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Islamic Marketing: Compatibility with Contemporary Themes in Marketing

Ezlika Ghazali and Dilip S. Mutum

ABSTRACT

Purpose – This chapter discusses whether marketing can ever be Islamic given the common view of marketing functions as unsustainable and sometimes unethical, for example, how marketing promotes materialism.

Methodology/approach – This chapter reviews extant literatures in Islamic marketing, with a particular emphasis on stakeholder orientation in marketing.

Findings – We argue that Islamic marketing is indeed compatible with the concepts of ethical and sustainable marketing encompassing social, environmental as well as economic perspectives and encourages ethical behaviour.

Originality/value – This chapter highlights that discussions on Islamic marketing should include sustainable marketing and emphasises the growing importance of stakeholder orientation in marketing.

Keywords: Sustainable marketing; ethical marketing; Islamic marketing; halal marketing; marketing evolution
1. Introduction

According to the Thomson Reuters State of Global Islamic Economy report 2015/2016, Muslim consumers spent about US $1.8 trillion on Halal product and services categories (including Islamic Finance, Halal Food, Fashion, Travel, Media and Research, Pharmaceuticals and Cosmetics) in 2014. This is expected to increase to US$2.6 trillion by 2020 (Thomson Reuters & Dinar Standard, 2015). The report also highlighted the impressive growth of Islamic finance. In fact, it is not surprising that there is an increasing interest in Islamic business and Islamic marketing in particular. The relevance of the humanistic marketing agenda to the rapidly changing conditions of people living in Islamic societies and Muslims around the world was highlighted by Jafari (2012).

Muslims represent a huge untapped and viable market segment (Sandikci, 2011). In fact we see a mushrooming of numerous Islamic branded businesses, even in areas other than finance or food. This includes education, fashion and even airlines. For example, Rayani Air was launched as Malaysia’s first Islamic airlines and probably in the world in December, 2015.

The realisation of the growing potential of Islamic businesses has led to an increasing interest in this field of marketing. However, there has been very little research on this area of marketing as highlighted by scholars including Hussnain (2011). This is not surprising as Islamic marketing is still emerging and evolving. Furthermore, most of the research in the area of Islamic marketing has focussed on marketing of Halal food products. Notably missing from the literature is a discussion on sustainable marketing and other contemporary themes in marketing, which we feel should be part and parcel of what we consider as Islamic marketing. This gap in research leads us to the question, ‘what exactly do we mean by Islamic marketing?’

There is some evidence that marketing does indeed promote consumerism and materialism (Belk, 1985; Muncy & Eastman, 1998). Moreover, as pointed out by O’Shaughnessy and O’Shaughnessy (2002), marketing is often held responsible for the hedonistic lifestyle and undermining of other cultures in modern materialistic society. In view of this, the question is whether the term ‘Islamic marketing’ is an oxymoron. In other words, can marketing ever be Islamic?
This chapter tries to answer the question whether marketing can ever be Islamic given the economic foundations of the field of marketing and its perceived relationship with consumerism, as well as the contemporary views of marketing functions as unsustainable and sometimes unethical. It also attempts to take a fresh look at Islamic marketing and we argue that the new emerging contemporary themes in marketing including sustainable marketing, ethical marketing and green marketing are all compatible with Islamic marketing. We start off by taking a look at the evolution of marketing over the years and then at the various contemporary conceptualisations and definitions of Islamic marketing. Finally we attempt to present an updated and contemporary definition of the term.

2. The Evolution of Marketing

The criticisms of marketing are mostly related to the fact that it is often perceived as promoting materialism given the economic foundations of the field. It is also related to the fact that to a lot of people, marketing is often synonymous with ‘selling’. However, the concept of marketing has undergone drastic changes over the past three decades, evolving from the production era, namely producing products fast and cheap. The selling concept takes an inside-out view that focuses on existing products and heavy selling. The aim is to sell what the company makes rather than make what the customer wants. Henry Ford once said: ‘Any customer can have a car painted any colour that he wants so long as it is black.’ We have to keep in mind that during those days, the automobile industry was very much in its infancy in fact, Ford revolutionised the manufacturing process by making it inexpensive and thus making the car accessible to so many people for the first time in history.

