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### The Influences of Political-Legal Factors of Halal Industry on Export Performance: Mediating Role of Price Adaptation Strategy

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**Abstract:** The main purpose of this paper is to examine the mediating role of price adaptation strategy on the influence of political-legal factors of Halal industry on export performance. A self-administered survey was distributed to a sample of 110 Malaysian exporters of Halal certified products. The results of PLS 3.2.4 analysis indicated that the performance of Malaysian exporting firms significantly influenced directly by the political-legal factors of Halal industry and indirectly by the political-legal factors of Halal industry through the implementation of price adaptation strategy. In practice, the understanding of the role of price adaptation strategy in mediating the influence of political-legal factors of Halal industry on export performance will contributes to exporters and policy makers in their efforts to improve marketing effectiveness and export performance of Halal products in global Halal market through the effective pricing strategy that is closely adapted to export market specificity. In theory, the investigation of standardization versus adaptation issue in Halal market has contributed to the body of knowledge of international marketing strategy by adding single industry values.

**Keywords:** Political-Legal Factors of Halal industry, Price Adaptation Strategy, Export Performance, Global Halal Market

#### I. INTRODUCTION

The global Halal market is large, and the size is increasing annually in tandem with the growing Muslim population worldwide and the increased awareness of a responsibility to consume only Halal products. Furthermore, the growing concern of health and safety issues has raised the demand for Halal products

among non-Muslim consumers, especially those who are concerned with the cleanliness and wholesomeness of the product [37]. It is expected that the global expenditure of Muslim consumers on food and lifestyle sectors will reach at USD3.7 trillion by 2019, at a compound annual growth rate of 10.8 per cent [2]. This indicates a huge demand for Halal products globally and enormous opportunities for Halal exporters to venture into this market. The Halal market is growing steadily and expanding faster than its mainstream counterparts. Halal products are fast becoming well known among worldwide consumers, and the industry is growing rapidly throughout the world. The growth of Halal market represents a significant demand potential for international customers, not only in Muslim countries but also in non-Muslim countries among which Halal observance is on the rise.

Although the industry is booming, some political-legal issues have remained unresolved. For instance, legal issues with respect to Global Halal Standards have delayed the development of the Halal industry due to the disunity of Halal standards within and across countries. This scenario has significantly impacted industry players, especially firms dealing with the global market. This is because different interpretations of Halal requirements regarding animal feeds, slaughtering methods, packaging, logistics, and other issues have created problems in meeting individual market demands. Furthermore, with little reciprocal recognition by Halal certification bodies worldwide [13] [45], international firms have to be more attentive to the specific Halal certification recognized in a particular market to reduce the risk of being rejected by the export market. The diverse legal requirements of Halal products across countries might also incur additional cost to the exporting firms which affect their pricing strategy. Meanwhile, the political interference through incentive and assistance by the trade agencies of the country might enable the exporting firms to improve the depth of planning procedures in terms of market research and analysis, which can help exporting firms implement pricing strategy more closely suit the specificity of different markets. Therefore, firms must alert with the current rules and regulations regarding Halal products implemented both at local and international and also take the opportunities provided by the government so as to have an extra edge in adapting their pricing strategy elements.

Under the Third Industrial Master Plan (IMP3), Malaysia has the vision to become a Global Halal Hub and play a primary role in exporting Halal products. With enormous potential in the Halal industry, the trading of Halal products in the local and global markets is expected to become a significant contributor to the economic growth of the country [14]. However, Malaysia export performance and contribution in global Halal market is still at moderate level. As reported in Malaysia External Trade Development Corporation Annual Report [34], the contribution of Malaysian Halal exports in 2014 (i.e., RM37.7 billion) is only about 4.9% as compared to the overall export value of the country (i.e., RM766.13 billion). Moreover, Malaysia's involvement in the global Halal food industry is still insignificant compared to Thailand, which is fast emerging as a Halal hub [10]. Although Malaysia is ranked in the top ten by the World Competitiveness Scoreboard regarding its competitiveness in the Halal food industry, some weaknesses have been identified that hamper local food firms from performing successfully in the global Halal food market. One of the weaknesses is the lack of legal, social, and cultural knowledge of international consumer markets [3]. One of the common issues Malaysian exporters have faced is the ability to comply with importing country requirements [26] which has given some indication of their marketing adaptability in meeting target market specifications.

