



Perception of the halal status of haidilao hotpot restaurant: A case study of communication in the halal ecosystem in Indonesia

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ABSTRACT

Background: This study examines the perception of halal standards at Haidilao Hotpot restaurants in Indonesia, focusing on how the brand communicates its halal compliance within the halal ecosystem. The study aims to understand the impact of halal communication on Muslim consumer attraction and retention. **Methods:** A qualitative approach was employed using a case study method, focusing on Haidilao consumers in Bandung. Data were gathered through interviews to explore consumer perceptions of Haidilao's halal standards. **Findings:** The study found uncertainty and ambiguity regarding Haidilao's halal status, which negatively affected Muslim consumers' trust and willingness to recommend the restaurant. Respondents preferred establishments with clear halal certification and were hesitant to endorse Haidilao. **Conclusion:** Clear communication of halal standards is crucial for building trust and ensuring success in the Indonesian market. Addressing consumer concerns through transparency and cultural sensitivity can help improve Muslim consumer trust and loyalty. **Novelty/Originality of this article:** This research highlights the critical role of trust and cultural understanding in halal marketing strategies, providing new insights for international brands aiming to succeed in Muslim-majority markets like Indonesia.

KEYWORDS: halal compliance; Indonesia; muslim consumers; restaurant; trust.

1. Introduction

The growth of the culinary industry has recently become a prominent topic among Indonesian society. Foreign restaurants have started to enter the Indonesian market, offering unique and distinct dining experiences. One of the popular establishments in Indonesia is Haidilao, a Chinese hotpot restaurant chain renowned for its service and unique concept. Nevertheless, the presence of foreign restaurants such as Haidilao also raises concerns regarding the halal status of the food they serve. The perception of halalness is a crucial aspect within the food and beverage industry, particularly in a country with a Muslim-majority population like Indonesia. As the country with the largest Muslim population in the world, Indonesia demands high halal standards for food products and

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services consumed (Riaz & Chaudry, 2004). The presence of Haidilao in Indonesia thus raises significant questions regarding Muslim consumers' perceptions of its halal status.

This study aims to explore and understand Muslim consumers' perceptions of the halalness of the Haidilao hotpot restaurant in Indonesia. It not only focuses on evaluating the halal status of the products and services offered but also examines how Haidilao communicates its halal standards within Indonesia's existing halal ecosystem. This research is significant as it provides insights into the extent to which international restaurants are able to meet and communicate halal standards in a market that is highly sensitive to such issues.

The halal industry in Indonesia is experiencing rapid growth, driven by increasing consumer awareness of the importance of halal-certified products (Azam, 2016). The Indonesian government has also issued various regulations to ensure that products and services circulating in the market comply with stringent halal standards (BPJPH, 2019). In this context, international restaurants like Haidilao must undergo significant adaptations to meet local market demands.

The theoretical framework of this study refers to the concepts of halalness in the food industry and halal marketing communication. The theory of halalness in the food industry pertains to the standards and certifications ensuring that food products are produced and served in accordance with Islamic principles (Riaz & Chaudry, 2004). Meanwhile, halal marketing communication theory emphasizes the importance of effective communication strategies in conveying halal information to consumers (Wilson & Liu, 2010). Both theories are relevant for analyzing how Haidilao formulates and communicates its halal policies to Muslim consumers in Indonesia.

This study lies at the intersection of halal studies and marketing communication within the context of the international restaurant industry in Indonesia. Although there have been several studies on halal perception among Muslim consumers (Bonne & Verbeke, 2008; Ahmed, 2018), research specifically investigating how international restaurants like Haidilao adapt and communicate within Indonesia's halal ecosystem remains very limited. Therefore, this study seeks to fill this gap and provide a more comprehensive understanding of the dynamics of halal perception in this sector.

Thus, this research will not only contribute theoretically to the fields of halal studies and marketing communication but will also offer practical implications for international restaurant operators seeking to enter and operate within Indonesia's highly halal-sensitive market.

2. Methods

This study employs a qualitative approach using the case study method. The objective is to gain an in-depth understanding of consumer experiences in consuming food at Haidilao Hotpot. The data collection technique used is in-depth interviews. Interviews were conducted with three Haidilao consumers located in Bandung between June 1–2, 2024. Informants were selected using purposive sampling, with the criteria that they had previously purchased and consumed food from Haidilao and paid particular attention to the halal aspects of the food they consumed. Semi-structured interviews were conducted to obtain rich and detailed information. By employing in-depth interviews with Haidilao consumers in the Bandung area, this study aims to provide a comprehensive understanding of Muslim consumers' perceptions regarding the halalness of Haidilao, as well as insights into how communication within the halal ecosystem relates to the restaurant.

3. Results and Discussion

This study involved three informants from the city of Bandung. Through this research, we were able to gather a variety of perspectives regarding the halalness of Haidilao from individuals across different cities. Based on the results of the interviews, differences in

viewpoints emerged, highlighting the need for further exploration to better understand the factors influencing consumer perceptions of a product's halalness.

The first informant expressed doubt regarding the halal status of Haidilao's products. This indicates that the first informant harbors skepticism toward the halal certification and practices of the restaurant. The informant's uncertainty reflects concerns about whether the food preparation and ingredients truly adhere to Islamic principles. Such skepticism highlights the importance of transparency and clear communication regarding halal standards in international restaurants operating in Indonesia. Therefore, the first informant's perspective can be categorized as critical and cautious towards Haidilao's halalness.

