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**ĐÁNH GIÁ VIỆC ỨNG DỤNG CHIẾN LƯỢC CHO THỊ TRƯỜNG HALAL: BÀI HỌC KINH DOANH TOÀN CẦU VÀ TIỀM NĂNG TƯƠNG LAI TRONG NGÀNH THỰC PHẨM & ĐỒ UỐNG (F&B)**

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**Tóm tắt**

Thị trường Halal hiện đang là một lĩnh vực đầy tiềm năng, với dân số Hồi giáo chiếm khoảng 25% dân số thế giới và liên tục tăng trưởng mạnh mẽ trong những năm qua. Tuy nhiên, đây cũng là một thị trường đòi hỏi khắt khe, khi các sản phẩm và dịch vụ Halal phải tuân thủ các quy định và tiêu chuẩn nghiêm ngặt. Nghiên cứu này phân tích các chiến lược thâm nhập và vận hành trong lĩnh vực thực phẩm và đồ uống (F&B) Halal bằng cách so sánh phương thức mà Nestlé, Cadbury và Vinamilk thực hiện các quy định Halal này. Dựa trên dữ liệu thứ cấp, nghiên cứu theo dõi quá trình gia nhập và vận hành thị trường của từng công ty, nhằm xác định các yếu tố ảnh hưởng tới sự thành công hoặc hạn chế của họ, đồng thời làm rõ vai trò của yếu tố văn hóa trong môi trường kinh doanh quốc tế. Từ những phân tích này, nghiên cứu rút ra một số bài học thực tiễn cho các doanh nghiệp mong muốn thành công trong ngành F&B Halal.

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**Từ khóa:** thị trường Halal, tiêu chuẩn Halal, F&B, Vinamilk, Nestlé, Cadbury, chiến lược kinh doanh quốc tế

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## **EVALUATING THE STRATEGIC APPLICATION FOR HALAL: GLOBAL BUSINESS LESSONS AND POTENTIAL FOR FUTURE IN F&B SECTOR**

### **Abstract**

The Halal market is currently a highly potential sector, with the Muslim population accounting for around 25% of the world's population and experiencing consistent strong growth over the years. It is also a highly demanding market, where Halal products and services must comply with strict regulations and standards. This research examines the strategic approaches to enter and operate within the food and beverage (F&B) Halal sector by analyzing and comparing how Nestle, Cadbury, and Vinamilk have implemented Halal practices. Using secondary data, this study investigates the market entry and operational processes of each case study to identify key factors contributing to their success or shortcomings, while highlighting the influence of culture within the international business environment. From these insights, potential lessons can be derived for companies aiming to succeed in the Halal F&B industry.

**Keywords:** Halal compliance, Halal market, Vinamilk, Nestlé, Cadbury, international business strategy

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### **1. Introduction**

Cultural diversity significantly shapes international business by influencing consumer behavior, brand perception, and corporate strategies. Culture reflects a society's values, norms, and practices, impacting purchasing behavior, preferences, and expectations in global markets (Ajzen, 1985; Hofstede, 2013). Recognizing and adapting to cultural differences offers international firms a competitive advantage, especially in culturally sensitive sectors like food and beverages (F&B). *Halal*, an Islamic framework governing permissible consumption and ethics, meets the cultural and religious needs of Muslims, presenting strong growth potential.

Muslim-majority countries offer attractive opportunities for international businesses, with high per capita incomes in many regions, growing populations, and rich cultural heritage. Their young, urbanized demographics now seek high-quality, culturally relevant products. Sectors like tourism, retail, and F&B are expanding rapidly, creating space for innovative, localized business models. Beyond its religious roots, Halal now symbolizes quality, safety, and ethical consumption, appealing to a broad global consumer base.

This research investigates the potential and challenges of international businesses in the Halal F&B sector through three case studies of Nestle, Vinamilk and Cadbury. By studying their experiences, this research provides lessons for international businesses on how to further expand in the Halal F&B sector. This research employs qualitative methods, including desk research

method and case study analysis, with the author drawing from secondary data sources relevant to the subject matter.

