

ISLAMIC MARKETING

BISNIS ISLAM

Evony Silvino Violita
Universitas Indonesia, 2016



Acknowledgement. A greatful thanks is to Annisa Haniev for her help in developing this module. This is a module to support the presentation slide in conducting lecture for a subject of Islamic Business at Faculty of Economics and Business Universitas Indonesia

AGENDA

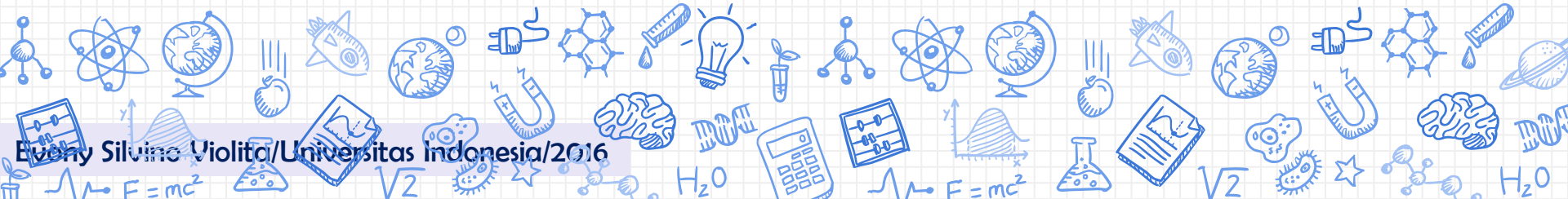
Marketing Definition and Scope

Marketing in Islamic Perspective

Marketing Mix in Islam

Promotion Mix in Islam

Marketing Definition and Scope



AMA (2004)

- **Marketing** is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customers relationship in ways that benefit the organization and its stakeholders.

Marketing Concept

- A management orientation that focuses on identifying and satisfying consumer needs to ensure the organization's long-term profitability

Marketing Plan

- A document that describes the marketing environment, outlines the marketing objectives and strategy, and identifies who will be responsible for carrying out each part of the marketing strategy.

Marketing Mix

X Marketing mix is a combination of the product itself, the price of the product, the place where it is made available, and the activities that introduce it to consumers that creates a desired response among a set of predefined consumers. Components of marketing mix → **Four Ps**



Marketing Mix

X Four Ps aspects:

Place

Availability of the product to the customer at the desired time and location. Relates to *supply chain*.

Product

Could be goods, services, ideas, person. Also includes design, packaging, physical features, associated services (e.g. free delivery).

Price

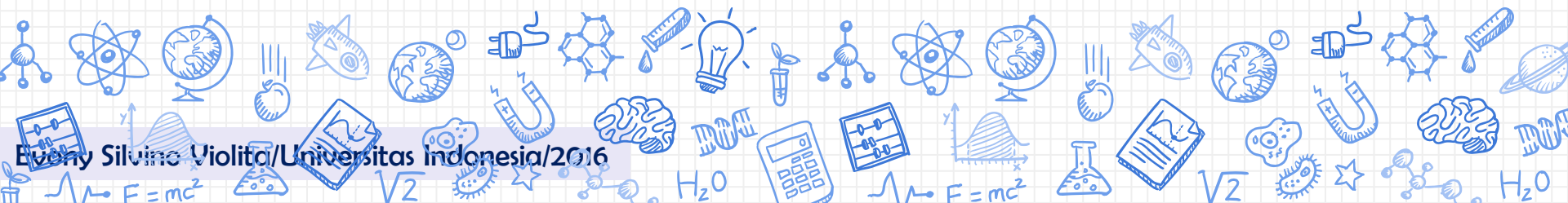
The amount the consumer must exchange to receive the offering.

Promotion

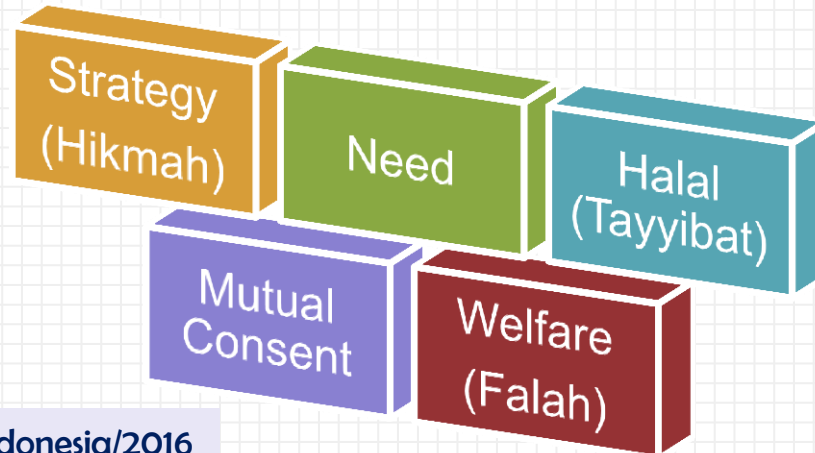
Inform consumers about their products and encourage potential consumers to buy their products. Takes many forms, e.g. personal selling, TV ads, store coupons, billboards, magazine ads, etc.



