Islamic Branding: Opportunities and Snags

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Abstract

In today’s world, Muslims comprise one of the fastest growing consumer markets (1.6 billion people), thereby prompting a growing interest in understanding Muslim consumers and developing strategies and tactics to target this huge market. Subsequently, this provides a substantial growth opportunity for multinational companies (MNCs). Although this hefty market is not homogeneous, it is characterized by certain values that essentially most if not all Muslims share. The tastes and preferences of Muslim consumers are beginning to converge upon some global norm. The global acceptance of the beverage Coke, Levi’s jeans, Apple iPhones, and McDonald’s hamburgers are all examples. Nevertheless, MNCs have to customize their products, brands, and advertising messages to appeal to Muslim consumers around the world. There is evidence to advocate that religious beliefs can influence purchase behavior and response to branding and advertising messages. Branding is about addressing consumers’ values and desires. If an MNC wishes to tap into a market of 1.6 billion people, it has to satisfy the needs of that market and pitch with the market’s values in mind.

Marketing of products and services in the Muslim world presents a very perplexing task to MNCs due to the difference in political, economic, and socio-cultural aspects of this group. However, this group cannot be ignored as they represent 20% of the world’s population—a figure that is expected to rise to 30% by 2025.

Currently, more MNCs are taping this big market with messages that appeal to Muslim values. While this may be happening, very little has been written academically about marketing to Muslims. The purpose of this paper is to present actual cases of how MNCs tailored their brands and promotions to target Muslim consumers in the Middle East. Analysis of such cases would reveal managerial decision-making framework that relates Islamic values to the implications for advertising in general and branding in particular. The paper will also strive to answer questions like: Is Islamic branding a myth or a reality? Is it appropriate to approach branding based on religion? The study gains its significance from two major factors: (1) The sheer size of the Muslim consumer market; (2) the novelty of the topic itself as it remains conspicuously under-researched.

Key Words: Marketing; MNCs; Brand Management; Muslim Consumers; Halal Products
Introduction

Religion is a system of beliefs and practices by which people responds to what they feel in supernatural (Rezai, 2008). Islam is not only a religion, it is also a lifestyle which provides a code of conduct for every situation. Research has shown that religious values and beliefs have a high impact on the way consumers behave (Ellison, Cole, 1982). Most Muslims (approximately one billion of them) live in Asia. The four largest Muslim populations are in Indonesia, Pakistan, India, and Bangladesh. The Middle East is a vague and is usually a negative term which does not accurately reflect where Muslims live. It’s true that the majority of people who live in the Middle East are Muslims, but they constitute only about 20% of all Muslims or 300 million people.

What is Islamic Branding?

A brand is a distinguishing name and/or symbol intended for identification of specific products, seller, or for differentiation to competitors (Aaker, 1991). The phrase “Islamic branding and Marketing,” does not refer just to brands that originate from Islamic countries, although they would obviously come under such a definition. Rather, it refers to any brands that seek to address the needs of Muslim markets. Thus, non-Muslim brands would also come under this definition if they were looking to build their brands and market share in any Muslim market. The terms “Islamic” and “Muslim” could be used interchangeably. Muslims are people who are followers of Islam, and so one can refer to “Islamic markets” and “Muslim markets” and essentially mean the same thing.

A brand should strictly follow Islamic standards and regulations in order to be seen as Islamic. Islamic branding can be defined in three different ways (Alserhan, 2010), namely by:

- Compliance: Brand follows the Islamic rules and values.
- Origin: Brand comes from a mainly Muslim country
- Customer: Brand is made for Muslim consumers.