## **2. Literature review**

### ***2.1. Globalization of the Halal Food Industry***

According to Hamdi and Nurwahidin (2025), the halal sector has undergone major transformation in recent decades, driven by the growth of the global Muslim population. By examining halal industries in various countries, including non-Muslim-majority ones, the study found that the sector is no longer merely reactive but actively shaping global market trends with high economic potential. Food companies innovate by incorporating local cuisines into halal-certified products, catering to diverse preferences and attracting non-Muslim consumers. This reflects the industry's ability to follow global trends while maintaining halal compliance.

In response to consumer demands for credibility, Ab Talib *et al.*, (2016) identified three motivators behind firms' adoption of halal certification, using Institutional Theory: coercive, normative, and mimetic isomorphism. Governments in Muslim countries enforce halal certification for food safety and quality, pushing firms to comply to avoid penalties and enable trade. Additionally, rising consumer demand pressures companies to obtain certification to maintain reputation and attract customers.

### ***2.2. Challenges in the Halal Food Industry***

Despite the sector's potential, variations in Muslim cultural practices and preferences complicate standardization. The absence of a universal accreditation system challenges exporters entering new markets with inconsistent regulations. Problems like false halal claims and anti-Muslim sentiment erode trust and compromise market integrity. Maintaining halal standards across supply chains requires better policies, monitoring, and infrastructure (Azam and Abdullah, 2020).

Abimanyu and Faiz (2023) called for mutual recognition and unified regulations to ease cross-border trade and position the region as a halal hub. Achieving this requires institutional cooperation and support at both domestic and international levels. Tâm (2024) confirmed these findings in a study of Vietnam's halal regulations and government efforts. Recommendations include drafting supportive policies, investing in infrastructure, forming trade agreements with Muslim-majority countries, and partnering with international halal bodies to boost exports and certification recognition. Drawing from Korea's success, Hoa (2024) suggested Vietnam focus on export strategies targeting Southeast Asia and the Middle East, while expanding domestic halal distribution.

### ***2.3. Research Gap***

While many studies address halal certification and practices, most focus on single-country contexts and lack comparative analysis of corporate strategies. Though the fragmented nature of halal standards is well-known, limited research explores how businesses can adapt and respond.

Furthermore, studies largely focus on Muslim-majority countries, overlooking diverse contexts like Vietnam. This research seeks to evaluate business strategies in the halal F&B sector and offer targeted recommendations for Vietnam's development in this industry.

### **3. Theoretical framework**

#### **3.1. Halal market and Halal certification**

The term Halal, derived from Arabic, refers to what is permissible under Islamic law ([www.halal.gov.my](http://www.halal.gov.my)). It goes beyond excluding pork, covering food that is clean, nutritious, safe, and hygienically handled throughout the supply chain (Rosnan *et al.*, 2015). According to Wilson and Liu (2010), Halal broadly means allowed or permissible under Islam.

Halal certification is increasingly significant as Muslim consumers become more aware of Islamic economic principles and products (Abdul Jalil, 2007). The global Muslim population has driven rising demand for Halal goods, with the market valued at around USD 2.1 trillion. While mainly serving Muslim consumers, Halal practices have been adopted by non-Muslim industries due to alignment with ethical standards and perceptions of better hygiene and quality (Rosnan *et al.*, 2015).

The halal market is characterized by three main aspects: (i) Expanding Consumer Base, (ii) Strict certificate and regulatory compliance, and (iii) Clear market segmentation and diversification.

Abdul-Talib and Abd-Razak (2013) highlighted the global Muslim population, estimated at 1.8 billion, as a key driver of Halal market growth. Projections suggest the market could reach USD 12 trillion by 2030, with annual growth around USD 500 billion (Vietnam Halal, 2024). Demand is also rising due to young, educated Muslims with stronger purchasing power and interest in new segments (Zannierah and Abidin, 2018). High food safety awareness among non-Muslims further expands Halal markets. Countries like Japan and Germany now target Muslim consumers (Wilson and Liu, 2010b; Zannierah and Abidin, 2018).

Implementing complex and heterogeneous standards of the Halal certification brings many challenges for the company which are questionable raw materials, unethical practices, poor understanding of Islamic theology, communication gaps, and human resource management issues (Jailani, 2024). Contract manufacturing also brings issues like formula ownership and reluctance to undergo certification (American Halal Foundation, 2024). However, the adaptation of halal standards may positively influence the company's internal operations (Giyanti *et al.*, 2021). Adhering to Halal certification and regulation may also improve the company's overall outcome concerning innovative performance, which significantly determines the company's market performance (Salindal, 2019). These standards also ensure product quality and build customer trust (Husna *et al.*, 2022).