As highlighted by Sheth and Sisodia (2005), when used recklessly, marketing can cause harm by ignoring its social responsibilities for short-term corporate interests. Let us examine some of the criticisms of marketing that places it at odds with the Islamic ideals. They can be summarised into two main points, namely:

1. **Focus on profits.**
   As highlighted above, Islam is not against wealth creation and even encourages economic activity and wealth
accumulation. However, the sole focus on profits by companies can be considered problematic. According to Friedman (1970), ‘the social responsibility of business is to increase its profits. However, the obsession with profits has led to a number of problems and is the root of most connotations of “bad marketing”. These include the unfair practices, consumer exclusion, fake promotions and other unethical behaviour, the increase in waste, carbon emissions in manufacturing and logistics, promoting distorted images of beauty, etc. Related to this is the evolution of a new term that highlights the negative side of marketing today: “greenwashing”. This refers to the practice of promoting environmental benefits that are unsubstantiated and on which companies don’t deliver. In other words, several companies are misleading consumers about a product’s environmental benefits’.

2. Materialism is promoted over other social values.

Marketing has often been held responsible for the negative consumerism and materialism (O’Shaughnessy & O’Shaughnessy, 2002; Phillips, 1997). Belk (1984) proposed and tested three measures of materialistic traits. They were: possessiveness, non-generosity and envy. These scales were found to be reliable and valid. All the measures, especially envy and non-generosity, and to a lesser extent possessiveness, are found to be negatively related to reported happiness with life. In other words, materialism can lead to unhappiness. Muncy and Eastman (1998) further showed that people who are materialistic have lower ethical standards. Materialism is also related to unsustainable practices, consumption and waste. Several verses in the Quran and the Prophet’s Hadiths speak out against all these practices and can be considered un-Islamic. We can conclude that if marketing does lead to materialism (and these undesirable traits), it may not be Islamic. Then can marketing be redeemed — can it ever be Islamic?

The so called ‘marketing era’ appeared around the 1960s in the United States which saw a change in marketing focus from the product to the customer. Effectiveness and efficiency in meeting customer demands, needs and wants were identified as the key elements in determining companies’ long-term success. We have moved away or supposed to have moved away from the selling concept which focuses on existing products and
heavy selling activities. In other words, the selling approach focuses on selling the products that the company has rather than making what consumers wants. On the other hand, the marketing concept focuses on satisfying customer needs as a path to profits. It starts with identifying and defining market segments, focusing on customer needs, and integrating various marketing activities — the marketing mix (Kotler & Keller, 2015). A popular definition of marketing by the Chartered Institute of Marketing (CIM, 2005) in the United Kingdom sums up the concept: ‘The management process responsible for identifying, anticipating and satisfying customer requirements profitably’.

However, several contemporary themes in marketing have emerged in response to changes in consumer tastes and lifestyles as well as the changing environment. A big development was the rise of ‘sustainable marketing’ in theory and to a lesser extent, the development of ‘societal marketing’ of the 1970s and contemporary ‘green marketing’ (van Dam & Apeldoorn, 1996). Among the contemporary themes, sustainable marketing has emerged as one of the major areas of research interest. It encompasses both social and environmental perspectives, as well as economic, and emphasises the rise of a stakeholder orientation (Charter, Peattie, Ottman, & Polonsky, 2006; Maignan & Ferrell, 2004). According to Sheth et al. (2011, p. 21), as a business goal, ‘sustainability translates into a “triple bottom line” responsibility, with the implication that assessment of business results should be based not only on economic performance, but should take into account the environmental and social impact as well’.

We are now witnessing the emergence of a new marketing paradigm. Companies have begun to realise that the new generation of consumers are different. Besides generating customer satisfaction, companies need to show that they are concerned with the society that they exist in. Socially responsible marketing is an important dimension of the holistic marketing framework and consists of ethics, environment, legal and community (Kotler & Keller, 2015). Thus, we feel that a more appropriate definition of marketing was that given by the American Marketing Association. According to them: ‘Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large’ (AMA, 2013).
3. Sustainability, Ethics, and Islamic Marketing

Despite the criticisms listed above, it should be noted that marketing can also be used to encourage and influence positive behaviour by consumers (O’Shaughnessy & O’Shaughnessy, 2002). It has been pointed out by various authors that ‘socially responsible’ or ‘quality of life’ marketing orientation is likely to avoid many of the negatives of marketing (Sirgy, 1991). This is where Islamic marketing can play a part.

A definition of Islamic Marketing was given by Jafari (2012) as ‘the study of marketing phenomena in relation to Islamic principles and practices or within the context of Muslim societies’. However, this definition is rather vague and quite general. Another definition was given by Alserhan (2015) who pointed out that it is a religion-based marketing in which the marketing activities are guided within the framework of Islamic Sharia (Islamic law). He also mentioned that it can also be used to refer to the marketing practices carried out by companies, Muslims or otherwise, to Muslim consumers (Alserhan, 2015).

A more relevant definition of Islamic marketing was given by Hassan, Chachi, and Abdul Latiff (2008) who highlighted that it is based on the combination of two principles — that of a value-maximisation concept, with the principle of ‘justice’ for the wider welfare of the society. Together they are supposed to offer a means to create value and elevate the standard of living of people in general through commercial pursuits.