The influence of religious values on consumer behavior is a notion supported by many notions (Hirschmann, 1981), especially considering food as many religions have specific dietary restrictions. Some may comment that it is not appropriate to mix branding and marketing with religion. I would disagree on this point. From a marketing perspective, it is always appropriate to give consumers what they really want, and Muslims are a significant market segment that hasn’t yet been studied and understood. It would be foolish to think that Islam as a religion doesn’t influence the needs and wants of its followers. In today’s world, Muslims comprise one of the fastest growing consumer markets, thereby prompting a growing interest in understanding Muslim consumers and developing strategies and tactics to target this huge market.
Culture is a complex concept which includes acquiring and changing of knowledge, beliefs, arts, morals and law, customs, or other habits by a member of that society (Lindridge, Dibb, 2002). The tastes and preferences of Muslim consumers are beginning to converge upon some global norm. The global acceptance of Coke, Levi’s jeans, Apple iPhones, and McDonald’s hamburgers are all examples. Nevertheless, MNCs have to customize their products, brands, and advertising messages to appeal to Muslim consumers around the world. There is evidence to advocate that religious beliefs can influence purchase behavior and response to branding and advertising messages. Branding is about addressing consumers’ values and desires. If a MNC wishes to tap into a market of 1.6 billion people, it has to satisfy the needs of that market and pitch with the market’s values in mind.

Islamic branding and marketing is a new area of academic research which focuses on how to market Islam-compliant products to Muslim consumers. In order to market and brand products to Muslim consumers, Temporal (2011) and Alserhan (2010) require the focus on Islamic values throughout the whole marketing mix. This is even more important when creating brand identity, as brands need to base themselves on Islamic principles in order to attract Muslim consumers. This concept is referred to as the key for differentiation. According to Azolay and Kapferner (2003), consumers choose brands like their friends and thus behave as though brands have human-like characteristics. Therefore, Islamic values need to be considered, as consumers prefer brands which align with their values and lifestyle. The brand personality of Fulla (dolls for children), for example, can be described as a well-educated young girl who loves by an Islamic code of ethics (Temporal 2011).

The awareness of Muslim brands, and brands which enable an Islamic lifestyle, has risen (Rezai, 2008). It is safe to say the market for Islamic-compliant products is significant. A Muslim’s consumer behavior could be shaped by his/her religious obligations. Creating a brand identity to attract Muslim consumers is no longer a luxury in many markets. Islamic branding is happening in today’s world. This paper aims at exploring the factors and challenges an Islamic brand may face. Tangible factors, like halal certification, is imperative to perceive a brand as Islamic. Also, brand logo and brand name can play a role in shaping consumers’ perceptions. Intangible factors, such as brand values, brand origin, and brand tagline are also important.

Muslim consumers are more attracted when they see a halal logo on the product. They do not entirely trust that logo due to the large number of certification authorities. Slogans or taglines influence the perception of a brand and are needed to maintain brand identity. Using foreign language such as Arabic or using Islamic terminology can enhance the feeling of an Islamic brand.
There are certainly substantial markets that require products and services that are Shariah complaint or at least Shariah friendly. Shariah means according to Islamic principles or Islamic law. The Islamic system of life is called Shariah (Rehman, Shabbir, 2010) and has two sources, namely the Quran and the Sunnah. From these two sources, the Shariah delivers all duties, morals, and behavior covering all aspects of life. Any Muslim who wishes to consume or use a product or service has to ensure it is Halal (an Arabic term meaning permissible). The opposite of this term is Haram or not permissible. Halal is lawful and permitted action (or product) according to the Quran and the Sunnah (Rezai, 2008). Haram is unlawful and prohibited food or product. It is the opposite of halal (Rezai, 2008). In order to be perceived as an Islamic brand, the brand must ensure “Halalness” in more than just branding. Intangible facts such as brand values strengthen the perception of Halalness. Halal certification is a leading factor in being perceived as Islamic so it is recommended that a brand has and displays such a certificate.

Islamic marketing is a way of introducing products while respecting and acknowledging in the Sharia law. The concept of “Halal” is the core of the Islamic branding. It applies to virtually all aspects of a Muslim’s (not only confined to food and beverages). Organizations that are targeting the Muslim community are required to get their products and services certified-Halal. Halal certification is a document that is issued by an Islamic organization, to certify that the product meets the Islamic guidelines in term of contents, process, transportation, storage and distribution. A growing number of multinationals having realized the significance of the Islamic markets have successfully catered to the halal needs of this market.