While a wealth of empirical research identifying the determinant factors responsible for successful export performance exists, studies that focus on examining the impact of environmental factors on the

price adaptation strategy and export performance are quite limited [31] [17] [20]. Furthermore, studies on examining the export marketing strategy in Halal industry context received very limited attention in the academic literature especially in relating to the standardization/adaptation (S/A) issue [42]. With inadequate literatures exploring the industry context, there are no clear guidelines for international marketers to determine the critical factors of export performance associated with political-legal factors of Halal industry for effective export marketing strategy. Therefore, the objectives of the study are:

1. To examine the influence of political-legal factors of Halal industry on price adaptation strategy.
2. To determine the influence of price adaptation strategy on export performance.
3. To examine the influence of political-legal factors of Halal industry on export performance.
4. To investigate the mediating effect of price adaptation strategy on the influence of political-legal factors of Halal industry on export performance.

## **II. LITERATURE REVIEW**

### **(A) Political-Legal Factors, Price Adaptation Strategy and Export Performance**

A number of empirical studies have shown that political-legal factors have significant influence on the price adaptation strategy [8] [7] [24]. Based on these studies, the main reason firms have resorted to customized marketing strategy is due to incompatible regulatory environments between home and host market. As countries in different parts of the world commonly have their own laws and regulations, exporting firms might be forced to adapt their marketing strategy. For instance, [8] [7] reported that the greater the environmental differences in terms of legal regulations, the more likely the manager has to follow a price adaptation strategy in that foreign market. Besides legal issues, political factors such as government involvement in assisting exporting firms have also correlated with the marketing adaptation decisions. As indicated in [24] study, the amount of support received from the European Union (EU) government and trade associations has improved the depth of market research and market analysis of Portuguese firms, which consequently allows them to implement a pricing strategy more closely adapted to the needs of different markets.

Political and legal factors are likely to have an impact on export performance as they might act to undermine the effectiveness of the firms' international operations as evidenced by several empirical studies [16] [15] [22] [23] [24] [4] [11] [19] [21] [7]. [21] study showed that, when firms faced political-legal problems, the exporting firms of Zimbabwe have overcome these challenges by adapting their marketing strategies, which appears to help them to perform well. Likewise, [11] also revealed that firms that were aware of the relevant political-legal issues in a host country generally performed well because they had designed appropriate strategies in anticipation of overcoming these challenges.

A strong positive link between price adaptation and export performance measures has also been demonstrated in the literature [27] [12] [1] [36] [6]. One of the motives for pursuing price adaptation strategy is discrepancy of economic, political-legal, price controls, and other environmental forces [49]. In [12] study for instance, adjustment of export prices to foreign market conditions positively influenced the performance of Korean exporters. [36] indicated that lowering prices for products offered in Latin America had increased the export sales volume because the company was able to offer competitive prices in parity

with importing country's purchasing power. [27] discovered that Indian firms with high export performances were more likely to have adapted their export product prices in foreign markets. This is because the differential pricing strategy had enabled the firms to consider the differences across markets because customers in diverse markets might evaluate products differently depending on specific factors of the host country. [6] showed that an adjustment of export prices to a foreign market situation has positive influence on the performance of Korean exporters. Meanwhile, [1] reported that exporters who charged higher prices in the export market were more profitable.

With regard to Halal industry, different countries may have different regulations concerning Halal such as Halal standards, Halal enforcement, and Halal trade requirements. For example, the United Kingdom Halal Standard prohibits using stunning for slaughtered animals. In addition, the country also imposes strict trade requirements on Halal meat/meat-based products, which require the firms to receive approval from EU Commission before exporting the product to the country. Apart from that, government support for the Halal industry such as incentives and export assistance might influence price adaptation strategy among industry players. Equipped with knowledge relating to Halal-specific regulations and external support received from the government, firms would be in a better position to develop a strategy more closely adapted to a target market, which in turn, would enable them to secure export performance.