Marketing in Islamic Perspective



X Core aspects



Core Aspects of Islamic Marketing

Strategy

- The closest word to it in Islam is *hikmah* (wisdom) emphasizes to be adaptable to the particular situation.
- **Islamic marketing** can achieve long term goals in this world and the hereafter by interacting with changing environment, situation and even purifying the beliefs, outlook, morals, habits, customs, social, political, cultural, and economic life (Alom and Haque, 2011).

Mutual Consent

- Based on the statements of the Quran and the Sunnah e.g. An-Nisa:29, Asy-Syura:38
- In Islamic marketing, mutual consent → the exchange must be operated on the free will of buyers and sellers and free of undue pressure, fraud, and deception (Alom and Haque, 2011).

Core Aspects of Islamic Marketing

Need

- A person should consume according to his need and marketing promotional activities should not be a consumer deception and only for noble purpose by providing information clearly for the benefit of the people.

Halal

- Only goods that are safe, beneficial, and useful to consumer morally and ethically and are not in conflict with what is forbidden by Islam are recognized as products (Kahf, 1982).

Welfare

- Business must not solely be directed by profits but also endeavors to uphold and heighten the welfare of human beings (Alom and Haque, 2011).

Spiritualistic

- Umbrella of all teachings in Islamic marketing (Arham, 2010).
- All business conducts must be coherent with the teaching of Al-Quran and sunnah.
- Islamic marketers must be able to include the spirit of Islam in all aspect of marketing activities, from the planning to after sales service (Sula and Kartajaya, 2006).

Ethical

- Islamic marketers must be “purified” before commencing their marketing activities e.g. companies must train their marketers so that all marketing activities could be done in ethical standard set by Islamic teaching (Ahram, 2010).

Realistic

- Islamic marketers should not be so “rigid” in practicing Islamic marketing, for as long as it does not violate Islamic law (Sula and Kartajaya, 2006).
- Realistic → opportunity to for being creative where marketer’s ability is being tested in order to create breakthrough.

Humanistic

- It is currently a trend among companies to pay more attention to their society and more importantly their environment (Ahram, 2010).
- Modern marketing → “Sustainable Marketing”, balance between market demand and environmental preservation (Kotler and Armstrong, 2010).

17 Principles of Islamic Marketing

Landscape of Islamic Marketing

- Information technology allows us to be transparent (change)
- Be respectful to your competitors (competitor)
- The emergence of customers global paradox (customers)
- Develop a spiritual-based organization (company)

Elements of Strategic Business Architectures

- View market universally (segmentation)
- Target customer's heart and soul (targeting)
- Build a belief system (positioning)
- Differ yourself with a good package of content and context (differentiation)
- Be honest with your 4 Ps (marketing mix)
- Practice a relationship based selling (selling)
- Use a spiritual brand character (brand)
- Services should have the ability to transform (service)
- Practice a reliable business process (process)

17 Principles of Islamic Marketing

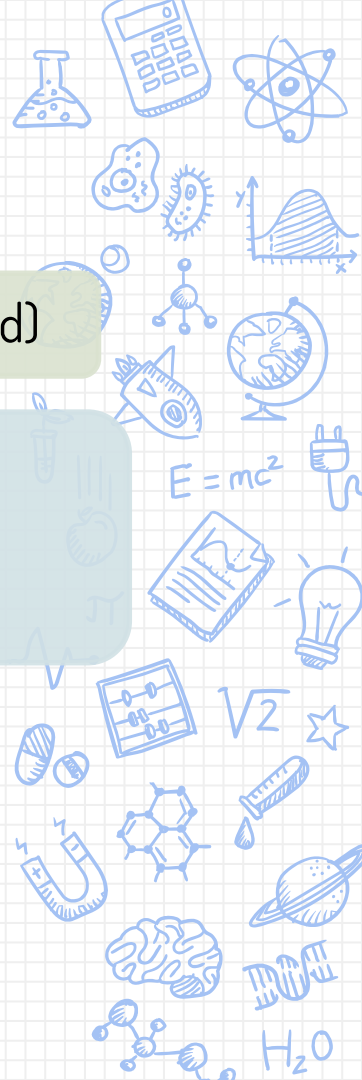
Sharia Scorecard

- Create value to your stakeholders (scorecard)