The second informant, in contrast, expressed confidence that Haidilao is halal. This indicates that the second informant believes that the products served at the restaurant comply with halal principles. The positive perception may stem from personal observation, trust in the brand, or assurances provided by the restaurant itself. Such confidence suggests that for some consumers, the overall dining experience and perceived brand reputation are sufficient to establish trust in halal compliance. Consequently, the second informant holds a favorable and affirmative view toward the halalness of Haidilao.

The third informant expressed uncertainty regarding the halal status of Haidilao's offerings. This reflects hesitation and a lack of confidence in the restaurant's adherence to halal standards. The third informant's uncertainty may arise from limited information, absence of visible halal certification, or perceived inconsistencies in the restaurant's communication. As a result, similar to the first informant, the third informant adopts a skeptical stance towards Haidilao's halalness. This further underlines the critical need for international restaurants to proactively address consumer concerns in markets sensitive to halal issues.

3.1 Brand awareness

Informant 1, S (20), indicated in this study that brand awareness of Haidilao is influenced by uncertainty regarding its halal status. The informant expressed doubt about whether Haidilao is truly halal, even after viewing the restaurant's halal certificate on its official website. Informant 2, C (19), also demonstrated uncertainty regarding Haidilao's halalness. This informant was unsure whether Haidilao is halal because they had never personally seen the halal certificate and were uncertain about the food preparation processes. Informant 3, A (25), emphasized the importance of discipline and politeness within Javanese culture, which teaches deep respect and obedience to parents, as well as Islamic teachings that advocate living peacefully and avoiding deviations. These principles serve as a reminder to always stay on the right path.

3.2 Halal perception

Informant 1, S (20), stated that they were uncertain about whether Haidilao is halal. Although they had seen Haidilao's halal certificate on the official website, the informant still harbored doubts regarding the restaurant's food preparation processes. Informant 2, C (19), also expressed uncertainty about Haidilao's halal status. This informant had never seen Haidilao's halal certificate and was unsure about how the food was prepared. Informant 3, A (25), did not provide specific information regarding Haidilao's halalness in the data collected.

Key findings from the study reveal significant consumer concerns regarding the halalness of Haidilao. Two out of three informants expressed uncertainty about Haidilao's halal status, primarily due to the lack of clear and easily accessible information on food preparation processes and halal certification. Informant 2, for instance, had never seen Haidilao's halal certificate and was unsure about how the food was handled, highlighting the need for greater transparency and information accessibility. In addition, Informants 1 and 2 both doubted Haidilao's halalness due to the unclear nature of its food preparation

process. These observations suggest that Haidilao must provide more detailed and transparent explanations regarding how they ensure halal compliance throughout food preparation to strengthen Muslim consumer trust.

The findings of this study lead to several important implications for Haidilao. First, there is a clear need for Haidilao to enhance the clarity of information regarding its halal status, including details on the food preparation process and halal certification. This information must be easily accessible and presented in a transparent and reliable manner. Second, Haidilao should focus on building trust with Muslim consumers by collaborating with reputable Islamic organizations and trusted influencers. Lastly, Haidilao needs to better understand the needs and concerns of Muslim consumers regarding halal food. This can be achieved through market research and open communication with the Muslim community.

3.3 Information sources

Informant 1, S (20), mentioned that they had seen information about Haidilao's halal status on social media, where the information was relatively clear. Informant 2, C (19), also encountered information about Haidilao's halal status on social media, but felt that the information was not very clear. Informant 3, A (25), had heard of Haidilao and was aware that it is a popular hot pot restaurant from China, known for its unique service and delicious food, but did not mention any specific information about its halal certification.

3.4 The influence of halal perception

Informant 1, S (20), stated that they were unsure whether Haidilao is halal or not, even though they had seen Haidilao's halal certificate on its official website. The informant still had doubts about the food preparation process. Informant 2, C (19), also expressed uncertainty regarding Haidilao's halal status. This informant had never seen Haidilao's halal certificate and was unsure how the food was prepared. Informant 3, A (25), did not provide specific information regarding Haidilao's halalness in the data provided.

These findings suggest that there is doubt and uncertainty among consumers, particularly Muslim consumers, regarding Haidilao's halal status. This could be a barrier for Haidilao in attracting and retaining Muslim consumers. Therefore, Haidilao needs to improve the transparency of information regarding its halal status. This can be achieved by providing clear and easily accessible information about the food preparation process, the ingredients used, and halal certification. Haidilao also needs to build trust with Muslim consumers by collaborating with reputable Islamic organizations and trusted influencers. Additionally, Haidilao should understand the needs and concerns of Muslim consumers regarding halal food. This can be done through market research and open communication with the Muslim community.

4. Conclusions

This study provides important insights into Muslim consumers' perceptions of the halal status of the Haidilao hotpot restaurant in Indonesia. The results of the research show significant uncertainty and doubt among Muslim consumers regarding Haidilao's halal status. Although Haidilao claims to have halal certification, the lack of transparency in information and clarity in the food preparation process are the main factors contributing to this doubt. To address Muslim consumers' concerns, Haidilao needs to improve the clarity of halal information, build trust through collaborations with trusted parties, and understand the needs and values of Muslim consumers in Indonesia. A proper strategy in these aspects is key for Haidilao to enhance loyalty and achieve success in the Indonesian market, which is sensitive to halal issues.

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Author Contribution

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Conflicts of Interest

The authors declare no conflict of interest.

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