

# HALAL COSMETICS: CURRENT ISSUES AND FUTURE OPPORTUNITIES

Nurul Aqmar Zaidun<sup>1</sup>  
Nor Hashima Hashim<sup>2</sup>

<sup>1,2</sup>Arshad Ayub Graduate Business School, Universiti Teknologi MARA  
(UiTM) Selangor, Malaysia

## Introduction

There is now a growing demand for halal cosmetics among the Muslim population and due to their purchasing power, Muslim consumers today spend more on cosmetics and personal goods (Swidi *et al.*, 2010). Cosmetics is used for beautifying purposes without affecting the body to make it looks attractive, and cover a wide range of products including cleaning body parts, enhancing features, and changing skin tones and colours such as makeup, perfume, tooth paste, shampoo and deodorant (Kumar, Massie, & Dumonceaux, 2006). Cosmetics comes in many range of products such as soap, face mask, powder, shampoo, lotions, toothpaste and perfumes (Winter, 2005). Muslim consumers now prefer to choose halal cosmetics and the trend is catching up (Daud, Aziz, Baharudin, & Shamsudin, 2012). The halal cosmetic industry in Malaysia is worth approximately USD800 million, with an annual growth rate of 24 per cent (Halal Industry Development Corporation, 2014). In 2011, there were 114 local manufacturers in the industry certified as halal (Boo, 2013). In the year 2013, the export of Malaysian halal cosmetic products was approximately at RM 464.45 million, with destinations such as the United States, the Middle East, China, ASEAN and Europe being the major markets.

Countries with large Muslim population are expected to have a high demand for halal cosmetics as the socioeconomic conditions has improved significantly (Ariyanchira, 2017). The growing market size of Muslim populations internationally, which has reached 2.04 billion in 2013 (Pew Research, 2013), is expected to create opportunities for the halal cosmetics and personal care industry. The demand from the younger generation as a conscious consumer towards halal cosmetic products has increased the demand for halal products (Houlis, 2017).

In addition, Muslims are becoming more conscious and concern over the presence of chemical and non-halal ingredients in their cosmetics and

personal care products. Malaysia's first online beauty store to sell exclusively halal-certified beauty products named Pretty Suci, sells their halal brands and ships internationally, and it is an admirable attempt to make halal beauty products more accessible globally (Ng, 2017).

Therefore, this paper aims to determine how halal cosmetics can remain competitive in the cosmetics industry and highlight issues concerning halal cosmetics.

## Concept of Halal Cosmetics

In Islam, Halal means "allowed or permitted to be consumed by Islamic law" (Kaur, Osman, & Maziha (2014), and (Khan, Asad, & Mehboob, (2017) as indicated in the Quran and teachings of the Prophet Muhammad. Surah Al-Maidah:4 has mentioned in the Quran:

*"They asked you what is lawful to them. Say: 'The good things are lawful to you, as well as that which you have taught the birds and beasts of pray to catch, teaching them of what Allah has taught you, eat what they catch for you, pronouncing upon it the name of Allah, and fear Allah, Allah is swift reckoning'"*

The verse has clearly stated what is allowable in Islam, and what we must prevent from harm, and not prohibited in Islam. Hence, Halal as stated in Quran, refers to something that is permissible or allowable in Islam; in which everything in this world is Halal unless something shows otherwise (Alam & Sayuti, 2011). Halal Malaysia Portal (2017) has defined halal as, it is a product or services which has been recognised by the authority, according to syara' or Islamic law, and the product or services has a halal logo. Hence, the term of 'Halal' is not limited to the ingredients alone, but also the manufacturing processes, storing, packaging as well as delivering the products according to the sharia. The realm of halal may extend to all consumables such as pharmaceuticals, cosmetics, personal care products, toiletries, etc.

Therefore, the concept of halal cosmetics covers all aspects of the management system. Halal cosmetics are products that must not have any human parts or ingredients nor containing any animals forbidden to Muslims and must be slaughtered according to syariah law; no genetically modified organism (GMO) which are declared as najis; no alcohol drinks (khamar); no contamination from najis during preparation, processing, manufacturing and storage; and safe for consumers (Kaur et al., 2014). Additionally, any use of animal fats and testing, dangerous chemicals and other ingredients considered

as unacceptable for Muslim consumers (Aoun & Tournois, 2015). All halal beauty products are also recognised as clean, safe and of high quality.

## Issues regarding Halal Cosmetics

Despite the significant market demand of cosmetic and personal care products, the industry is very competitive and fast paced, requiring rapid product innovations (Kumar, 2005). Many halal cosmetic studies have found several factors that are associated with halal cosmetics. These factors include halal principles, product reliability, and product commitment, intention to choose halal cosmetics products, trust, environmental friendly, attitude, religious beliefs, and product innovations (Majid, Sabir, & Ashraf, 2015). The potential growth for halal cosmetics and personal care products is fuelled by the growing demands for safe, natural products that fit consumers' religious and cultural beliefs (Halal Journal, 2008). Thus, the manufacturing of halal cosmetics is seen as a sort of innovation in skincare and cosmetics industry. The manufacturers of halal cosmetics is now forced to introduce new technologies in the areas of research and development, formulation and production.