So again, marketing is about addressing consumers’ values, needs, and wants. If a MNC that wishes to gain a strong foothold in a market of 1.6 billion people, it has to cater to their needs. This means that the Muslim demand is created by universal values in relation to purity, health, and wellness. As Islam represents a lifestyle as well as a religion, tremendous possibilities now exist across a wide range of industries. Today, Islamic religious brands, or halal products, are created according to the Islamic principles that guide what is permitted not just in the food industry but also in cosmetics, pharmaceuticals, logistics, clothing, finance, hospitality, and banking.

Does a brand have to have a Muslim Brand identity or personality to thrive in Muslim markets? Attitude is a degree of either positive or negative feelings towards an object or towards an intention of performing a particular behavior (Fishbein, Ajzen, 2000). Brand Identity is creating distinctive benefits for a product, service, person, or landmark beyond price and function (Ghodeswar, 2008). Brand personality is a set of human personality traits (such as young, sincere, competent) which are also applicable to brands (Azoulay, Kapferer, 2003). The concept of brand identity is imperative (Kapferer, 2008). It tells consumers what the brand
stands for, how they should evaluate it. With globalization, many Muslim consumers have concerns whether a brand is halal or compliant with Islamic standards.

**Islamic Foods and Beverages**

The global halal food market is huge, estimated to be worth a trillion dollars. Non-Muslim multinationals such as Nestle, Unilever, Baskin Robbins and Campbell Soup, among others, continue to invest heavily in addressing the Islamic dietary, lifestyle, and consumption requirements. KFC, Pizza Hut, Dominos, Dunkin Donuts, and Subway chains have hundreds of halal franchises across most Muslim countries. Domino’s Pizza has even tried a halal-only menu in many of its stores in non-Muslim countries like the UK and has completely removed pork from its pizza in these stores. Nestlé consumers worldwide have been able to buy halal versions of the company’s well-known brands such as Milo, Nescafé, Maggi, Kit Kat and Nespray. Today Nestlé produces about 300 halal products in its food and beverage range which are exported to more than 50 countries worldwide. Nestle also made efforts to generate better communications concerning its commitment to halal food certification by clearly projecting the “halal-certified” logo on its products.

**Islamic Financial Services**

These financial services are often called Shariah-compliant or Shariah based or even “ethical banking”. The main principle of Islamic finance and banking products is that all forms of interest are forbidden. The Islamic financial model works on the basis of risk sharing. Put simply, the main difference between Islamic and conventional finance is that money from an Islamic perspective is viewed as a trade facilitator, as opposed to the conventional view of money as a store of value. So the notion of interest or riba in Islam is prohibited. This is to ensure that the value of money is only recognized when it is employed as capital. International financial institutions are making sure to address this issue. For example, HSBC has developed the Amanah brand to appeal to the Muslim market.

**Islamic Travel, Tourism, and Leisure**

This is another segment of the Islamic market. From tourist destinations in the Middle East to halal airlines and halal hotels and resorts. For example, Al Jawhara Group of Hotels complies with Shariah rules throughout its operations. The company is an alcohol free Arabian Gulf chain, operating in 40 countries. Sixty percent of their clientele are non-Muslims drawn by the hotels serenity and family-friendly atmosphere.

**Islamic Medical, Pharmaceutical, and Beauty Products and Services**

This category promises to be the next huge growth area in Islamic markets. For many Muslims who want to comply with Shariah law and ingest only what is halal, there is a growing industry in generic medical and healthcare products that do not contain non-complaint
substances such as certain animal-based gelatins. The Swiss company Novartis has a whole line of halal drugs, free from pork or pork related products.

Also, cosmetic and personal care products form an increasingly significant part of the growing market for halal products. Colgate halal toothpaste which is sold in Malaysia and other countries. According to the company’s website: “Colgate Toothpaste is manufactured to halal standards and does not contain animal ingredients or alcohol.” Unilever has a certain Sunsilk shampoo which is sold in Islamic countries targeting women who suffer from oily scalps after wearing a head scarf.

