SEGMENTATION AND BRAND POSITIONING FOR ISLAMIC FINANCIAL SERVICES

Purpose - The purpose of this paper is to explore the different segments of consumers in the Islamic financial services industry (IFSI) and their relationship with product/brand positioning for Islamic financial services (IFS).

Design/methodology/approach - In-depth interviews were conducted with individuals in managerial positions among the key market players in the IFSI to explore the segmentation of consumers and their buying motives.

Findings - Four segments of IFS consumers emerged, namely, Religious Conviction Group; Religious Conviction and Economic Rationality Group; Ethical Observant Group and Economic Rationality Group. These segmentation groups were appropriately categorized through a psychographic (value)-based approach.

Research limitations/implications - The empirical findings of this study pave the way for embarking on promising and relevant future research, which is needed to substantiate and enrich the academic understanding and managerial practice of linking market segmentation and brand positioning for IFS in the global market. Future research should focus on analysing these issues from the perspective of consumers of IFS to identify the purchase trend.

Practical implications - The study provides empirical evidence of the bases or initial dimensions of consumer segmentation for IFS. The findings are useful in guiding the management of institutions offering Islamic financial services (IFS) in making decisions relating to the marketing communication and promotion strategy as well as product and brand positioning strategy.

Originality/value - For both academia and the IFSI, this study provides useful knowledge in strategically using market segmentation to position IFS in the global market.