Sharia Marketing Enterprise

- Create a noble cause (inspiration)
- Develop an ethical corporate culture (culture)
- Measurement must be clear and transparent (institution)

Source: Ahram, (2010). Adapted from Sula and Kartajaya, (2006)



- Could be done through mental process of identification (Arham, 2010).
- Prophet Muhammad utilized multiple types of segmentation during conducted his business, such as geographic, demographic, and lifestyle

- Various segments available should be evaluated so that companies know which segments that can be served well.
- Implementing “Differentiated Marketing” where companies create several different products for several different segments (Kotler and Armstrong, 2010).

- Apply **total positioning**, not only the products we sold, but also the way we sold them (Arham, 2010).

Fundamental Elements of Islamic Marketing Strategy

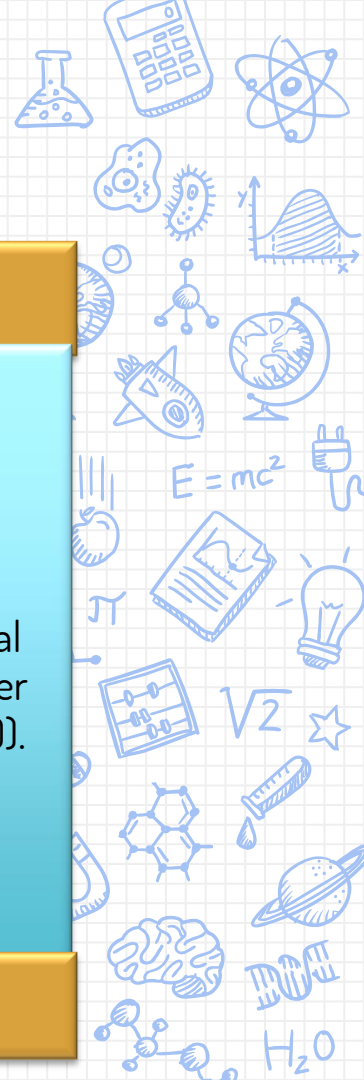
Sharia Marketing Tactics

Differentiation; differentiation done by Prophet Muhammad was his moral obligation to tell every customer the weak point of his products (Al-Fatih, 2009).

Put more emphasis on differentiation based on the sellers' merit rather than solely rely on the products (Arham, 2010).

Designing Marketing Mix; marketing mix done by Prophet Muhammad emphasized on mutual relationship between Prophet Muhammad and his customers. Overall, Islam teaches its followers to present an agreement in the process of buying and selling (Arham, 2010).

Selling; Islam puts special attention to total customer satisfaction (Arham, 2010).



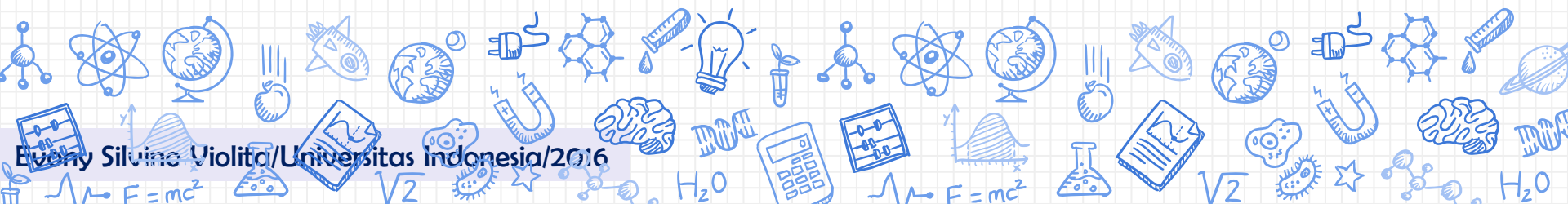
Fundamental Elements of Islamic Marketing Strategy

Sharia Marketing Value

- **Brand, service and process;** according Sula and Kartajaya (2006) the appearance of a brand presents the total service that companies offer, starting from product purchase to after sales service.