### **(B) Theoretical Background of the Study**

Due to the multiple, diverse, and idiosyncratic nature of foreign macroenvironments, certain degree of adaptation on marketing program elements is necessary to ensure the specificity of export market is met. The adaptation of various aspects of marketing program such as product, promotion, price, and distribution is one of the common strategies used by exporters which generally term as "Marketing Adaptation strategy" [41] [40]. In an export marketing context, the elements of list price, payment/credit terms, sales terms, discounts and allowances, profit margins, and other pricing elements are subject to changes depending on the specific conditions of the target market. Hence, an appropriate pricing strategy is vital to ensure firms' success, which can be translated into either a proper standardization or adaptation of price elements.

Based on institutional theory, social, economic, and political factors constitute an institutional structure of a particular environment which provides firms with advantages for engaging in specific types of activities. Some of these pressures in host and home institutional environments are testified to exert fundamental influences on competitive strategy [29] [28]. Furthermore, it has been argued that differences in the institutional environment between countries are expected to affect the firm's strategy and performance [46]. Following this notion, this theory is applied to explain the influences of political-legal factors on price adaptation strategy.

Export performance is also proposed to be directly affected by political-legal factors and indirectly affected by these contingent forces through the influence exercised on price adaptation strategy. Based on contingency theory, an industry's performance depends on the conduct of its firms, which then depends on the structure (contingency factors that determine the competitiveness of the market). Therefore, the indirect influence of environmental factors on export performance through price adaptation strategy can also be predicted. As evidenced in few studies [44] [38] [16] [24] [5] [8], the mediating role of price adaptation strategy in the relationship between macroenvironmental factors and export performance has been

demonstrated. Therefore, following the reasoning of the contingency perspective and supported by several evidences in the literatures, it is also feasible to expect an indirect relationship, which leads to the formulation of the following hypothesis:

H1: Political-legal factors significantly influences price adaptation strategy.

H2: Price adaptation strategy significantly influences export performance.

H3: Political-legal factors significantly influences export performance

H4: Price adaptation strategy mediates significantly the influence of political-legal factors on export performance.

### III. METHODOLOGY

#### (A) Data Collection

The sampling frame was taken from Malaysia Exporters of Halal Products and Services Directory 2010-2011 that listing 228 firms [35]. Excluding the companies that involved in services (i.e., 13 companies), 215 questionnaires have been distributed during MIHAS and Halfest since most of the listed companies in the directory involved in the events as it was being organized by MATRADE. Out of the 215 questionnaires distributed, only 68 were collected during MIHAS and 44 during Halfest. Of the total 112 questionnaires, two were discarded because they were not fully completed, leaving 110 representing a response rate of 51.2%. Only person in charge or with good knowledge of company's export marketing practices of Halal certified product is qualified to complete the survey.

#### (B) Measurement and Data Analysis

The questionnaire was designed to measure exporters' perception on the extent of agreement on the importance of political-legal factors (PLF) in influencing the adaptation of marketing program elements through the use of 5-point numerical scale from (1) strongly disagree to (5) strongly agree. The items were adapted from previous studies [19] [20] [21]. For the price adaptation strategy (PRC) construct, the respondents need to state the degree of adaptation of price elements of main export venture as compared to the local market by using 5-point numerical scale from (1) no adaptation to (5) substantial adaptation which is adapted from [23] and [25]. Both PLF and PRC constructs were pretest and validated with few experts and practitioners in Halal industry since previous studies that explain the concepts in Halal industry context have not been examined. Meanwhile, the measurement of export performance is adapted from the established instruments [30] [31] [54] that measured the construct in terms of market, financial, and customer indicators implying separate measures for effectiveness, efficiency, and adaptability of the firms.

The unit of analysis of the study is the main export ventures which refer to the selected product or product line that has been exported to the selected export country. The product-market venture level analysis is used in order to associate marketing mix adaptation more precisely with its antecedents and outcomes since simultaneous use of different products and markets will lead to inaccurate measures [25].