One study found the buying behaviour among Muslim consumers are changed whereby Muslims today buy products that emphasise on hygiene, safety, and standards (Yeo, Mohamed, & Muda, 2016). Due to the change in buying behaviour, product lines must now include new halal products dedicated to different sex, age groups and ethnicities to cater to varying age and lifestyle demographics. Manufacturers that wish to target the Islamic market, thus should take into account the specific religious requirements that reflect on different stages of product development. Marketing campaigns to promote the benefits of the halal cosmetics should be used instead of campaigns that only portray the physical characteristics of the products. The marketing campaigns will increase awareness among both Muslim and non-Muslim consumers toward the Halal cosmetics products (Yeo *et al.*, 2016).

In Malaysia, *halal* certification is issued by the Government, unlike in other countries whose certifications are endorsed by their respective Islamic associations (Adam, 2006). The Malaysian *halal* certification and logo are issued by a federal body and several state bodies. The authority for certifying the *halal* products and services is the Department of Islamic Development Malaysia (JAKIM). Currently, JAKIM handles *the halal certification process* of products for the local market and export market, and JAKIM's *Halal* logo is among the most widely recognized and respected symbols of *Halal* compliance in the world (Adam, 2006). For halal cosmetics products, the Halal logo is a significant marketing tool as it communicates and convinces

consumers that the product has been manufactured according to the Islamic requirement (Khan *et al.*, 2016). Likewise, the logo emphasizes the absence of harmful and unhygienic ingredients to Muslim consumers while for the non-Muslim consumers the halal logo highlights products are produced in a safe and sanitary setting.

However, the global cosmetics industry is dominated, and to a certain degree monopolized, by non-Moslems companies. This poses serious challenges to the issue of halal ingredients in cosmetic products manufactured by the companies. Also, stiff competition in the market has resulted in Halal cosmetics products competing with producers of kosher goods as well as other socially conscious products which has an established brand in certain countries (Izberk-bilgin & Nakata, 2016). Due to anti-Islamic sentiment fuelled by 9/11 and ongoing conflicts in the Middle East, some Western consumers have negative associations with firms having Islamic ties in which the name of Islam could trigger an aggressive response. However, the demand for halal cosmetics remain strong due to increased awareness and knowledge among Muslim consumers. For manufacturers of cosmetic products, innovation in halal cosmetics and the benefits of halal cosmetics must be emphasized.

### **Future Opportunities**

The most promising halal markets are the fast-growing economies of the Asia, Middle East, Europe and America. With a growing consumer base, and increasing growth in many parts of the world, the industry is set to become a competitive force in world international trade. The halal industry has now expanded well beyond the food sector, further widening the economic potentials for halal cosmetics.

The Asia Pacific region is becoming a dominant region for halal cosmetic due to its considerable Muslim population and improving socio economic conditions. It is a good opportunity for companies to gain access to the global scene through e-commerce. The challenge is to find the right partners as once a new market is open, the competition is even greater as established beauty businesses will also enter the online business.

Urbanisation has significantly impacted consumers' lifestyles and preferences and sophisticated consumers are increasingly demanding convenience and functional products in terms of packaging, application and delivery format. Thus, with increasingly affluent consumers able to pay for premium brands or more expensive products, manufacturers of halal products

must introduce new products which offer convenience and functional benefits.

In the current market, personal care products are no longer apply solely to women. Men, particularly those in urban areas, now also generate strong demand for personal care products that they believe will enhance their appearances. This has opened up new opportunities for manufacturers and they have responded by introducing a number of new halal cosmetic products and brands specifically aimed for men into the market.

## **Conclusion**

This paper offers practical contributions for halal cosmetics as Halal cosmetics have become a global need. Muslims around the world are increasing in number and are expected to reach 1.6 billion in the next few years. Therefore, there will be a new wave in the global cosmetics market which will result in demand for cosmetics products that meet religious and cultural requirements. Also, cosmetics consumers around the world are seeking natural and safe products. This explains why halal cosmetics started penetrating non Muslim markets. Meanwhile, the new Muslims generations are becoming more knowledgeable and highly educated with a large number of them having a high disposable income resulting in many Muslims able to purchase halal products with halal components.

When marketing halal cosmetics marketers should address universal values that resonate with human kind instead of selling Islam to Muslims, Halal cosmetics should represent beauty products that conform to Islamic law and in harmony with ethical concerns of discerning consumers worldwide. This image could appeal strongly to the non-Muslim markets. As most consumers make purchasing decision based on perceived goods' characteristics, halal cosmetics manufacturers and marketers must emphasize on the benefits of their halal products and not only portray the physical characteristics of the products.

The use of the halal logo gives a competitive advantage over competitors who do not possess such certification. The certification of halal cosmetics also reflects quality and price advantages resulting to a certain extent a market niche for the product. The use of Muslim micro influencers to endorse halal cosmetics may also facilitate firms in attracting the young Muslim consumers as these mico influencers are known to engage better with young consumers through their social media postings. These reasons present great business opportunities for manufacturers to invest in Halal cosmetics.

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