Marketing Mix in Islam



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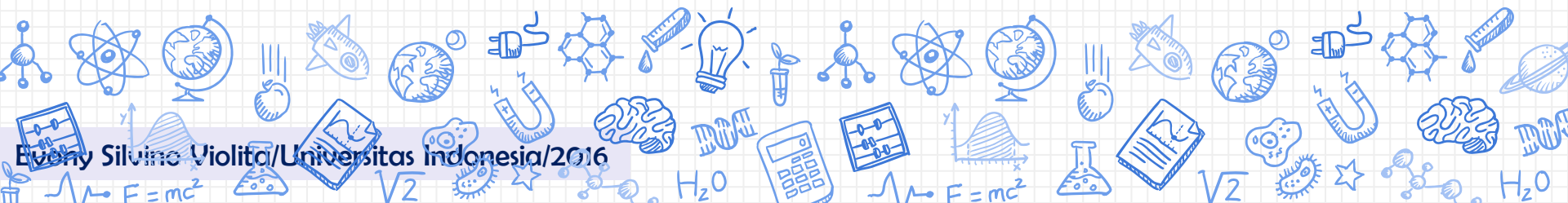
Marketing Mix in Islam

2. Place; according to Islamic principles, distribution channels are not supposed to create a burden to the final customer, in terms of higher prices and delays. Final aim of distribution in Islam is to create value and to provide *ethically* satisfactory products and services (Abuznaid, 2012).

3. Price; pricing policies should be free from predatory pricing. Changes in price also should be consistent with changes in the quantity or quality of product. Islam prohibits false propaganda or publicity with regard to price, demand, and supply (Abuznaid, 2012).



Promotion Mix in Islam



What is promotion mix?

A specific combination of promotional methods used for one product or a family of products.



Elements of Promotion Mix in Islam

✗ According to Anwar and Saeed (1996), since the ultimate aim of all promotional tools is to enhance trading, activities like advertising, PR, sales promotions, and contests are Islamic if they are consistent with Islamic principles and injunctions.

✗ The promotional tools discussed in that journal are:

Advertising

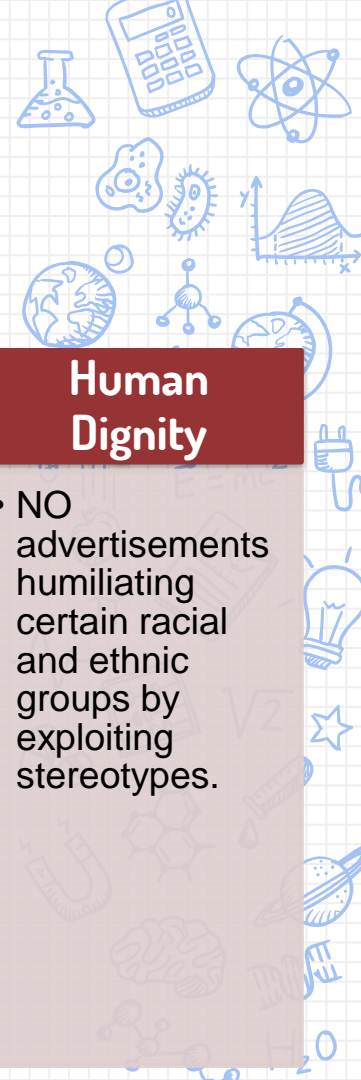
**Public
Relations**

**Sales
Promotions**

**Games
and
Contests**

**Personal
Selling**





Elements of Promotion Mix in Islam

✕ Aspects in **advertising** according to Anwar and Saeed (1996):

Truthfulness

- Accurate and truly representative
- NO false or misleading aspects

Spending Behavior

- NO overspending on promotional activities
- Neither generate nor stimulate extravagant spending among consumers.

Halal-Haram Criteria

- Promoting what is halal and tayyib, and appropriate to a moderate lifestyle.
- NO promoting haram products.

Publication Ethics

- NO ads of products that raise sensitive and controversial issues, or which encourage vulgarity.

Human Dignity

- NO advertisements humiliating certain racial and ethnic groups by exploiting stereotypes.



"O Allah, I seek Your protection from useless knowledge, from a heart which is not disposed to fear You, from insatiable desire, from a prayer which is not answered and I seek Your protection from all the four said evils." (H.R. Abu Daud)

Sources

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