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#### CREATION OF DEMAND ON HALAL FOOD PRODUCTS IN REPUBLIC OF TATARSTAN

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#### *Abstract*

The object of the research of this article is presented by the demand for halal food and marketing tools of the influence on it. According to the analysis of scientific literature, Internet sources and the results of ethno-sociological survey of Muslims of Kazan conducted by the authors, the characteristics of marketing tools of the subjects of the halal food market in the Republic of Tatarstan aimed at the creation of demand for these products are given. The results of the activities of the Committee for Standard "Halal" at the Spiritual Administration of the Muslims of the Republic of Tatarstan on product certification are summarized. A review of the marketing activities of participants on this market segment was conducted. Two target segments of halal food were identified, their characteristics were given, and the tools were identified in order to influence demand and their adequacy to consumer attitudes. The thesis was proved that "practicing Muslims" are not a homogeneous group of consumers: the practice of following the principle of halal / haram is determined by the degree of religiosity.

The problems and contradictions that arise in the process of product certification for compliance with the "Halal" standard, the organization of special platforms for advertising and selling halal products, and establishing statistical accounting in the field of halal industry were identified. The paper focuses on the importance of training businessmen and participants on halal food market to special tools of marketing activity in this market segment.

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**Keywords:** Halal, religious food, demand, marketing, Tatarstan.



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## 1. Introduction

For almost two decades in scientific and business communities there has been a perception of the growing demand for products and services according to the canons of Islam (Galiullina, 2014; Davydova, 2012; Maltsev, 2014). The “halal products” market of the Republic of Tatarstan is of particular interest. Almost half of this poly-ethnic region is made up of Tatars (Safiullin, Galiullina, & Shabanova, 2016). Demand breeds supply. As of June 25, 2018, the Halal Standard Committee of the Spiritual Administration of the Muslims of the Republic of Tatarstan (hereinafter, the SAM of the RT) certified 120 legal entities. Since 2008 (creation of a committee on the standard “Halal of SAM of RT”) more than 1,500 enterprises have been certified. In 2017, 141 applications for certification were accepted, of which 114 certificates were issued. The seriousness of the approach is evidenced by the example of certification of the “halal Behetlet store” in Kazan. Out of 40 thousand items of products of various enterprises submitted for certification, only 12 thousand met the requirements of Halal and were certified (Committee for Halal Standard).

One of the main tasks of enterprises that form the offer of halal products is the formation of demand for their goods and services. In order to become known and attractive to real and potential consumers, it is necessary to determine the marketing tools in order to influence demand that are adequate to consumer expectations.

Nowadays, the halal food market is represented not only by Muslim consumers. Producers present halal products not only as religious, but also as natural, organic (Dashkovsky, 2016; Malyshева, 2015; Gazizov & Rikov, 2011). This is connected with the need to choose adequate instruments for influencing the demand of their products among different target groups of consumers in a multiethnic region, taking into account the stages of the life cycle of different segments of the halal products market.

## 2. Problem Statement

In halal industry of RT, it is conditionally possible to distinguish three segments: food products; non-food products and services. They are at different stages of development. The analysis of the sources shows that the conclusion about the large potential of Tatarstan market of goods produced according to the Halal standard and the development opportunities of enterprises on these markets is usually made on the basis of data on the growth in the number of Muslims and the growth in sales of halal products in the world (Allam, 2008; Awan, Siddiquei, & Haider, 2015). In this regard, the Tatarstan market is considered by manufacturers as promising and dynamically developing. At the same time, according to representatives of SAM of RT, today in the republic there is no record of the processes that occur in the halal industry, and therefore it is impossible to trace the dynamics of the market. It is planned to establish statistical accounting in the halal industry only by 2020 (In Tatarstan, by 2020 they plan).

The analysis of Internet content shows that the following points of view have increasingly begun to distribute: the development of the halal market for products in Russia is chaotic and unsystematic in nature (Features of the halal market); Halal segment of the market is still insufficiently formed (Protsenko, 2016); marketers of companies do not pay enough attention to the topic of “halal” (Problems of the development

of halal business); in Kazan and Tatarstan as a whole there are very few organized sites where you can advertise, provide information about halal establishments, halal products and services.