The Partial Least Squares version 3 (SmartPLS 3.2.4) of Structural Equation Modelling (SEM) is used to check on the goodness of the measurements and also to test the hypotheses of the study

## IV. RESULTS AND DISCUSSIONS

### (A) Main Export Ventures Profile

The profile of main export venture describes the product categories and market segments involved in the study. As illustrated in Table I, the product or product line investigated cover both food and non-food product categories with the highest product categories obtained for non-meat-based (42.5%), followed by beverages (17.2%), ingredients (11.5%), healthcare/pharmaceuticals (11.5%), meat/meat-based (10.3%), and cosmetics/skincare (6.9%). Meanwhile, the five major Halal market segments is led by Asia (49.4%), followed by Middle East-Africa (26.4%), Europe (12.6%), Australasia (6.9%) and America (4.6%) respectively. From the survey responses, the specific export countries include Brunei, Cambodia, China, Vietnam, Arab Saudi, Africa, Dubai, Kazakhstan, Makah, United Arab Emirates, Belgium, Ireland, London, Paris, Russia, United Kingdom, America, Australia and New Zealand. Based on this profile, the main export venture of the study is dominated by non-meat based product category and Asia market segment.

**Table I**  
**Main Export Ventures Profiles**

	<i>(N = 110)</i>	<i>(%)</i>
Product category		
Meat/meat-based	11	10.0
Non-meat-based	52	47.3
Beverages	20	18.2
Halal Ingredients	10	9.1
Cosmetics/Skincare	3	2.7
Healthcare/Pharmaceuticals	14	12.7
Market segment		
Asia	60	54.5
Middle East-Africa	26	23.6
Europe	10	9.1
America	4	3.6
Australasia	10	9.1

### (B) Firm Profile

The general profiles of firm were described with regards to state of operation, numbers of workers, annual sales, years of operating and years of exporting. Majority of firm operates in state of Selangor (40.9%), followed by Pulau Pinang (11.8%), Johor (10.9%), Melaka (6.4%), Kuala Lumpur (6.4%), Kedah (5.5%), Sabah (5.5%), Negeri Sembilan (4.5%), Kelantan (1.8%), Pahang (1.8%), Perak (1.8%), and Terengganu (0.9%). With regard to the number of employees, majority of the firms in the sample have workers between five (5) and 50 (58.7%) with annual sales between RM 250,000 and RM10 million (50.0%). In terms of size, majority of the firms are small and medium enterprise (SME) based on MITI definition under 'Manufacturing' categories (i.e., sales turnover between RM10 million and RM25 million or full time employees between 51 and 150). As for the age, 59.1% of the firms in the sample have existed for 10 years and above compared

to only 40.9% that have existed less than 10 years. The distribution implies a fair representation of both young and older firms in the sample. Regarding the duration of involvement in exporting, 52.7% of the sample started exporting less than five years, whilst 47.3% have been doing so for five years and above

**(C) Measurement model**

The analysis of measurement model was found satisfactory with the evidence of adequate convergent validity, discriminant validity, construct validity and composite reliability.

**(i) Construct validity:** The respective loadings and cross loadings were assessed in order to determine if there were problems with any particular items. Following a cut-off value for loadings at 0.5 as significant as suggested by [47], any items which had a loading of higher than 0.5 on two or more factors were deemed to be have significant cross loadings. Based on Table II, the observation can be made that all the items measuring a particular construct loaded highly on that construct and loaded lower on the other constructs, thus, confirming construct validity.