The Halal market can be segmented by demographics, geography, and preferences (Wilson and Liu, 2010). Concerning demographics, the primary consumers are Muslim residents who seek products that comply with Islamic laws and non-Muslim interested in Halal products and services (Bonne and Verbeke, 2007; Rezai, Mohamed and Nasir Shamsudin, 2012). Geographically, key markets include Muslim countries like Indonesia, Malaysia, Saudi Arabia, and the UAE, as well as non-Muslim regions such as Europe, North America, and Australia (Ali, Tan and Ismail, 2017). Consumer values, religiosity levels, and lifestyle preferences shape purchasing behavior, with some prioritizing certification and others favoring health or sustainability (Nurhayati and Hendar, 2020). The Halal industry now includes not just food and beverages, but also cosmetics, pharmaceuticals, finance, and tourism (Dewi *et al.*, 2023).

### **3.2. F&B sectors**

The F&B sector encompasses all businesses involved in producing, processing, packaging, distributing, and serving food and drinks (UNICEF, 2023). This sector is characterized by high consumer demand, stringent regulatory requirements, and evolving consumer preferences shaped by globalization and cultural diversity (Statista, 2023). It operates within a highly competitive landscape where factors such as cost efficiency, sustainability, and quality assurance drive market dynamics.

The Halal F&B market is one of the fastest-growing segments within the global food industry. In 2021, the global Halal food market was valued at approximately USD 2 trillion, with projections estimating it will reach USD 3 trillion by 2027, growing at a CAGR of 6.1% (Thomson Reuters, 2021). Key features of the Halal F&B sector include compliance with Islamic dietary laws, ethical sourcing, and an increasing demand for transparency in production and certification processes. However, the Halal F&B sector faces challenges, including fragmented certification standards across countries, supply chain complexities, and the need for greater consumer awareness (Alserhan, 2020; Al-shami and Abdullah, 2023).

## **4. Research results**

### **4.1. Methodology**

This study uses a qualitative approach, combining case study methodology and a systematic literature review to explore the Halal food and beverage (F&B) market. Secondary data were selected based on relevance, credibility, and recency, drawing from company reports, peer-reviewed journals, and industry publications. The literature review synthesizes both academic and industry sources to frame the analysis. Three cases were purposefully selected for their contrasting outcomes: Nestlé as a global success, Vinamilk as a Vietnamese firm that has expanded effectively into Halal markets, and Cadbury as a failure due to misalignment with Halal standards. A thematic and cross-case analysis was conducted using a comparative framework focusing on strategy, compliance, and market response.

## **4.2. Case studies**

### **4.2.1 Nestle**

#### **4.2.1.1. Background information**

Nestlé, founded in 1866 in Switzerland, is the world's largest F&B company, with a presence in over 180 countries. The company has built a strong reputation for producing high-quality, nutritious, and innovative food products, ranging from dairy, confectionery, and beverages to baby food, cereals, and health sciences products. With a commitment to sustainability, consumer well-being, and food safety, Nestlé has continuously adapted to changing market trends and consumer preferences. (Nestlé, 2025a).

As the global Muslim population continues to grow, so does the demand for Halal-certified products. Recognizing this opportunity early on, Nestlé became a pioneer in the Halal food industry, especially in Malaysia. The company now operates over 85 Halal-certified factories worldwide, supplying Halal food products to Muslim-majority and minority markets across Asia, the Middle East, Europe, and North America (Izberk-Bilgin and Nakata, 2016).

#### **4.2.1.2. Products**

In Malaysia, Nestlé currently produces more than 500 Halal products and is the biggest Halal producer in the Nestlé world (Nestlé Malaysia, 2025). Nestlé offers a diverse range of Halal-certified products in Australia, verified by independent certification bodies. These products span multiple categories, including baking, beverages, coffee, dairy, chocolates, noodles, sauces, healthcare nutrition, and infant nutrition (Nestlé, 2024).