“Halal” becomes a market trend, it is considered as a promising market niche, having occupied a company that can provide itself with high profits and competitive advantages. “Halal” is turning into a way to promote goods and business in general, it is considered as a Muslim brand; like an idea that it is included in the top business ideas, etc. (Vorontsova, 2012; Wilson & Liu, 2010). Nowadays, more and more often in mass media there are publications on situations in nutrition spheres that can be described as “halal with a haram filling” (Protsenko, 2016; Rychkova, Stolyarova, Rychkov, & Shagnis, 2018).

The main mistakes of entrepreneurs involved in this market are associated with a low level of knowledge of the principles of Islam and incompetent marketing policies (Gazizov & Rikov, 2011).

The activities of those who form the supply on the market of halal products, initially, as a rule, proceeded from the fact that the demand for these products in the republic where Muslims live, exists de facto. There is no need to study and form it. For successful market activity, for victory in the competitive struggle, it is enough just to offer consumers products made according to halal standards with the appropriate sign. In the face of increasing competition on the market for halal products, this approach is unpromising. Nowadays the intensification of marketing activities of enterprises begins in order to create demand for these products not only among the Muslim population.

### **3. Research Questions**

The subject of research in this article is the demand for halal food and marketing tools to influence it. The category of demand is considered in two aspects. The first aspect: demand is measured by the amount of goods that consumers can and want to purchase at a certain price level. The second aspect: demand is a need supported by economic opportunity. The need, in its turn, is considered by the authors as a consumer situation of discrepancy between the desired state of a person and the existing one. Products present a means of eliminating such misalignments. The more acutely a person is aware of this discrepancy, the more actively he searches for the necessary goods and services.

The promotion of halal products to different target groups of consumers should be based on the knowledge of basic parameters of ideal state that a consumer wants to achieve. And it, in its turn, can be described in terms of “values”, “image, and lifestyle”. The main instruments of the impact on demand are the classic elements of the marketing mix: product, as a way to meet demand; price, as the equivalent of the value of a product to a consumer; place as a convenience of purchase; promotion, as communication with consumers in order to make a product known and attractive. Halalness was originally associated with meat products. Market and competitive positions of producers and sellers of halal meat products are formed and labeled. Their marketing tools to influence demand are available for analysis, synthesis and recommendations for marketing activities on other, new, growing segments of halal industry: medicine, tourism, hospitality, etc.

#### **4. Purpose of the Study**

The purpose of the research is to identify problems in the formation of demand for halal products with marketing tools.

#### **5. Research Methods**

The article presents the results obtained in the course of the implementation of the project "Religious determinants in food culture (on the example of the Tatars and Tajiks of Kazan)". The data of the ethno-sociological survey on the standardized questionnaire ( $n = 600$ ) made it possible to reveal the attitude of the Tatars with different degrees of religiosity to the halal / haram principle at the level of cognitive and behavioral characteristics. The analysis of the content of the websites of producers of halal products revealed the main ideas of the positioning of these products on the market and the modes how these ideas were embodied in marketing tools in order to influence demand. The sites of the SAM of RT and the Halal Standard Committee under the SAM of RT are informative in terms of certification activities and responses to violations of halal principle in the activities of manufacturers. The website of the Association of Muslim Entrepreneurs of the Russian Federation (the AME of the Russian Federation) contains information about the marketing education of the members of the Association. There are many articles on Islamic portal and Platform "Halfood", reflecting the state of halal industry, exhibition activities, as one of the ways to promote these products.

#### **6. Findings**

Nowadays, "halal" is positioned by producers in "practicing Muslims" segment as legal "religious food"; in "non-Muslims" segment - as organic food for people focused on proper, healthy food. There was no such division in the period of the formation of halal industry. Consumers of these two segments are united by the orientation on quality food. Halal is considered a synonym for quality.