**Islamic Fashion and Products for Women**

The Islamic fashion industry is booming and international designer clothing companies want in. For example, Zara is currently offering clothes for veiled women, promising comfort, luxury, and modesty. There are also new products that are more recreational in nature, such as the “Bodykini” and “Burquini” swimwear.

The halal industry no longer stops at production. **Logistics** companies are jumping on the bandwagon. Shipping and storage companies are positioning themselves as champions in halal logistics, which is becoming increasingly fashionable nowadays. For example, Malaysia national shipping company has weekly Halal Express Service – a liner launched to carry Australian and NZ halal beef to the Middle East. Brazilian suppliers have also built elaborate halal chicken slaughtering facilities to export to Islamic countries. NZ, the world biggest exporter of halal lamb, continues to host delegations from Muslim countries. And the Netherlands has built halal warehouses, so that imported halal goods are stored away from haram products such as pork or alcohol.

There are a number of challenges and strategies that are applicable to Muslim brands. This can also be applied to non-Muslim brands wishing to break into Muslim markets or which are already engaged with them and growing their market share. They need to understand the need for halal accreditation. While MNCs have a great deal of strategic brand management and marketing competence, they will still encounter these challenges:

- Gaining brand awareness
- Ensuring accessibility
- Gaining acceptability
- Understanding the culture
- Gaining trust
- Attack from brand competitors

If a brand is already well established in a non-Muslim market, it is most probably that awareness of it does exist in the Muslim world. This is one of the consequences of globalization. Awareness should not be an issue.
Accessibility can be a challenge for non-Muslim brands. In financial services for example it is not easy. In financial services, for instance, it is not easy for foreign brands to obtain a license to operate.

Acceptability of a brand is connected in part to its country of origin. Non-Muslim brands that have already gained awareness are not often confronted with acceptability problems, and nor do they have the quality issues in terms of acceptance into Muslim markets. In Muslim markets, the main consideration in categories such as food, cosmetics, pharmaceuticals, entertainment, is whether they are halal or not. To be able to gain market entry in a category such as food and beverage, halal accreditation is vital.

Non-Muslim brands must not only customize products and services to fit Muslim requirements, but also establish that they understand Islamic values. What is acceptable in Pakistan may not be so in Morocco as Muslim countries differ in their degree of religiosity. In Saudi Arabia, for example, women wear face cover and are not allowed to drive. In Egypt and Turkey, many women are more liberal.

Unilever introduced Sunsilk Lively Clean & Fresh shampoo in Malaysia and Singapore. The company contends it was created for women who suffer from oily scalps after wearing hijab. Nokia is another MNC that knows Islamic culture. The company presented a number of phones in the Middle East and North Africa that came loaded with many applications, such as an Islamic organizer with alarms for the five daily prayers, Islamic e-books, and e-card application that lets people send SMS greeting cards for Ramadan, Eid, and other Islamic occasions.

If you have a well-recognized and trusted brand, then apart from offering proper Shariah products in the proper way, it is best to lead with the brand that is recognized the most. HSBC, for instance, aligns its Amanah brand meticulously with the HSBC global brand in all advertising and promotional materials. Trust can be strengthened by brands that respect Islam and its values. There is no better expression of this than in the holy month of Ramadan. Many global brands, including Coca-Cola, Burger King, HSBC, IKEA, Pepsi, Starbucks, etc…., are experienced in advertising in Muslim countries from Egypt to Indonesia, using messaging and customization that satisfies Muslim needs and attitudes.

There are always domestic brands in any market, and Muslim markets are no exception. In Turkey for example, Ulker foods has a very large range of food brands that is very similar to Nestle’s.

Nestle has developed halal products across 154 product lines. Some of the popular Nestle product brands that are already halal certified include Milo, Maggi, Nido, and Herta. One of the key factors in Nestle’s quick growth is the contribution provided by the Halal Excellence Center, which is located at Nestle Malaysia and is tasked to transfer halal knowledge globally.
In brief, MNCs wishing to operate successfully in the Muslim world have to customize and tweak their offerings to appeal to Halalness’ taste of Muslim consumers.

References