In baking, Halal-certified products include Nestlé Bakers' Choice Choc Bits and Plaistowe Chocolate. Beverages such as NESQUIK (Chocolate only) and Nestlé MILO are also certified. The coffee selection includes NESCAFÉ BLEND 43, NESCAFÉ GOLD, and NESCAFÉ DOLCE GUSTO. Dairy options feature CARNATION Lite Cooking Cream and Nestlé Sweetened Condensed Milk. Certified chocolates include Nestlé KitKat, Aero Peppermint, and Milkybar. In healthcare nutrition, OPTIFAST VLCD, SUSTAGEN Hospital Formula, and NUTREN Diabetes are included. Infant nutrition options feature Nestlé NAN Comfort, NAN Optipro, and NAN Expert Pro Lactose Intolerance (Nestlé, 2024).

#### **4.2.1.3. Strategies**

Understanding the impact of receiving halal certification, Nestlé Malaysia pioneered the halal standard and is recognized as the global Halal Centre of Excellence for the Nestlé Group thanks to the company's strict adherence and implementation of halal requirements. To ensure the halal integrity of the whole production process, the company only manufactures, imports and distributes products certified by JAKIM (Department of Islamic Development Malaysia). Today, Nestlé Malaysia's locally-manufactured halal products are exported to over 50 countries worldwide (Nestlé Malaysia, 2025). The company promotes its Halal certification as a symbol of quality, not

just for Muslim consumers but also for non-Muslims seeking high-quality, hygienic, and ethically produced food.

Nestlé has partnered with local retailers, Islamic certification bodies, and government agencies to strengthen its presence in Halal markets. In addition to being JAKIM certified, Nestlé works closely with Islamic scholars, creating a multicultural internal halal committee to develop guidelines, coordinate global halal strategies, implement employee training programs, and ensure compliance throughout the operations worldwide. The committee also works with halal authorities and external auditors to maintain the quality and integrity of the entire production chain (Hyun, 2016; Izberk-Bilgin and Nakata, 2016). The continued efforts from the brand have fostered trust and acceptance among Muslim consumers, solidifying Nestlé's position in the halal food industry. Nestlé is also looking to expand its market to non-Muslim countries, hoping to lead a 'quiet food revolution' in Asia after having invested into plant-based factories in China (Asia F&B Report, 2021).

According to Izberk-Bilgin and Nakata (2016), Nestlé has embraced a holistic meaning of halal by incorporating corporate social responsibility values and sustainability. Nestlé's campaign in Malaysia focused on promoting the brand's commitment to halal values and ethical practices, which resonated with the Muslim-majority consumers (Ahmad *et al.*, 2024). Nestlé emphasizes the benefits of halal on health and wellness, positioning the company not as just adhering to Muslim standards, but also marketed as ethical and conscious to the global market. The company's motto "Good Food, Good Life" also supports this brand identity, upholding the narrative of a socially responsible company, tying health with nutrition. Nestlé gained a competitive advantage by fulfilling both the demand for wholesome products and complying with strict halal regulations. Having a clear but flexible marketing of "halal" simultaneously satisfies the requirements of the Muslim market and attracts mainstream customers.

Together with maintaining a global presence, Nestlé customizes its products and marketing for different Muslim markets, such as Indonesia, Malaysia, and the Middle East. Nestlé Malaysia has developed Halal versions of global Nestlé products, including instant noodles, dairy products, baby food, and beverages. The company has introduced new product lines that cater to local tastes and dietary habits, such as spicy flavors for instant noodles or nutritional supplements (Hyun, 2016). As stated on their website: "Nestlé encourages its markets to adapt products locally, in order to respect the local, regional and national habits and the tastes, cultural and religious backgrounds of consumers as well as their purchasing power. While all products must correspond to our quality requirements, they vary extensively in composition, recipe, packaging and branding" (Nestlé, 2025b).

#### *4.2.1.4. Results and impacts*

Among multinational companies, Nestlé anticipated the growth of the halal market and started developing halal products in 1992, launching various goods and services that complied with Sharia

law to satisfy the consumption needs of Muslims (Bashir *et al.*, 2019). Nestlé leads the halal segment among Western companies by producing over 300 halal products in 50 countries. Nestlé institutes product certification and halal compliant manufacturing processes across 85 factories (Nestlé, 2012 cited by Atalan-Helicke, 2015). According to some estimates, these companies have captured 90% of the halal market (Ahmed, 2008; Alserhan, 2010; Oh, 2012 cited by Bashir *et al.*, 2019). Therefore, if supermarkets and food chains are to win the hearts of Muslim consumers, consumer-friendly marketing activities are needed (Bashir *et al.*, 2019).