Next the description of the situation in the first segment is provided. The purpose of halal products was to meet the needs of Muslims in permitted products. In Islamic food culture, food is a means of cognition of God, a connecting link of this world and the next, a source of health and therapy, a means of elevating and perfecting a person. The principle of halalness ensures the fulfillment of the multifunctional role of food.

"Practicing Muslims" are not a homogeneous group of consumers. The differences in their gastronomic behavior and, consequently, the "practice of following the principle of halal / haram" are determined by the degree of religiosity (Stolyarova, Rychkov, Rychkova, & Maddakhi, 2018). The terms "halal" and "haram" are well known in Muslim environment. Greater awareness concerns the concept of "halal". One of the reasons for this is the influence of advertising in various media and in the Internet space. In the process of marketing communications of producers of halal products with real and potential consumers, the term "haram" is practically not used (Kardinskaya, 2017; Stolyarova et al. 2018).

According to the performed ethno-sociological survey, the term "halal" is unknown to only 6.5% of respondents; 14% - found it difficult to answer, the survey was conducted among the Tatars are Muslims. At the same time, 13.3% of the respondents did not agree with the statement that all food is divided into

forbidden (haram) and legal (halal), and 26% experienced difficulty in answering this question. Every fourth Muslim Tatar polled (25.7%) always adheres to this principle of division in its daily practice, 19.5% - rarely; 26.4% - only during religious holidays and ceremonies. In their gastronomic behavior, the division of food into halal and haram is not followed by 28.4% of Muslim Tatars who participated in an ethno-sociological survey. It can be assumed that for the majority of respondents, as a rule, it does not matter in principle in what way a bird was killed, is a halal chicken sold in a specially designated place of a supermarket, or is in the same counter with non-halal products, etc. For them, the principle of "halal" in food is associated with the absence of alcohol and pork. Moreover, a draft of halal beer is being discussed in the republic, and a pig is depicted on Sovkombank Halal deposit card.

The Halal Standard Committee of the Spiritual Administration of the Muslims of the Republic of Tatarstan is intended to ensure the right of Muslims to purchase food in full compliance with Shariah law. An example of this is the reaction of committee to the situation with the "Tatar Halal Trio" sticker on non-halal products of "Chelny-Meat" enterprise. The company has withdrawn the Halal Certification Document. The Standard Committee of Halal SAM of RT made a statement, which was published on the website of the RT Ministry of Education, "We do not do business in Halal certification". A press conference was organized on the subject of "Halal products - the inalienable right of Muslims". A special commission was established at the Ministry of Agriculture and Food of the Republic of Tatarstan in order to investigate this fact and to carry out similar examinations in the future (the Halal Standard Committee).

In this market halal segment, there is peculiar conflict of compromising material on the producers and organizations that issue Halal certificates. On the one hand in the heart of this "war" lies the popularity of products labeled "halal" and the struggle of manufacturers for a solvent target audience; on the other hand, the lack of uniform standards in Russia and more than ten certification organizations. In general, all the requirements are the same, but some differences are reflected in the standards and markings. Information about unfair manufacturers of halal products occurs when a producer changes the authority that previously issued the certificate. In this situation, the from mouth to mouth information channel is triggered. Negative information is spreading quickly and one consumer who has felt deceived will spread this information to many other real and potential consumers. Both producers and consumers suffer from this. Their relationship is built on distrust. These aspects undermine the foundations of halal. This situation has developed around the Tsaritsyno producer. An independent examination refuted the information about the presence of DNA of pork in halal meat products (Kalimullina, 2012).

The second segment is represented by non-Muslim consumers (people of different nationalities and religions). This segment is also heterogeneous. Among potential consumers, it is possible to distinguish representatives of different confessions with varying degrees of orientation to their food system, in which there is a place for the religious component (Dashkovsky, 2016; Tsikunib & Dubinina, 2017) For example it is a system of fasting among Christians with prohibitions on any food of animal origin; kosher Jewish food, etc. The producers of halal products see them as potential consumers. The argument is presented by the statement that "halal" is an environmentally friendly product for people focused on a healthy lifestyle. From the point of view of the authors, this argument for this group of consumers is not convincing, since it contains the opposition of one power supply system to another.