**Table II**  
**Loadings and Cross loadings**

	<i>CUS</i>	<i>FIN</i>	<i>HRS</i>	<i>MKT</i>	<i>PRC</i>
CUS1	<b>0.780</b>	0.479	0.605	0.561	0.536
CUS2	<b>0.776</b>	0.606	0.552	0.541	0.480
CUS3	<b>0.810</b>	0.617	0.506	0.662	0.416
CUS4	<b>0.861</b>	0.718	0.569	0.699	0.453
CUS5	<b>0.826</b>	0.629	0.534	0.748	0.455
FIN1	0.629	<b>0.829</b>	0.643	0.612	0.484
FIN2	0.595	<b>0.879</b>	0.533	0.636	0.449
FIN3	0.701	<b>0.906</b>	0.549	0.697	0.470
FIN4	0.668	<b>0.870</b>	0.562	0.677	0.503
FIN5	0.704	<b>0.878</b>	0.661	0.684	0.507
HRS1	0.516	0.531	<b>0.810</b>	0.458	0.605
HRS2	0.582	0.574	<b>0.822</b>	0.522	0.651
HRS3	0.389	0.398	<b>0.683</b>	0.338	0.442
HRS4	0.478	0.474	<b>0.725</b>	0.556	0.381
HRS5	0.611	0.585	<b>0.770</b>	0.633	0.414
MKT1	0.757	0.662	0.619	<b>0.817</b>	0.469
MKT2	0.673	0.694	0.582	<b>0.819</b>	0.489
MKT3	0.582	0.532	0.510	<b>0.774</b>	0.388
MKT4	0.560	0.545	0.441	<b>0.792</b>	0.322
MKT5	0.563	0.553	0.437	<b>0.764</b>	0.419
PRC1	0.516	0.445	0.603	0.426	<b>0.826</b>
PRC2	0.468	0.388	0.499	0.415	<b>0.796</b>
PRC3	0.369	0.323	0.305	0.367	<b>0.578</b>
PRC4	0.367	0.383	0.378	0.389	<b>0.573</b>
PRC5	0.297	0.361	0.304	0.347	<b>0.583</b>
PRC6	0.422	0.418	0.544	0.313	<b>0.804</b>
PRC7	0.375	0.422	0.544	0.397	<b>0.740</b>

**(ii) Convergent validity:** Following [47] recommendations, factor loadings, Composite Reliability (CR), and Average Variance Extracted (AVE) were used to assess convergence validity, which require the loadings for all items to exceed the value of 0.5. CR is used to explain the degree to which the construct indicators indicate the latent, whereas, AVE measures the variance captured by the indicators relative to the measurement error. As shown in Table III, most item loadings were larger than 0.5, ranging from 0.573 (lowest) to 0.906 (highest). CR values ranged from 0.873 to 0.941, exceeding the recommended value of 0.7 [47]. Meanwhile, the AVE values ranged from 0.502 to 0.762, greater than 0.50 to justify using a construct [48].

**Table III**  
**Result of Measurement Model**

<i>Construct</i>	<i>Item</i>	<i>Loading</i>	<i>CR<sup>a</sup></i>	<i>AVE<sup>b</sup></i>
Halal Regulations & Support (HRS)	Hrs1	0.810	0.874	0.583
	Hrs2	0.822		
	Hrs3	0.683		
	Hrs4	0.770		
Price adaptation (PRC)	Prc1	0.826	0.873	0.502
	Prc2	0.796		
	Prc3	0.578		
	Prc4	0.573		
	Prc5	0.583		
	Prc6	0.804		
	Prc7	0.740		
Market performance (MKT)	Mkt1	0.817	0.895	0.629
	Mkt2	0.819		
	Mkt3	0.774		
	Mkt4	0.792		
	Mkt5	0.764		
Financial performance (FIN)	Fin1	0.829	0.941	0.762
	Fin2	0.879		
	Fin3	0.906		
	Fin4	0.879		
	Fin5	0.878		
Customer performance (CUS)	Cus1	0.780	0.906	0.658
	Cus2	0.776		
	Cus3	0.810		
	Cus4	0.861		
	Cus5	0.826		



**(iii) Discriminant validity:** Discriminant validity was assessed by examining the correlations between the measures of potentially overlapping constructs. Items should load more strongly on their own constructs in the model, and the average variance shared between each construct and its measures should be greater than the variance shared between the construct and other constructs [53]. As shown in Table IV, the calculated square root of the AVE (ranging from 0.708 to 0.873) exceeded the inter-correlations of the construct with the other constructs in the model, indicating adequate discriminant validity [51] [50].