Nestlé is already profiting from their farsightedness in halal. The group recorded more than USD 3 billion in sales from countries where Islam is practiced, and the number is increasing (“Nestlé”, 2005 cited by (Soong, 2017). The Swiss food giant Nestlé is a pioneer in the field. It has had a halal committee since the 1980s, and it has long had separate facilities for its halal products. As a result, the company’s turnover in halal products was USD 3.6 billion in 2008 with 75 of its 456 factories equipped for halal production (Alserhan, 2010).

Marzuki *et al.* (2011) revealed that innovative companies with quality halal products significantly improved their financial performance. Nestlé has increased its profit since it moved its halal range into mainstream retail channels in Swiss supermarkets. Nestlé has been offering halal versions of many brands since 2004 in countries such as France, the UK and Germany. Halal products are sold in 1,000 stores in five European countries. The product range includes Nido, Smarties, Maggi soups, Kit Kat, Milo and Nescafe accounting for annual sales of around USD 5.2 billion. Out of 456 factories, 85 are Halal certified. Though mainly these factories are in Indonesia, South Africa and Middle East surprisingly 20 of the factories is Halal certified (Rajagopal *et al.*, 2011). This indicates that halal certification improves product quality, hygiene and safety which encourages more customers, thus increasing the firm’s profitability (Salindal, Ahmad and Ahmad, 2018).

Golnaz, Zainalabidin and Mad Nasir (2012) found that although Nestlé is not a local manufacturer, the existence of Nestlé’s products in the country has made some impacts on Malaysian consumers as a local and trusted food manufacturer. Other food brands like Maggie, Dutch Lady, Magnolia, Bratina, to name a few, have become household name food products and are well received by Malaysians. Nestlé is the biggest food manufacturer in the halal sector with annual sales of more than USD 5 billion. Halal food accounts for about 35% of Nestlé’s global sales (Hussein, 2016). The crop-to-plate philosophy allows Nestlé to both meet the religious requirements of observant Muslims in its Asian and Middle Eastern markets and export its halal-certified products to Europe, thereby attracting health-conscious, non-Muslim consumers. Addressing the demand for wholesome and ethically produced products, while adhering to strict quality and hygiene standards prescribed by halal, has allowed the company to gain the trust of and purchases by mainstream consumers - a competitive advantage for Nestlé.

#### 4.2.2. *Vinamilk*

#### *4.2.2.1. Background information*

According to Vinamilk website, Vietnam Dairy Products Joint Stock Company (Vinamilk), was established in 1976 with the original name Southern Milk - Coffee Company, taking over three dairy factories: Thong Nhat, Truong Tho and Dielac. The brand now is considered to be the leading dairy brand in Vietnam and had experience in penetrating challenging markets such as the US market and the EU market.

Vinamilk has achieved many outstanding domestic and international achievements, affirming its leading position in the dairy industry. Regarding domestic achievements, Vinamilk continuously leads the Top 10 strong brands in Vietnam. Besides, has always maintained its position in the top listed corporate rankings, with impressive revenue and profits. In addition, Vinamilk is valued at more than 2.8 billion USD, becoming the most valuable food brand in Vietnam (Vinamilk, no date b).

Vinamilk also has impressive international achievements such as the top 5 most sustainable dairy brands globally and Vinamilk is the only representative of Southeast Asia to make this list. At the same time, Vinamilk maintained the 6th position in the Top 10 most valuable dairy brands globally. Vinamilk is considered the most potential dairy brand in the world, thanks to its effective market development and expansion strategy (Vinamilk, no date b). According to the 2023 Annual Report, Vinamilk achieved top 1 market share in the dairy industry in Vietnam. Total revenue in 2023 is 60,479 billion VND, profit after tax is 9,019 billion VND. 15 factories of Vinamilk are certified with FSSC 22000 and/or Halal and/or ISO 9001 (Vinamilk, 2023). Vinamilk joined the Halal market in 1997 and has now had 27 years of experience operating in this market.

#### *4.2.2.2. Products*

Vinamilk has more than 200 products distributed to 30 countries and more than 18,000 products are consumed every day. The company always brings users international quality nutritional solutions, meeting the needs of all consumers with delicious, nutritious, and healthy products associated with popular and market-leading brands such as: Vinamilk liquid milk, Vinamilk yogurt, Ong Tho and Southern Star condensed milk, Dielac powdered milk, Vfresh fruit juice, etc (Vinamilk, no date a).

