Will Islamic Marketing Survive in Today’s World?

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Abstract

Purpose – This paper discusses various challenges that marketers need to resolve in implementing marketing practices that are consistent with the Islamic ethical framework.

Design/methodology/approach - This paper develops a framework that describes three main issues/challenges faced by Islamic Marketing in today’s world. These issues are extracted from the literature by thoroughly studying published work on the topic both in conventional and Islamic marketing contexts. Further, the extracted issues were then searched and matched with some real business cases with their implications.

Findings – The three issues identified are related to 'halal', 'legality', and 'branding'. For successful implementation of Islamic marketing and to capture the Islamic market, marketers will have to thoroughly address these three issues. Marketing non Islamic products simultaneously with Islamic products is unlikely to entice Muslim consumers to purchase such products in an Islamic market.

Practical Implications – the paper provides valuable insights into the challenging task facing companies wishing to market their products in Muslim countries because of the variations in the differing social, political and cultural outlook.

Keywords: Islamic marketing; ethical guidelines; Muslim consumers.

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Introduction

Islamic marketing practices, which are surrounded with strong Islamic ethical guidelines, can play a significant role when it comes to heightening the business standards globally; and at the same time does not, in any way, compromise on the quality of products and services offered to consumers or conceding on the revenue of businesses (Beekun, 1981; Almeder, 1983; Donaldson, 1989; Ahmad, 1995). El-Bassiouny (2014) and Saeed et al. (2001) argued that adhering strongly to such moral practices could help raise living standards of marketers and the consumers in a similar way. In view of this background, the present paper will focus on how Islamic marketing can help in developing a strong and capable framework that can sustain a strong international ethical marketing culture.

Apart from this, another focal point will be to highlight some issues and challenges to stimulate interest and debate on, which can expedite the creation of an internationally principled marketing structure for multinational corporations (MNCs). This attempt may help in the establishment of a peaceful and momentous environment between foreign marketers and Muslim markets. With the increasing number of MNCs, it becomes quite important to understand and value the practices of international Islamic marketing (Bayles, 1968; Barry & Shaw, 1992; Cavanagh et al., 1995; Velentzas & Broni, 2010).

It is imperative because this way MNCs would be able to understand the behavior of their Muslim consumers. If they do not understand the attitudes and needs of their Muslim consumers and try to distance themselves from the Islamic ethical guidelines and practices that form the basis for Islamic marketing, it is more likely that these MNCs will expose themselves not only to the risk of pushing away a greater portion of their target market, but also risking conflict with the Muslim communities (Rogers et al., 1995). This is especially true in Islamic countries like Qatar, Saudi Arabia, Iran, and Malaysia that have strong Islamic rules and codes of conduct applied in all day-to-day practices.

Literature Review

Need for Islamic Marketing

Islam ordains its believers to undertake fair trade practices and to acquire wealth in an honest and decent way. Allah (SWT) makes it clear in one of the Quranic verses:

‘O you who believe! Eat not up your property among yourselves unjustly except it is a trade amongst you, by mutual consent. And do not kill yourselves (nor kill one another). Surely, Allah is Most Merciful to you (Al-Quran 4:29).’

This verse imparts a strong message involving business practices. Islam teaches its believers to be a part of only fair trade practices and to keep themselves away from anything that is prohibited in Quran and Sunnah like interest (Riba). Business and trading is considered crucial in Islam, but only as long as it is in line with the Quranic teachings of doing business. According to Antonio (2007), Trim (2009) and Ahmed and Rahman (2015), it is essential to note that Islam considers involving in trade and business very important in human life. It was so essential that Allah (SWT) intended Prophet Muhammad (SAW) to be an entrepreneur before he began his life as a Prophet. As a well-known fact, Islam has provided guidelines for every specific thing in human life, and since Islam considers business as such a crucial factor, Allah (SWT) has written all the rules and regulations in Quran and Sunnah, which can help an individual to become not only a successful businessman, but also a good Muslim.

The Islamic approach of marketing focuses primarily on value maximization and is based on the notion of greater good for the greater number of people rather than a
conventional approach that is primarily based on profit maximization (Barry & Shaw, 1992; Bayles, 1992; Ahmad, 1995; Abdullah et al. 2015). The concept of value maximization that Islamic marketing entails is primarily based on the notion of justice (Sandikci & Jafari, 2016). Scholars like Siddiqi (1981), Asad (1993) and Belt (2002) recognized that the justice concept could be applied to marketing by labeling it as: 'Fair Play' and 'Dealing Justly'. Fair play is defined as conducting business transactions in a way that will maximize the interests of all the involved parties (Miskawayh, 1968; Ahmad, 1995; Rogers et al., 1995; Saeed et al., 2001; Abdullah et al., 2015). Besides, dealing justly is a virtue that one can instill in oneself. It aims at abstaining one from giving something more 'beneficial' to oneself and less to others, and more of the 'risk' to others and less to oneself.

