Challenge and Potential of Indonesian Halal Products to Penetrate Market in China

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Abstract

Halal product market in China is quite large as there are more than 32 million Muslims in China who can become potential consumers of halal products. Moreover, there is a growing awareness of halal products in China. However, Indonesia as the country with the most Muslim population, has not exported many of its halal products to the Chinese market. For this reason, this paper aims to identify the benefits, opportunities, costs, and risks (BOCR) for Indonesian halal products when penetrating Chinese market, identifying strategies carried out by countries that have succeeded in penetrating the Chinese market, and recommend strategies that can be carried out in penetrating Indonesian halal products into the Chinese market. In order for Indonesian halal products to penetrate the Chinese market, the strategies that can be employed are improving quality, quantity and continuity of halal products, improving marketing strategies, establish cooperation with aggregators and strengthen government supports. In addition to strategies related to product, marketing, aggregators and government support, this study also found that halal certificates and halal awareness are significant aspects to increase consumer interest, who is mostly non-Muslim, to buy halal products. While products and marketing aspects are not significant in increasing consumer interest, who is mostly a non-Muslim, to buy halal products.