investigations, an essential area of focus should be on the impact of integrating green marketing and halal standards on consumer behavior and brand loyalty. This is because investigating how different demographics respond to the combination of green and halal attributes could provide insights into targeted marketing strategies and product development. Another area for exploration is the development of comprehensive metrics and benchmarks for evaluating sustainability of halal products, which is capable of fostering the standardization of practices and enhancement of transparency. It is also important to state that comparative studies between regions with varying levels of halal and green market integration could provide insights into best practices and challenges specific to different cultural and economic contexts. By addressing these gaps, stakeholders can better navigate the evolving landscape of sustainable and ethical consumption, fostering a more informed and innovative method to integrating green and halal principles.

## Conflict of Interest

The authors declare no conflict of interest.

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