Additionally, Miskawayh (1968) and Saeed et al. (2001) point out that justice directs one not to be dishonest and materialistic in legitimate earnings. A businessman who practices honesty and morality in his dealings shows his sincerity towards his religion. By following its teachings, his sincerity is reflected in every word that he utters and every action that he takes. A businessman who is materialistic is not worthy enough to be considered a fair and just person since his love and greediness for money forces him to indulge in all the wrong activities - so deeply that he forgets what is right and what he is prohibited to do. The love for money and wealth alone can lead a person to a path of sin. His life will revolve around corruption, bribery, fraud, deceit, sedition, betrayal and accumulation of immoral wealth. In essence, in his hunt for immeasurable wealth from whatever source possible, he will be ready to sacrifice his morals and values and even his honor. Therefore, it is clear that the main aim behind people adopting unscrupulous trading practices is to satisfy their unethical profit maximization objective. If this push is shifted more towards value-maximization instead of profit-maximization and if justice becomes a significant part of marketing communications with the establishment of Islamic marketing practices (Alserhan, 2011; Murphy, Lacznia, & Prothero, 2012; Sandikci & Jafari, 2016), it can result in the creation of a more peaceful and cooperative global environment that ultimately benefits the organizations in the long run (Miskawayh, 1968; Bayles, 1992; Ahmad, 1995; Saeed et al., 2001).

Within an Islamic ethical framework, both local and international marketers have various responsibilities that can be divided into four categories. First, is one’s obligation towards his Creator and towards the resources that Allah (SWT) has bestowed upon us that should be utilized efficiently and effectively to earn our daily bread (Chapra, 1992; Naqvi, 1994; Ahmad, 1995; Rice, 1999; Sandikci & Jafari, 2016). Second, is that every human is responsible to work for the welfare of the society, that is, to protect the rights of every living being, preserving and honoring everything that belongs to a consumer, and considering his wealth as sacred (Bayles, 1968; Beekun, 1981; Ajzen, 1985; Leaman, 2005). Third, is the obligation that a marketer has towards his own well-being, which means to preserve his own welfare (Beekun, 1981; Alme, 1983; Ahmad, 1995; Wilson, 2012). Fourth, is the marketer’s responsibility towards the environment that he is living in (Siddiqi, 1981; Bredahl, 1999; Flint & Maignan, 2015). All human beings should realize that this universe and all the resources bestowed upon us by Allah (SWT) are His property and one day we will have to give it back. Hence, everyone should protect and preserve it, as one would safeguard its own belongings. Anyone who breaches a contract by not fulfilling any one of these principles does not honor the Islamic ethical principles as a marketer. Concisely, by being answerable to Allah (SWT), marketing managers are responsible towards the society as a whole.

Within the context of Islamic framework, accountability of both local and international marketers is an important requirement in order to follow Islamic marketing ethics efficiently. Executives of MNCs are, therefore, responsible in how they foster, develop and communicate ethical marketing knowledge to their staff; how they employ their skills and capabilities in overpowering and pacifying the logical thinking of clients; and with how
much support and admiration do they welcome local values, beliefs and environment (Almeder, 1983; Donaldson, 1989; Ahmad, 1995; Cavanagh et al., 1995).

**Issues and Challenges in Islamic Marketing**

Establishment of Islamic marketing practices both in theory and practice faces certain issues and complications that need to be resolved. The Muslim target market cannot be ignored by the MNCs because of their large size, which constitutes approximately 20 percent of the world population. This number is expected to increase further by 2025. Therefore, to capture these large target markets, certain challenges need to be resolved by the marketers. Among these are the halal issue, legality issue (absorbing Islamic teachings in modern laws), and branding issues.

**Halal Issue**

In Islamic marketing, any product that a company offers to consumers, especially Muslim consumers, should be completely Halal or permissible in Islam. Therefore, all the processes, input materials, and everything involved from creation to the delivery of a product should be environmentally friendly. Islam strongly prohibits causing harm to the environment or to anything that is created by Allah (SWT). It should also be free from any unlawful element that is forbidden in Islam (Rice, 1999; Chapra, 1992; Belt, 2002; Baldassarre & Campo, 2015). Siddiqi (1981), Naqvi (1994) and Alserhan (2011) suggest that products that are deduced as Makrooh or Mushtabeh will be very difficult to sell to Muslim consumers. The same notion holds true for organizations that produce products that contain some unlawful element that is prohibited in Shariah. Muslim target markets are extra sensitive and are easily influenced when they see any product, process, organization or element in a certain product that can be categorized as Haram or unIslamic (Belt, 2002; Pomeranz, 2004; Leaman, 2005; Wilson, 2012;). There are many organizations that produce Islamic products that are permissible in Islamic law, but their businesses also deal with the production of goods that are not acceptable in Islam. Therefore, according to Islamic law, it does not matter if they are producing Islamic products that are permissible in Shariah, as long as they are producing un-Islamic products, their business as a whole is considered as unlawful (Naqvi, 1994; Wilson & Liu, 2011; Sandikci & Jafari, 2016). As one drop of oil is sufficient to ruin the whole tank of pure water, one illegitimate product is enough to jeopardize the image of the legitimate products that the company is producing.