**Table IV**  
**Discriminant validity**

	<i>CUS</i>	<i>FIN</i>	<i>HRS</i>	<i>MKT</i>	<i>PRC</i>
<i>CUS</i>	<b>0.811</b>				
<i>FIN</i>	0.757	<b>0.873</b>			
<i>HRS</i>	0.679	0.675	<b>0.764</b>		
<i>MKT</i>	0.797	0.758	0.658	<b>0.793</b>	
<i>PRC</i>	0.572	0.553	0.659	0.530	<b>0.708</b>

*Note:* Diagonals represent the square root of the average variance extracted while the other entries represent the squared correlations

**(iv) Reliability:** Cronbach’s Alpha (CA) and the Composite Reliability (CR) scores were used to validate the construct reliability under study. As presented in Table V, CA values of all constructs ranged from 0.831 to 0.922, which are above 0.6 as suggested by [52]. Meanwhile, CR values ranged from 0.873 to 0.941, which are considered acceptable as it has exceeded the recommended value of 0.7 [50]. As such, we can conclude that the measurements are reliable.

**Table V**  
**Reliability**

<i>Constructs</i>	<i>Measurement Items</i>	<i>Cronbach’s Alpha (CA)</i>	<i>Composite Reliability (CR)</i>
<i>HRS</i>	HRS1 - HRS5	0.820	0.874
<i>PRC</i>	PRC1- PRC7	0.831	0.873
<i>MKT</i>	MKT1- MKT5	0.853	0.895
<i>FIN</i>	FIN1- FIN5	0.922	0.941
<i>CUS</i>	CUS1- CUS5	0.870	0.906

**(D) Results of Hypothesis**

A bootstrapping procedure with 500 resamples was run to generate the t-values to estimate the structural model. As depicted in Figure I and Table VI, there is a positive relationship between Political-Legal Factors and Price Adaptation Strategy ( $\beta=0.664$ ,  $P<0.001$ ), between Price Adaptation Strategy and Export Performance ( $B=0.209$ ,  $P<0.05$ ) and between Political-Legal Factors and Export Performance ( $\beta=0.599$ ,  $P<0.001$ ). Thus H1, H2 and H3 were supported. To test the mediation effect, the [55] [18] method of bootstrapping the indirect effect was applied. As indicated by [18], the indirect effect of 0.139 ( $0.664*0.209$ ), 95% boot confidence interval (CI): [0.423, 0.749] do not straddle a 0 in between indicating that there is mediation. It can be concluded that the mediation effect is statistically significant, thus supporting H4.

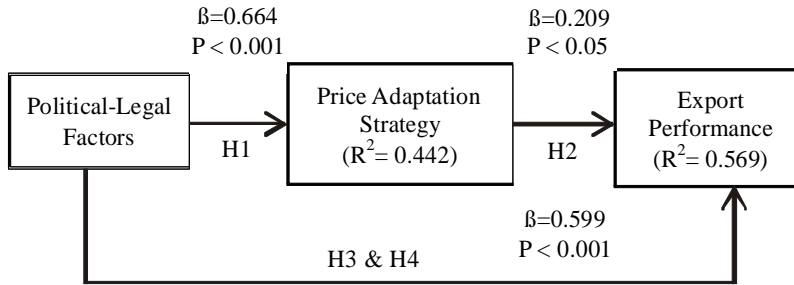


Figure I: Structural Model

Table VI  
Results of hypothesis testing

	Relationship	Beta ( $\beta$ )	SE	T Statistics	CI	Result
H1	PLF→PRC	0.664	0.09	12.627***		Yes
H2	PRC→EP	0.209	0.053	2.312*		Yes
H3	PLF→EP	0.599	0.083	7.263***		Yes
H4	PLF→PRC→EP	0.139			0.423, 0.749	Yes

Note: \* Significant at  $P < 0.05$       \*\*\* Significant at  $P < 0.001$   
SE = Standard Error      CI = Confidence Interval

**(E) Discussions of the results**

The results of the analysis showed a significant link between political-legal factors and price adaptation which consistent with [7] [8] studies. They reported that the greater the environmental differences in terms of legal regulations, the more likely the manager has to follow a price adaptation strategy in that foreign market. The study also demonstrated a positive relationship between price adaptation strategy and export performance. This findings consistent with previous studies [27] [12] [1] [36] [6]. [36] indicated that lowering prices for products offered in Latin America had increased the export sales volume because the company was able to offer competitive prices in parity with importing country’s purchasing power. Meanwhile, [27] discovered that Indian firms with high export performances were more likely to have adapted their export product prices in foreign markets. This is because the differential pricing strategy had enabled the firms to consider the differences across markets because customers in diverse markets might evaluate products differently depending on specific factors of the host country.