Vinamilk provides a diverse product portfolio, meeting the nutritional needs of many customers, specifically with 12 product types: (1) Fresh milk and nutritious milk (2) Milk for pregnant mothers and children (3) Weaning foods (4) Milk for the elderly (5) Yogurt (6) Drinking yogurt and fruit milk (7) Condensed milk (8) Vegetable milk (9) Soft drinks (10) Ice cream (11) Sugar (12) Cheese (Vinamilk, no date a).

#### *4.2.2.3. Strategies*

At Vinamilk, the process of understanding and attaching to Halal requirements began early, even before Vietnam had an official certifying authority because this company has been operating

in this market since 1997 (Duc Trung, 2025). According to Vinamilk representative, "For Vinamilk, achieving Halal certification is not particularly challenging because we already have extensive experience and confidence in our quality management processes, from production to distribution. However, we view the Halal logo on our products not just as a certificate, but as a commitment from the manufacturer to the consumer. This commitment encompasses various factors, from sourcing the right products and flavors, ensuring that production practices strictly adhere to Halal standards, to offering after-sales services and packaging that cater to the specific demands of the market (Duy Quang, 2025). Vinamilk has many modern milk factories, certified to Halal standards. Having a "collection" of the world's leading standards such as GlobalGAP, Organic EU, FDA, ISO 9001, FSSC 22000... is a "weapon" for this company to penetrate deeply into the demanding market (Vinamilk, 2023).

Not considering about only certification, Vinamilk emphasized that establishing strong and long-lasting relationships with local partners is one of the key strategies that have helped the company operate effectively in Halal market for 10 to 20 years (Thu Huyền, 2025). By working closely with local organizations, Vinamilk has ability to offer dairy products that are finely tuned to meet the specific needs of consumers in each region of Muslim countries. This approach also extends to designing packaging, marketing campaigns, and branding images that are in harmony with the cultural norms and tastes of each individual market. For Muslim-majority countries, this customization is even more critical (Duc Trung, 2025), (Duy Quang, 2025).

#### *4.2.2.4. Results and impacts*

The success of Vinamilk could be shown that all 387 of the company's export products, including powdered milk, condensed milk, nutritional powders, yogurt, and drinking yogurt, meet Halal certification requirements (Tuổi trẻ, 2024). Along with a significant increase in revenue after more than a decade of market penetration, Vinamilk's Alpha brand has become widely recognized, appearing commonly across various locations. Halal markets currently account for nearly 80% of Vinamilk's export sales. Some market segments have experienced substantial growth in both contribution share and value, with certain markets projected to see an estimated increase of more than 80% in 2024 (Duc Trung, 2025), (Thu Huyền, 2025), (Duy Quang, 2025). It could be concluded that the success of Vinamilk is a lesson not only for F&B sector but also for all Vietnamese businesses aiming to enter and operate efficiently in the Halal market.

#### *4.2.3. Cadbury*

##### *4.2.3.1. Background information*

Cadbury, a globally recognized confectionery brand owned by Mondelez International, has a significant presence in the Halal F&B sector. Established in 1824, Cadbury operates in over 50 countries, with key markets including the United Kingdom, India, Australia, Malaysia, Indonesia, and several Middle Eastern and African nations (Mondelez International, 2023). The brand ranks among the top confectionery companies globally, holding a strong position in the world's cookie

and sweet sector, with a market share of approximately 7% (Statista, 2023). Cadbury is also the second largest confectionery brand in the world after Mars. It has built a strong reputation for quality and innovation, maintaining a competitive edge through extensive product diversification and strategic market positioning. Cadbury's commitment to research and development, coupled with its well-established supply chain and branding strategies, has enabled it to sustain growth in both conventional and Halal markets.

#### 4.2.3.2. Products

Cadbury, a subsidiary of Mondelez International, has tailored its product to meet the growing demand for Halal requirements in Muslim – majority and Muslim – minority communities. Cadbury products have been certificated by Halal Certification Authority Australia (Cadbury, no date a). The company offers many types of chocolate with many flavors to meet the diverse demands of the customers, Cadbury ensures that its products are free from non-halal ingredients such as porcine derivatives and alcohol-based activities (Mondelez, no date).