Therefore, it is crucial that food marketers and other manufacturers understand the true meaning of Halal (Chapra, 1992; Beekun, 1996; Rice, 1999; Alserhan 2011; Wilson & Liu, 2011). This is critical because as consumers become more Halal conscious and Islamic, they will look for a product that not only satisfies their basic needs, but also, gives them a peace of mind with the Halal logo. For instance, the company that sells pork products will find it immensely hard to sell any other product to Muslim customers that is considered lawful in Islam, because pork and all that is linked to it is prohibited in Islam. Muslim clients will not see the other legitimate products that the company produces, but only the pork products that it manufactures (Donaldson, 1989; Barry & Shaw 1992; Ahmad, 1995; Alawneh, 1998). In all the Muslim communities, there are many private and public self-appointed watchdogs that persistently scan the companies for non-conformity with Islamic marketing guidelines. Therefore, any company found to be dealing in anything other than halal products will be marked as unlawful and unIslamic which can be very costly for the company (Al-Faruqi, 1976; Siddiqi, 1981; Almeder, 1983; Fazio, 1986; Saeed et al., 2001; Pomeranz, 2004; Leamman, 2005).
A number of scholars (e.g., Collins, 1990; Asad, 1993; Araujo, 2007; Dusuki, 2008; Al-Azmeh, 2009; Jafari, 2012), postulate that the positive side of producing Halal products is that the company will get to purify their processes and operative practices in order to label itself and their products as halal. This creates a positive company image in the minds of the Muslim customers and can enhance the value of the company and the society as a whole.

**Legality (Absorbing Islamic teachings in Modern Law)**

Theoretically, there are some contemporary marketing practices that are considered legitimate and lawful according to the Islamic ethical principles (Ahmad, 1995; Alserhan 2011; Sandikci & Jafari, 2016). Therefore, if marketers can grab this opportunity, they can very successfully incorporate Islamic principles within the contemporary marketing practices. The Indonesian government, for example, followed conventional marketing practices, but have strict rules and regulations on market monopoly and quality of food from both the hygienic and Islamic perspective (Asad, 1993; Wilson, 2012; Ahmed & Rahman, 2015). Accordingly, the Indonesian government has employed various regulatory and supervisory agencies that scan the quality of food and non food products before distributing it to the retailers as well as maintain very strict policies and code of conduct relating to hygiene and quality of the products (Naqvi, 1994; Leaman, 2005; Dusuki, 2008; Alserhan 2011; Wilson, 2012; Sandikci & Jafari, 2016;). Therefore, if the Islamic marketers identify the areas where they can easily incorporate Islamic practices within the contemporary marketing practices, it is feasible to implement a standard way of marketing from an Islamic perspective (Collins, 1990; Araujo, 2007; Dusuki, 2008; Jafari, 2012). The bottom-line for all the marketing practices whether Islamic or conventional is to deal in an honest and moral way (Flint & Maignan, 2015), which is consistent with the Islamic ethical guidelines that design the Islamic ethical marketing framework (Sacharow, 1995; Leaman, 2005).

Marketers should see these rules and regulations as important in marketing (both conventional and Islamic) and practice Islamic ethical marketing practices (Chapra, 1992; Asad, 1993; Belt, 2002). When these Islamic ethical principles within an Islamic framework are integrated in modern law, it is likely that an environment of ethical behavior will evolve.

Moreover, given the fact that human nature is relatively similar, these ethical principles that are adopted by Muslims globally will remain lawful for all beliefs. Therefore, the adoption and employment of ethical Islamic business practices will help MNCs to leverage the huge Muslim market. Operating business from the Islamic perspective in those markets is an assurance of success. Besides, following such principles also aids in the creation of a global ethical marketing model for all MNCs (Beekun, 1981; Almeder, 1983; Naqvi, 1994; Saeed et al; 2001; Leaman, 2005; Arham, 2010; Wilson & Liu, 2011; Wilson, 2012; Baldassarre & Campo, 2015; Flint & Maignan, 2015;).

