

Aligning Consumer Preferences with Marketing Practices: A Study of Halal Restaurants in Thailand

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Abstract

The halal restaurant industry in Nonthaburi Province plays a vital role in Thailand's food sector, catering to both Muslim and non-Muslim consumers who value quality, hygiene, and halal certification. As demand for halal dining rises, innovative marketing strategies are essential for businesses to remain competitive. This study investigates effective marketing approaches for halal restaurants, applying the 7Ps marketing mix and utilizing SWOT and TOWS analyses to address challenges and opportunities.

A mixed-methods approach was employed, combining quantitative surveys and qualitative interviews with restaurant operators. Descriptive analysis revealed overall customer satisfaction with halal restaurants at a mean score of 3.8 (S.D. = 0.65), with the highest satisfaction for authenticity (mean = 4.2, S.D. = 0.58) and hygiene (mean = 4.0, S.D. = 0.62). However, promotional activities scored the lowest (mean = 3.3, S.D. = 0.70), indicating a need for better marketing communication.

The study identified strengths in halal certification and adherence to dietary standards, with weaknesses in promotional efforts and service differentiation. Opportunities include the rising demand for halal food, while threats stem from competition and operational costs. The research recommends strategies such as digital marketing and enhanced customer engagement to improve competitiveness.

By aligning marketing strategies with consumer preferences and addressing operational challenges, halal restaurants in Nonthaburi can strengthen their market position. This research offers valuable insights for operators and policymakers to promote sustainable growth in the halal food sector.

Keywords: Halal restaurants, marketing strategies, 7Ps marketing mix, SWOT analysis, TOWS matrix, Nonthaburi Province.

1. Introduction

The restaurant industry serves as a dynamic hub for social interactions, cultural exchanges, and economic activity, catering to a wide range of consumer needs and purposes. In Thailand, this industry contributes significantly to the economy, with its market value surpassing 400 billion THB in recent years. Among the diverse array of restaurant types, halal establishments hold a unique and vital position, serving the needs of Muslim consumers while also appealing

to a broader audience through their emphasis on cleanliness, health-consciousness, and authenticity. Halal food, governed by Islamic principles, is central to the Muslim lifestyle and profoundly influences dining and travel choices.

Globally, Islam is practiced by over 1.9 billion individuals, representing 23.5% of the world's population. In Thailand, Muslims account for approximately 5.4% of the total population, providing a significant and growing market for halal-certified products and services. Additionally, Thailand is a favored destination for Muslim travelers, ranking third among non-OIC countries in the Global Muslim Travel Index 2022. The increasing number of Muslim tourists underscores the importance of halal food establishments in catering to both local and international markets.

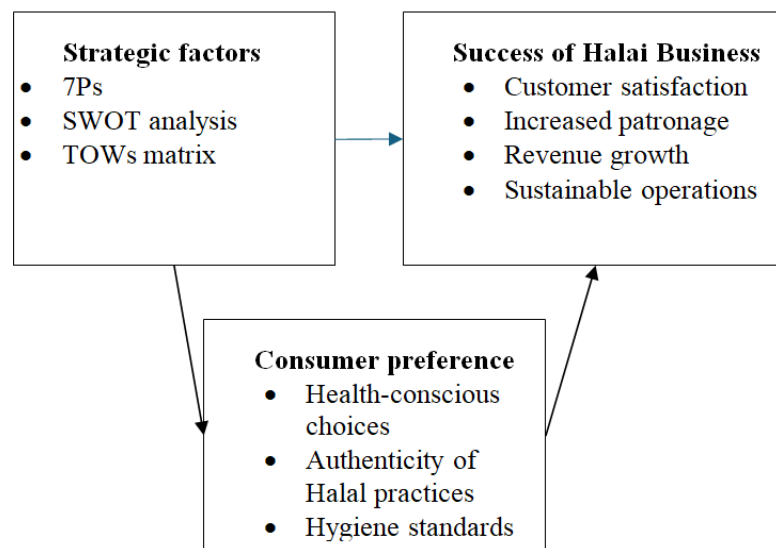
Despite its promising growth, the halal restaurant sector in Thailand faces several challenges. The evolving preferences of both Muslim and non-Muslim consumers demand a heightened focus on hygiene, health-conscious offerings, and authenticity. Moreover, increasing competition within the food industry necessitates innovative marketing strategies that are specifically tailored to the needs of halal businesses. These challenges underline the critical need for comprehensive research into effective marketing approaches that can help halal restaurant operators thrive in a competitive landscape.