In Malaysia, where Cadbury has a strong market presence, the company offers a host of delicious chocolates, including Dairy Milk chocolates, toffee cookies, and chocolate spread. Cadbury is committed to bringing the best chocolate products to local consumers. All products of Cadbury have passed the Halal authentication of JAKIM, which aims to “protect the purity of faith and Islamic teachings” (Yu and Chan, 2020).

#### 4.2.3.3. Strategies

To enter the Halal market, Cadbury partnered with local Halal certification bodies, including Malaysia’s JAKIM, Halal Certification Authority Australia, Indonesia’s MUI, and the UK’s Halal Food Authority, ensuring compliance with Islamic laws (Yu and Chan, 2020; Talha, 2024; Cadbury, no date a). These certifications enable Cadbury to expand in Muslim-majority countries and build trust in international markets requiring Halal standards (Salindal, 2019).

Cadbury aligns its marketing with Islamic traditions, offering limited-edition packaging and promotions during Ramadan and Eid. In Malaysia and Indonesia, it runs festive campaigns with gift packs and themed ads, while in the Middle East, it focuses on premium launches and charitable efforts reflecting Islamic values (Cadbury, no date b; Wan *et al.*, 2023). This localized approach builds loyalty among Muslim consumers.

In 2014, Cadbury faced a Halal crisis in Malaysia after claims of porcine DNA in its products, leading to public backlash and revenue loss (Musa *et al.*, 2016). To restore the trust of customers, the company worked closely with JAKIM to conduct a lab test for their products, which proved that the initial test release was incorrect and Cadbury’s products still comply with Halal certifications and requirements. After that, the company issued public statements and press releases reaffirming its commitment and explained clearly about the crisis. Cadbury had to engage

with Muslim scholars and community leaders to rebuild confidence and trust among customers in Halal market (Yu and Chan, 2020).

Cadbury continues expanding its Halal-certified range, including Dairy Milk, Bournville, chocolate spreads, and biscuits. It ensures ingredients comply with Islamic law and embraces ethical sourcing, such as Fairtrade cocoa and reduced additives, aligning with the “Tayyib” (pure and wholesome) principle (Mondelez, no date). By adopting this strategy, Cadbury has strengthened brand credibility and competitiveness.

#### *4.2.3.4. Results and impacts*

Cadbury's entry into the Halal market was driven by increasing demand for certified confectionery products among Muslim consumers. The brand successfully obtained Halal certification for its products in multiple markets, positioning itself as a trusted choice within the global Halal economy.

However, despite its strategic efforts, Cadbury has faced notable challenges, particularly in markets such as Malaysia and Indonesia, where issues regarding certification transparency and consumer trust emerged. One of the most significant controversies arose in 2014 when Malaysian authorities reported traces of porcine DNA in certain Cadbury chocolate products, triggering a crisis that tested consumer trust, regulatory oversight, and corporate response strategies (The Star, 2014). The controversy began in May 2014 when Malaysia's Ministry of Health conducted routine tests and claimed to have detected porcine DNA in two Cadbury Dairy Milk products, sparking immediate public outrage. Religious groups, consumers, and Islamic organizations demanded stricter Halal compliance enforcement, and some advocacy groups called for a complete boycott of Cadbury's products. The situation escalated further as Muslim organizations proposed legal action against the company, intensifying the reputational crisis and prompting debates about the integrity of Halal certification processes (The Guardian, 2014). Cadbury's case underscores the broader challenges faced by multinational companies operating in the Halal F&B sector, including regulatory scrutiny, evolving consumer expectations, and the necessity for proactive communication and crisis management (Kasirye, Radwan and Krey, 2020).

Following the allegations, Cadbury and its parent company, Mondelez International, faced an urgent need to manage the crisis. They issued immediate denials, requested independent verification, and worked closely with the JAKIM to conduct further analysis. By June 2014, JAKIM officially announced that additional tests found no traces of porcine DNA in Cadbury products, reinstating its Halal certification (JAKIM, 2014). However, the damage had already been done - consumer trust had been severely affected, and sales in Malaysia temporarily declined. The impact extended beyond Malaysia, tarnishing Cadbury's brand perception in key Muslim-majority markets such as Indonesia, Saudi Arabia, and the United Arab Emirates (Nangoy and Hamzah, 2014). Consumer confidence in Halal-certified products was shaken, prompting broader scrutiny of multinational companies operating in these regions.