**Branding Issue**

Ahmed and Jan (2015a, 2015b), Alserhan (2010) and Noor (2010) define Islamic branding as branding that is Islamic friendly and in compliance with Shariah guidelines. However, this definition of Islamic branding can be refined further depending on the interpretation of branding. The definition of branding has been vigorous debated and is still on going. That is why Ahmed and Jan (2015a) proposed many new dimensions of Islamic Brand, e.g., sincerity, moderation, competence, simplicity, etc. Ahmed and Jan (2015b) also statistically explored many factors related to Islamic brands and their personality. These factors include cooperation, humbleness, and excitement. Apart from the above mentioned, the halal issue will always be like a mystery (Wilson & Liu, 2011). This is because ultimately, Allah SWT decrees whatever is considered halal or not halal. The definition of halal, therefore, can never be integrated within the materialist branding frameworks. Establishing their position on this concept, the authors argue that halal and friendliness cannot always go
hand in hand. Other things being equal, the dogmatic definition of an Islamic brand will always elude businesses.

Therefore, according to the definition suggested by Alserhan (2010) and Noor (2010), it becomes apparent that not all Islamic brands are completely halal. These scholars affirm their contention with the following examples:

1. Cobra Zero beer that is consumed by Muslims and is deemed to be halal is not Islamic in the real sense nor does it claim to be.

2. Clothing companies such as Mecca Bingo and Mecca USA are named after the holiest place in Saudi Arabia and are clearly enthused by Muslims. These companies entice Muslim consumers to buy their products by branding their products using Islamic terms. Neither brand is recognized as Islamic but the term ‘Mecca’ can mislead Muslim consumers to endorse the product as Islamic.

3. Virgin Megastore in Jeddah, Saudi Arabia provides a halal environment along with a Virgin café at the same mall. The shops and products in this mall are deemed to be in line with the Islamic framework to a large extent, but the more conservative people would find some of the materials in their music CDs offensive. Moreover, the adaptation of the Virgin logo in Arabic, whilst preserving its symbolism, was another approach that helped in its establishment and acceptance within the Islamic world. For all Muslims around the world, Arabic is the language of Islam. Akin to Christian iconography, Arabs tend to hold Arabic calligraphy in high esteem, as they believe it to be an expression of Islamic creativity and art.

4. Emirates Airlines has also been catering to a wide Muslim clientele and uses Arabic symbolism and Islamic calligraphy to make its brand more relatable to Muslims. It provides halal food and its destinations include largely Muslim countries. However, it has chosen to adopt a more secular approach to the whole concept – embracing a broad mindset when it comes to enforcing a ‘half-a-hijab’ uniform policy for its female cabin crew or while serving alcohol to the larger masses.

**Methodology**

This paper attempts to develop a framework based on the analysis of literature, both on conventional and Islamic marketing. Previous published scholarly work was thoroughly read and critical issues were noted down. These issues were then used to search in order to identify actual business cases which were then evaluated to determine their particular implications. Finally, three main most commonly highlighted areas (issues) are presented and conceptualized in the form of a framework with its impact on Islamic marketing. It is important to note that the proposed framework should be empirically tested by future researchers.

**Conceptual Model**

The model is based on an in-depth analysis of the literature pertaining to the topic of Islamic marketing. Three key issues were extracted from the literature, namely, Halal issues, legality issues, and branding issues, which has an impact on the successful implementation of Islamic marketing. It should also be noted that the aforementioned three issues are also the main challenges that Islamic marketing faces in today’s world.
Figure 1:  
Conceptual Model

Conclusion, limitations and direction for further research

The challenges associated with the concept of Islamic marketing in today’s world are many, and in order to overcome them, it is essential that we try to make the market place more adaptive to the Islamic concepts of doing business. The reason behind this is not only to enhance the marketing of Islamic products but also, to increase the efficiency of practicing businesses as well. All the Islamic principles regarding halal products or marketing rules and guidelines that have been given by Allah (SWT) have been bestowed upon us with our best interests. All of them benefit us in one way or another and make business ventures and dealings easier and just. In today’s market place, where widespread corruption is the norm, and being stabbed in the back is one of the initiation procedures for a new entrant, it has become even more critical to impart these values. This should start with the big brands because they are the ones that have a huge impact on the purchasing behaviors of consumers. Using a branding system that involves halal and fairness to market the products is not an easy feat. Marketers have to keep in mind the fact that the resources that have been used to produce the products belong to Allah (SWT). At the same time, they have to consider the satisfaction of the consumers as well. However, if these mutually beneficial concepts can be imparted to the larger population, it will ease the adoption of Islamic marketing. Even if a few were to implement them, it could possibly make a huge difference to the world of Islamic marketing.

Considering the qualitative nature of this research, future research should focus on examining the issues on a more in-depth analysis and review of the extant literature on the topic of Islamic marketing, in general, and issues faced by Islamic marketing, in particular. Apart from the extracted three factors, there may be more issues that need to be explored, and this can also be one of the limitations of this study. Perhaps, future researches may identify more facets or variables to the existing conceptual model which could also be empirically tested in order to determine the reliability and validity of the present model.

References