The second argument is the use of “halal” as a way to know other people and establish strong relationships (Why halal products are chosen?). For the residents of the Republic of Tatarstan, it is also not convincing. Muslims and Orthodox Christians, the representatives of other confessions for more than one hundred years have had the mutual opportunity to get acquainted with food cultures. When eating food the decisive role is played by its quality and usefulness. The question arises: what arguments can influence this category of potential consumers so that demand becomes real?

In general, in this segment, the producers present “halal” without connection to religion. Halal food is environmentally friendly, high qualitative, safe and reliable. The function of the quality status is marking. A consumer on the market of meat products has a wide choice and different choice criteria. Halal products have a higher price (sometimes 30–40% higher) than similar products without “halal” labeling. The high cost of these products is associated with additional costs for the organization of the production process, certification, logistics, (special conditions of storage and transportation) (Zagorovskaya, 2015).

This fact is taken into account by the confectionary factory Vkusnoteevo enterprise, a member of the Association of Muslim Entrepreneurs in its market positioning.

This enterprise releases products that meet the “Halal” standard. One of its slogans is: “For some customers, “halal” means purity, for others, quality and safety. Natural and safe products in every sense cannot be cheap.”

Price, as a marketing tool designed to generate demand, cannot always positively influence consumers, for whom it is the main criterion of consumer choice. The position of halal products in this segment is aggravated by the economic soundness of consumers, namely by the decline in purchasing power. In addition, it is necessary to justify a higher price for consumers, focused on the optimal price / quality ratio. The production and sales of halal products occur in a formed market environment in which there are elements of wild and unethical marketing. Nowadays, a consumer has become more distrustful of various marketing tools, and labeling is one of them.

An analysis of the content of the websites of meat producers, the range of which includes the halal line (“Tsaritsyno”, “Liski Broiler”, “Priokskolye”, “Cherkizovo”, and others enterprises) shows that when positioning all meat products, the emphasis is put on their high quality. In this regard the following question arises: why is the quality of halal products higher than the quality of non-halal products?

According to some experts, it is necessary to cautiously advertise non-Muslim halal products to target audience. This fact is reasoned by the risk of losing another target audience, “Muslims”, who may begin to perceive halal product advertised to “non-Muslims” with the help of competitors as insufficiently “right” (Eco-friendly products).

As potential consumers, the producers of halal products consider people focused on proper nutrition. On the website under the title “All about nutrition” Special Food Halal is presented as an environmentally friendly product, produced in accordance with Islamic traditions. This is food for Muslims, in which there are no prohibited components, which symbolizes loyalty to Islamic traditions. In addition to Muslims, halal is chosen by those who care about their health. The site under the title “Religious nutrition”, which is considered as a form of proper nutrition, and, therefore, environmentally friendly, etc., presents the following information on:

- tasty and healthy dishes for those who follows fasting;

- secrets of healthy eating according to Ayurveda;
- features of food culture in Islam;
- difference between kosher and usual meat;
- meals at the catholic fasting;
- Chinese traditional food system;
- features of the Japanese traditional food system;
- proper nutrition of real yogis (the difference from Halal food).

Thus, a person who prefers a proper, healthy diet has a wide choice. In the structure of consumer choice there are all traditional nutrition systems, which nowadays are considered as correct. The producers of goods and services present them in the same manner. They create competition for halal products, and their producers create additional difficulties. It is very important for them to position themselves in the “right, healthy food” segment in such a way that a consumer choice in the process of making a purchase decision is in their favor.