In response, Cadbury implemented comprehensive reforms, including bolstering supplier audits, enhancing Halal compliance verification processes, and investing in targeted public relations campaigns to rebuild trust. The brand leveraged local partnerships to reinforce its credibility within key markets. However, residual skepticism persisted among certain consumer segments, demonstrating the long-term reputational risks associated with Halal compliance lapses.

## **5. Discussion and recommendation**

### ***5.1. Discussion***

The cases of Nestlé, Vinamilk, and Cadbury highlight different approaches to Halal certification, shaped by each company's resources, market strategy, and ability to manage risk. Nestlé's long-standing commitment to Halal, beginning in the early 1990s, reflects a deliberate effort to integrate religious standards into its global operations. Its emphasis on quality, safety, and local adaptation, supported by over 85 certified facilities, shows how Halal can serve both as a compliance measure and a broader brand value. Nestlé's success in Muslim-majority markets also suggests that Halal certification can appeal beyond religious consumers, particularly when linked to hygiene and ethical sourcing. Vinamilk's entry into the Halal market in 1997 was more targeted but no less strategic. By working closely with partners in Southeast Asia and aligning its products with local tastes and standards, the company has turned Halal into a key driver of export growth. With Halal-certified goods accounting for the majority of its overseas sales, Vinamilk shows how smaller firms can compete effectively through trust and market-specific adaptation. Cadbury's case illustrates the risks of insufficient oversight. Although it had Halal certification, the 2014 incident in Malaysia, where traces of pork DNA were allegedly found in two products, damaged consumer trust and triggered a public backlash. While the company eventually resolved the issue, the episode underscores the need for robust supply chain management and transparent communication, especially when operating in religiously sensitive markets.

Collectively, these cases underscore the strategic value of Halal certification beyond religious compliance. Successful engagement in the Halal market requires a combination of operational excellence, cultural sensitivity, and continuous stakeholder engagement. Companies that treat Halal as a comprehensive value system, integrating quality, ethics, and transparency, can secure both competitive advantage and consumer loyalty across diverse markets.

### ***5.2. Recommendation***

Strengthening awareness, trust - building and cultural adaptation specially for Halal-related issues, including concepts, standards, certification, and market potential. Government agencies should collaborate to educate localities and businesses, encouraging their participation in Halal-compliant production and services. Additionally, Vietnamese Halal products should be promoted globally, while the issuance of certification guidelines of trade should be accelerated facilitation mechanisms to enhance Vietnam's competitiveness. Developing national Halal standards aligned with leading international frameworks is crucial. Given the diversity of religious regulations across

markets, standardized national guidelines will provide businesses with a clear foundation for compliance and export readiness.

Vietnam should expand economic diplomacy and international cooperation in the Halal sector. This includes strengthening the relationship with key Islamic and ASEAN countries, enhancing mutual recognition of Halal certification, and leveraging existing partnerships to attract investment in Halal-compliant production. Collaboration between the government and agencies business is also crucial for strengthening competitive ability. Moreover, Viet Nam companies should also develop a strategic plan that demonstrates the flexibility, sincerity, willingness to pay, thereby enhancing market adaptation efficiency.

The establishment of an authorized body for Halal certification is essential to create standardized guidelines, a unified certification process, and regulations for renewal and revocation. This would also help address potential legal gaps in the sector. For Vietnamese enterprises aiming to enter the Halal market, it is crucial to actively promote and introduce Vietnamese products through trade promotion programs, food exhibitions, culinary festivals, and Halal forums. However, beyond promotion, companies must prioritize consumer trust by ensuring supply chain management and transparent communication. To minimize risks and sustain credibility, enterprises are required to establish clear communication especially in times of crises, in alignment with proactive risk management practices.

## **6. Conclusion**

The Halal market is a promising yet demanding sector, shaped by strict certification requirements and the discerning choices of consumers in Muslim-majority countries. To succeed, F&B companies can follow the examples of Nestlé and Vinamilk by strictly complying with Halal standards and building long-term local partnerships. This not only aids distribution but also supports ongoing product innovation aligned with local tastes. However, companies must also navigate cultural and religious sensitivities carefully to avoid issues like Cadbury's past incident. In short, a deep understanding of the Halal market is essential for success, as shown by the strong growth achieved by Nestlé, Vinamilk, and even Cadbury.

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