This study focuses on identifying and developing marketing strategies for prominent halal restaurants in Nonthaburi Province. Through a detailed analysis of market trends and consumer behavior, the research aims to provide actionable insights for restaurant operators to enhance their competitive advantage and address the specific needs of the Muslim consumer base. The study's scope includes halal restaurants with over three years of operational experience, ensuring the reliability of the data collected. Using theoretical frameworks such as the 7Ps marketing mix, SWOT analysis, and the TOWS matrix, the research explores key factors influencing the success of halal restaurants.

By addressing these challenges and identifying opportunities for growth, the study aims to support halal restaurant operators in sustaining their businesses and aligning with consumer expectations. Additionally, the findings contribute to strengthening Thailand's position as a Muslim-friendly destination, enhancing its reputation and appeal in the global halal food market. This research, therefore, holds significance not only for individual businesses but also for the broader development of Thailand's halal food sector.

Here is the designed research framework for the study on marketing strategies for halal restaurants. It visually represents the relationships between independent variables (7Ps Marketing Mix, SWOT Analysis, TOWS Matrix), the mediating variable (Consumer Preferences), and the dependent variable (Business Success of Halal Restaurants).

Figure 1. Conceptual Framework



1.1 Objectives

1. To evaluate current marketing practices and analyze consumer preferences, focusing on the 7Ps marketing mix and factors like health, authenticity, and hygiene.
2. To identify strengths, weaknesses, opportunities, and threats (SWOT) and develop actionable strategies using the TOWS matrix.
3. To assess the impact of proposed marketing strategies on customer satisfaction, revenue growth, and overall business success.
4. To develop effective marketing strategies for halal restaurants in Nonthaburi Province to enhance competitiveness and achieve sustainable growth.

2. Literature reviews

The literature review explores foundational frameworks and industry-specific insights critical to the development of marketing strategies for halal restaurants. The 7Ps Marketing Mix (Product, Price, Place, Promotion, People, Process, and Physical Evidence) is presented as a comprehensive framework for evaluating marketing strategies and aligning them with consumer needs. Booms and Bitner (1981) emphasize that this approach is particularly relevant for service-based industries like restaurants, as it helps tailor offerings to meet both functional and emotional needs of consumers. In the context of halal restaurants, ensuring halal compliance in products and processes, competitive pricing, strategic location selection, and effective promotional campaigns are crucial to attract and retain customers (Kotler & Keller, 2016; Seththachotsombut et. al., 2022).

The SWOT Analysis framework provides a structured approach to understanding internal and external factors impacting business performance. Strengths for halal restaurants include strict adherence to halal standards, which establishes trust among Muslim consumers, while weaknesses may involve limited awareness among non-Muslim customers about the inclusivity of halal food. Opportunities include the rising demand for halal products globally,

driven by an increasing Muslim population and the growing trend of health-conscious eating habits. Threats, however, include heightened competition from both halal and non-halal food businesses and challenges in maintaining consistent halal certification across operations (Gürel & Tat, 2017).

The TOWS Matrix further extends the SWOT framework by providing actionable strategies that leverage internal strengths to exploit external opportunities and mitigate weaknesses and threats. Weihrich (1982) highlights its value in translating situational analyses into practical marketing strategies, such as using halal certification as a competitive differentiator or investing in digital marketing to increase visibility.

Thailand's halal food market is positioned as a key area of growth, with the country ranking as a leading non-OIC halal destination due to its sizable Muslim population and appeal to Muslim travelers (Henderson, 2016). Despite this, challenges remain, including a lack of widespread awareness about halal food among non-Muslim consumers, rising operational costs, and the need to adapt to evolving consumer preferences for authenticity, hygiene, and health-conscious dining options.

Studies also emphasize the importance of consumer behavior in shaping marketing strategies. Muslim consumers value food authenticity, hygiene, and health-conscious choices, which are critical to their decision-making process (Alserhan, 2010). The increasing demand for halal-certified products from both Muslim and non-Muslim consumers highlights the need for businesses to integrate these preferences into their operational and marketing practices.