According to Marinova, Hossain, and Hossain-Rhaman (2008), sustainability principles are deep-rooted within Islam. They showed how the sustainability concept can be reinforced through Islam based on Quranic guidelines in the Sharia and Sufism. They conclude by pointing out how Islamic spirituality can lead Muslims towards sustainability. Interestingly, they also highlight that in reality, sustainable practices can vary among Muslims. However, we are concerned with the marketing practices of numerous Islamic and halal-labelled products and companies which have entered the market. Consumers have begun to realise that Islamic branded products and companies do not necessarily translate into good quality products or business success. For example, Rayani Air, the first Shariah-compliant airlines in Malaysia, was suspended on 8 April 2016, pending a restructuring of its operations (Shuaib, 2016) and left many customers...
who had already booked tickets unhappy. In another case related
to promotion and ethics, the story of Malaysian egg producers
printing the halal logo on eggs went viral on social media. The
Malaysian Department of Islamic Development Malaysia (Jakim)
pointed out that the manufacturers had gone overboard and that
the practice was against their regulations relating to the halal
label (The Star, 2016). There is research which shows that given
a choice Muslims would choose Islamic and halal-labelled pro-
products and companies (Shah Alam & Mohamed Sayuti, 2011).
However, the negative stories and other fraud cases related to
Islamic and halal-labelled products can eventually be detrimental
for general trust in these labels.

Marketing deceptions, especially with regards to false adver-
tising and selling of products is strictly forbidden in Islam.
Among the verses dealing with fraud is verses 1–3 of Surah al-
Mutaffifin (Defrauders) in the Holy Quran which states
(translation):

Woe to the defrauders, Who, when they take a measure
from people, take it in full, But when they give by mea-
sure or weight to men, they cause loss (give less than
what is due).

This verse highlights the serious view that Islam takes of peo-
ple who commit fraud. Another Quranic verse emphasises the
importance of being honest and truthful (translation):

O believers, fear God, and be with the truthful ones.
(al-Tawbah – The Repentance, 9:119)

Looking at the positive developments, numerous companies
have adopted sustainable marketing, encompassing both social
and environmental perspectives, as well as economic, and empha-
sises the rise of a stakeholder orientation which can be considered
to be in line with the definition of Islamic marketing as given by
Hussnain (2011). He points out that the focus of Islamic market-
ing is the principle of value-maximisation, based on equity and
justice which benefits all the stakeholders involved in the process
while having a positive impact on the society as a whole. He
defines Islamic Marketing as:

The process of identification and implementation of value
maximisation strategies for the welfare of the stake-
holders in particular and the society in general governed
by the guidelines given in Quran and Sunnah. (Hussnain, 2011)

Muslims are encouraged to strive for wealth and success both in this world and the afterlife. A review of the literature by various Muslim scholars, including Al-Ghazali (1058–1111) and Nasir al-Din al-Tusi (1201–1274) among others, reveals that they all praise various economic activities and accumulation of wealth (Hosseini, 2003). In other words, the accumulation of wealth is not seen as wrong in Islam. However, at the same time, circulation of wealth is encouraged while the concentration of wealth in a few hands is prohibited as highlighted in verses of Surah al Hasyr of the Holy Quran (Mohamad, 2016). The circulation of wealth and creation of a fair society are the reasons behind the Islamic practices of zakat (tithe) and sadaqah (charity). An important aspect of sustainable practice is the concept of radical transparency. This means that everything the company does is transparent and visible to all the stakeholders including the consumers and community in which the company operates in. This is compatible with the concept of Islamic marketing.

4. Conclusion and Recommendations

The chapter looks at some of the issues that Islamic marketing faces namely in considering the ‘unsustainability’ of the marketing function in organisations in, for example, promoting materialism given the economic foundations of the field. The question is whether ‘Islamic marketing’ or even ‘halal marketing’ is a mere label to cater to a growing untapped and viable market segment. This chapter has examined the evolution of the marketing concept and the growing popularity of the contemporary themes including sustainable marketing. We can conclude that Islamic marketing is indeed compatible with sustainable marketing and encourages ethical behaviour. It takes a broad view of ‘meeting customer needs’ and considers impacts on all stakeholders across the lifecycle of a product/service.

With the growth in demand for Islamic products, we will see insincere firms jumping on the Islamic bandwagon using Islamic and halal labels. It may be necessary to see some regulatory/policies and mechanisms for consumer protection in order to regulate the claims in advertising and on labels in order to protect consumers and prevent them losing faith in Islamic labelled products.
References