Producers and other actors of halal products market realized the need to create demand by intensification of the marketing component of this process. One of the strategies of the Association of Muslim Entrepreneurs in Russia is to promote Halal LifeStyle. As part of its implementation, Tatarstan entrepreneurs are trained. Weekly, they gather at Business Breakfasts, where they meet, present projects, exchange experiences, trainings and activities, including marketing (the Association of Muslim Entrepreneurs). During this year, Muslim entrepreneurs studied the following topics:

- “The concept of sales and marketing” (basic methods and rules of marketing and sales);
- “Marketing Offline and Online Marketing” (the issues discussed: to change or to work as before; what tools are suitable and why, etc.);
- “Customers from the Internet. Website, Landing, advertising - how it works and what we can do for it” (the issues: differences between various types and sites, various types of attracting targeted visitors to your website; contextual advertising);
- “Landing + Direct. How it works and does not work” (the issues discussed: Internet promotion company: thematic search and contextual advertising, the correct algorithm in terms of marketing of construction of Landing and contextual advertising);
- “How to run an online store and sell products online” (the issues: the advantages and disadvantages of e-commerce, how to run an online store to expand the range);
- “Sales of goods and services through the Internet” (the issues: how much does online sale cost; how to find the optimal way of development of the network; what to do by your own, and how to trust others to do something);
- workshop “Sites for Business 2018: important and necessary changes in the Internet climate” (the issues: online climate change; the trends sites in 2018 and new technologies for websites, recommendations of Yandex and Google);
- about the possibilities of modern marketing tools (the issues: how to increase turnover without spending on advertising, how to increase customer loyalty, which is the most effective marketing tool, how to beat the competition, using modern marketing tools);

— scripts and their implementation in business (the script as a way to convey the desired information to the user, how to write a script, how to work with the arguments of consumers, how to learn about their needs).

During 2018, two training courses were organized: the express course “MASTER-START MARKETING 2018” of the AME of the Russian Federation, which discussed networking for business, the creation of a personal brand, the sale of goods and services through the Internet; and a 2-day course in “Marketing, PR and Advertising”.

In addition, every two weeks, the AME of the Russian Federation gathers Muslim businesswomen for informational women meetings. The following topics were discussed at these meetings:

- Instagram trends (Internet marketing trends; promotion through Instagram, new technologies for the improvement of the effectiveness of a site; what should be done in 2018 to keep up with the market);
- “Are you sure that you eat Halal?” (Healthy food and halal);
- “Blog in Instagram. How to start and develop? Mistakes, steps and advice. Instagram competence, Instagram translation for those who could not participate in the meeting.

Thus, the greatest emphasis in the process of training Muslim entrepreneurs is put on Internet marketing tools. Muslims entrepreneurs learn about virtual market space.

## 7. Conclusion

On halal food market in the Republic of Tatarstan, two consumer segments are clearly distinguished, conventionally designated as “religious food” and “organic, natural food.” Initially, producers focused on consumers for whom halal products had a religious meaning. The development of this market is associated with certain changes in the structure and nature of supply and demand. Consumers of halal products have different criteria for choosing food products, different expectations from their purchase and consumption. They have a choice, as a result of the complexity of the competitive situation. Producers are faced with the problem of creating demand for their halal products. One of the ways of promotion is participation in exhibitions and fairs. However, this turned out to be insufficient for their products to become known and attractive for target groups of consumers.

All the marketing communications with consumers should be built around the idea of presenting. The analysis of these ideas shows that it is difficult for a consumer to distinguish one producer from another, since they all are practically aimed at the same thing: quality, naturalness, compliance with Shariah norms. It is important to take into account the attitudes of Muslims, implemented in gastronomic behavior, depending on the degree of their religiosity. At the same time, a value system that influences the process of making decisions on the purchase of halal food not by Muslims, but by supporters of a healthy lifestyle, can also be put into the strategy of the promotion of these products on the market.

“Halal” is considered by both producers and consumers as a mark, a quality mark that can be trusted. With the current state of demand, it is necessary to carry out some representation of the brand due to a number of problems that have arisen on the market when it is promoted. In the “religious food” and “organic, natural food” segments it is necessary to bring the “halal” mark to the state of the brand. This will increase the level of trust and preferences in relation to other food producers. Of course, every producer must find its own way of differentiation and choose the instruments of demand creation adequate to it. It is

necessary to take into account that halal marketing does not allow manipulation of a consumer, the use of neuromarketing techniques that aggressively affect the minds of consumers. All these ways of influencing demand are haram for a producer and a seller working on the market of halal products.

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