This review establishes a theoretical foundation for the research by linking marketing strategies to consumer behavior and operational challenges in halal restaurants. It provides actionable insights into leveraging frameworks like the 7Ps Marketing Mix, SWOT, and TOWS Matrix to improve the competitiveness and sustainability of halal restaurants in a dynamic market.

3. Methods

This study adopts a mixed-methods approach, integrating quantitative and qualitative methodologies to comprehensively analyze marketing strategies for halal restaurants in Nonthaburi Province. The research focuses on existing marketing practices, consumer preferences, and operational challenges. The target population includes halal restaurants that have been operational for at least three years, with a purposive sampling method used to select restaurant owners, managers, and key stakeholders for data collection.

Data were collected using two primary tools: questionnaires and interviews. Questionnaires were distributed to customers to gather quantitative data on satisfaction, preferences, and expectations, employing Likert scales to measure factors such as health consciousness, authenticity, and hygiene. Interviews were conducted with restaurant owners and managers to gain qualitative insights into marketing strategies, operational challenges, and competitive practices.

The data collection process was carefully planned to ensure reliable responses from both customers and operators. Quantitative data were analyzed using statistical tools, including descriptive statistics and inferential analysis, with the 7Ps Marketing Mix framework applied to categorize and interpret marketing practices. Qualitative data were analyzed through

content analysis to identify recurring themes and patterns, while the SWOT and TOWS matrices were used to transform qualitative insights into actionable strategies.

The scope of this study is geographically limited to Nonthaburi Province, focusing on well-established halal restaurants. While providing in-depth insights, the findings may not fully generalize to other regions or newer establishments. This methodology ensures a robust understanding of consumer perspectives and operational strategies, supporting the development of effective marketing solutions for halal restaurants.

4. Results

The study provided key insights into the marketing strategies, consumer preferences, operational challenges, and descriptive statistical findings of halal restaurants in Nonthaburi Province. The implementation of the 7Ps Marketing Mix highlighted strengths in "Product" and "Price," where restaurants were commended for offering authentic halal food at competitive prices. However, weaknesses were identified in "Promotion" and "Physical Evidence," pointing to the need for improved marketing communication and enhancements in restaurant ambiance to attract and retain customers.

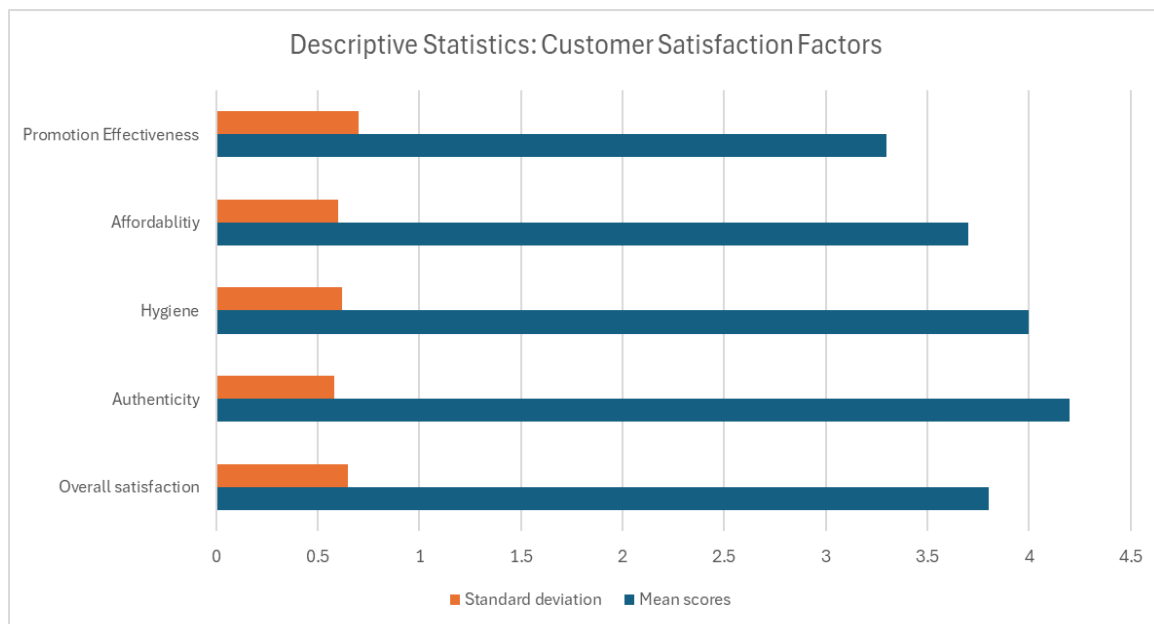
The analysis of customer survey data revealed the following key results, shown in Figure 2:

- Overall Customer Satisfaction: Rated at a medium-high level, with a mean score of 3.8 (S.D. = 0.65) out of 5, reflecting general contentment with halal restaurant services.
- Authenticity: Scored the highest satisfaction rating with a mean of 4.2 (S.D. = 0.58), indicating strong trust in halal compliance and standards.
- Hygiene and Cleanliness: Received a mean score of 4.0 (S.D. = 0.62), showing that cleanliness was a priority for customers.
- Affordability: Scored 3.7 (S.D. = 0.60), highlighting the importance of competitive pricing for a broader customer base.
- Promotion Effectiveness: Recorded the lowest satisfaction level with a mean of 3.3 (S.D. = 0.70), emphasizing the need for enhanced marketing activities.

Moreover, customers prioritized authenticity, hygiene, and affordability when selecting halal restaurants. Authenticity was critical for building trust, while cleanliness and health-conscious practices were major influences in dining decisions. Competitive pricing was also essential to attracting a wider audience, particularly non-Muslim customers.

Halal restaurants faced challenges in maintaining high-quality standards while keeping prices affordable. Rising competition from both halal and non-halal establishments further highlighted the need for innovative strategies.

Figure 2. Customers survey results



From SWOT and TOWS Analysis, actionable insights are as follows:

- Strengths: Strong halal certification and trust among Muslim consumers.
- Weaknesses: Limited promotional activities and differentiation in services.
- Opportunities: Expanding demand for halal food locally and from international Muslim tourists.
- Threats: Increasing competition and operational costs.

To summarize, restaurants that addressed weaknesses and leveraged strengths using strategies such as digital marketing, loyalty programs, and improving customer experiences saw noticeable improvements. Enhanced promotion and engagement efforts led to higher customer satisfaction, reflected in increased foot traffic and revenue growth.

5. Conclusion

This study explored the marketing strategies, consumer preferences, and operational challenges faced by halal restaurants in Nonthaburi Province, offering actionable insights to enhance their competitive advantage. The findings revealed that while the "Product" and "Price" elements of the 7Ps Marketing Mix were effectively implemented, significant gaps exist in "Promotion" and "Physical Evidence," highlighting the need for improved marketing communication and enhanced customer experiences. Consumer preferences centered on authenticity, hygiene, and affordability, underscoring the importance of maintaining strict halal standards, prioritizing cleanliness, and offering competitive pricing to meet customer expectations.

The SWOT and TOWS analyses identified critical strengths, such as halal certification and trust among Muslim consumers, and highlighted opportunities in the growing demand for halal food among local and international audiences. However, weaknesses such as limited

promotional activities and a lack of service differentiation, coupled with threats from rising competition and operational costs, pose challenges. Strategies like leveraging digital marketing, enhancing customer experiences, and forming partnerships were shown to mitigate these issues and improve customer satisfaction and revenue growth.

The discussion emphasizes the need for halal restaurants to balance tradition with innovation. Authenticity and hygiene are key drivers of customer loyalty, aligning with global trends in halal food markets. Addressing promotional weaknesses offers significant opportunities for growth, particularly through digital platforms and social media, which can attract a broader audience, including non-Muslim consumers. Furthermore, operational improvements and strategic initiatives, such as supplier partnerships and community engagement, could help offset rising costs and strengthen market positioning.

Overall, the study highlights the potential for halal restaurants in Nonthaburi Province to thrive by aligning their marketing strategies with evolving consumer needs and leveraging innovative solutions to overcome operational challenges. These findings contribute to the broader development of Thailand's halal food industry, reinforcing its position as a leading Muslim-friendly destination. Future research could explore the regional impact of these strategies and the role of emerging technologies in transforming the halal restaurant market.

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