The significant and positive influence of political-legal factors directly on export performance can be explained by few past studies [22] [23] [24] [11] [21]. For instance, [21] study showed that, when firms faced political-legal problems, the exporting firms of Zimbabwe have overcome these challenges by adapting their marketing strategies, which appears to help them to perform well. Likewise, [11] also revealed that firms that were aware of the relevant political-legal issues in a host country generally performed well because they had designed appropriate strategies in anticipation of overcoming these challenges. With regards to study context, various incentives and export assistances from the government had enabled the firms to gain success in export market as they have the edge in exporting in terms of knowledge, skills, and financial position.

The significant mediating role of price adaptation strategy in the relationship between political-legal factors on export performance is consistent with the study of [24]. In this study, export assistance significantly influence export performance through the current pricing strategy adaptation in different European countries. This is because, when firms received external support, they have extra advantage in searching for information in adapting ideal pricing strategy that suit to the specific market conditions which enable them to improve export sales through price advantage. With regards to study context, firms are in better position in developing a better marketing strategy as they received more information regarding export market, high exposure during international trade fair, financing advantage through financial incentive, more skills and knowledge during trade missions and export seminars, and many others supports. This situation had enabled the Malaysian Halal exporting firms in achieving better export performance by setting price that are closely adapted to export market requirements.

## V. CONCLUSION

Based on the findings, it can be concluded that political-legal factors of Halal industry plays a significant role in influencing the price adaptation strategy and export performance. Price adaptation strategy also plays a mediating role in the relationship between political-legal factors and export performance. Thus, firms who wish to gain success in export market must aware with the specific regulations concerning Halal requirements and also support given by the government agencies as it can help them to develop capabilities in adapting the right pricing strategy for each target market.

The findings of this study also contribute to the current literature on international marketing, more specifically, on international Halal business. By examining the peculiarities of Halal industry in the current research framework, this study filled the gap by adding a single industry value to the existing body of knowledge of export marketing field. By successfully testing such connection empirically, this study shows that Malaysian Halal exporters had taking account of various perceptions of Halal industry macroenvironments among export markets when planning and executing their export marketing strategies. As the macroenvironmental factors of Halal industry are unique from one market to another, the dissimilarities of political-legal factors contribute to the distinctiveness of Halal industry that provides business opportunities for firms to exploit. Therefore, the study suggests that by applying an appropriate adaptation of pricing elements, firms may enhance their success in export venture.

Based on these findings, the results of the study are useful to public export agencies and Halal industry players in designing appropriate strategies to improve export performance. In general, the findings of the study suggest that a competent firm understands the idiosyncrasies of the export market and is able to respond to the local conditions by an adaptation strategy. In other words, understanding the unique macroenvironmental factors of Halal industry is essential in helping the exporting firms in developing effective export market strategies which facilitate them to perform better in export market. Hence, managers who wish to achieve superior export performance should carefully assess the specificity of export market especially on the various regulations and support provided to industry players so as to perform the right adaptation on each marketing program elements.

Although the investigated research model relies on a strong theoretical foundation, it would be worthwhile for upcoming studies to repeat the study in qualitative manner to examine the underlying reasons behind the established relationships. To advance better understanding of marketing adaptation

strategy in global Halal market, the examination of other marketing mix component (i.e., product, promotion, and distribution) might be considered in forthcoming studies as it will provide detail explanations and suggestions on specific export marketing strategy. Future studies could also investigate the contribution of specific dimension of marketing program in playing the mediating role between contingency variables and export performance.

Through the understanding of how political-legal factors influence the adaptation on other component of marketing program and performance in export venture, the findings may provide an inclusive guideline for developing an effective export marketing strategy for Halal product which can assist the exporting firms in identifying the extent of modifications on each marketing mix elements and the strategies related to improve their export performance. As firms have to compete with international corporations from a wide range of markets that have the capacity to offer the best products in the world, the understanding of the unique nature of Halal industry macroenvironments influencing the price adaptation strategy and export performance will contribute to the industry practice to improve marketing effectiveness of Halal products in foreign market through the setting of price that is closely adapted to export market specificity.

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