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Islamic Branding: The Understanding and Perception

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Abstract

There is such confusion and improper use of the term of Islamic branding and until now there seems to be no clear understanding of what the term Islamic branding means. Therefore to avoid such confusion the term Islamic branding was analyzed by several scholars and this study aims to identify Muslim consumer's perception and understanding of Islamic brands. 20 respondents were selected, which is Segment 1 were 8 females and 2 males. Meanwhile respondents from Segment 2 were 5 females and 5 males that are from various industries such as manufacturing, banking, education and plantation. Segment 1 consisted of students aged 20 to 26 years old and Segment 2 was adult working respondents aged 35 to 50 years old. From the focus group findings disclosed that most of consumers agreed that the Islamic branding defines as a product or service that meets the *Sharia-compliant* and any parties that involved in *Halal* accreditations should be seriously implemented strict procedures to the producers in getting the *Halal* logo. Additionally, significantly in promoting and improving the Islamic brands to the consumers, producers or marketers need to follow all the requirements that required by authorization bodies either in organization's practices and branding features to obtain consumer's trust and confidence upon Islamic branding.

Keywords: Islamic marketing; Islamic branding; Muslim consumers; *Sharia-compliance*; *Halal* Accreditations

1. Introduction

Islamic marketing targets Muslim consumers, consumers who are distinctively different from consumers in general and that it utilizes specific recourses, skills and tools that are relevant and appealing to this particular segment (Sandikci, 2011).

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Therefore, with the pre-existing of Muslim consumer, this segment can be targeted, reached and to certain extent, predicted by marketers. The changes of demographics and purchasing power of Muslim consumers and the success of Muslim entrepreneurs have begun to render Islamic marketing a scholarly and managerially attractive field (Sandikci, 2011). Hence, the practice of Islamic branding as marketing strategies has been gaining considerable momentum in academic circles within the past few years, both within and outside of the Islamic world, (Alserhan, 2010a). The phenomenon of Islamic marketing and branding as a new and separate discipline has attracted the attention of both academics and practitioners from within and outside the Muslim world (Wilson & Liu, 2010).

Nevertheless, until now there seems to be no clear understanding of what the term Islamic branding means (Copinath, 2007), therefore to avoid such confusion and reduce the likelihood of improper use, the term Islamic branding was analysed by several scholars. From Alserhan (2010a) perspective, the true Islamic brands are *Halal* produced in an Islamic country and meant for Muslim consumers, meanwhile traditional Islamic brands originating in Islamic countries and targeting Muslim consumers, assumed to be *Halal*, the third one is inbound Islamic brands that is *Halal* brands that target Muslim consumers but originate from non-Islamic countries and outbound Islamic brands that is *Halal* brands that originate from Islamic countries but not necessarily targeting Muslim consumers. Alserhan (2010a) and Wilson (2011) also defines an Islamic brand according to three constructs: country of origin, target audience and whether it is *Halal*. Meanwhile, Ogilvy Noor (2010) states that Islamic branding is a branding approach which is friendly or compliant with *Sharia*' principles.

From all understanding of terms of Islamic branding, Jumani & Siddiqui (2012) had stated a brand should fulfill all aspects of the brands for the Muslim consumers, because the Muslim consumer consumes those goods or services, which fulfill the Islamic laws and norms. Muslim consumers want brands that speak to them (Power & Abdullah, 2009), Islamic brands or *Halal* brands 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 (Minkus-McKenna, 2007). The *Halal* food market and Islamic finance sector have exploded in the past decade and the many other Islamic product and services including cosmetics, real estate, hotels, fashion and insurance, (Alserhan, 2010a).

2. Literature Review

Brands are closely linked to emotions, even more so when religion is involved; such a distinction becomes necessary for companies in Islamic markets understand a religious implications. From Wilson (2011), brands are created with intention by their owners, the relationship of patronage and encouraging consumption will occurred. *Halal*, Islam and Muslims will always cause brand academics and practitioners problems. The understanding of what is *Halal* and Islamic brands is very crucial and if Muslim consumers are not encourage and nurture, the Islamic brands will be may remain as cultural products and the status of being *Halal* is temporal. For Muslims, branding cannot be separated from faith, which dictates that all activities should be divine and his feelings shall be in line

with Allah's guidance, (Alserhan, 2010a). The increasing interest in Islamic brands and marketing because of the compelling argument provided by the sheer size of market, growing awareness of Islamic consumption and greater empowerment of Islamic consumers. Other than that, Islamic countries and companies have seen the power of branding in global markets and witnessed conventional brands moving into Muslim market. Therefore, it is a good start for academic scholar to turn Islamic brands to conventional market indeed.

Islam, as with any other well-known religion, has an image. It can be considered to be a brand in its own right, with its own brand image; and like any global brand. Nevertheless the image of Islamic brands is viewed differently by different people in different places even though from Muslim consumers. The academic scholar shall think about do all Muslims think the same and behave in the same way, do they want the same products and services and the most important, do Muslims want conventional brands or Islamic brands, (Sandikci, 2011). Islamic branding is a reality and not a myth. The differences between Islamic brands and conventional brands are Islamic brands manufacture righteousness, their sellers invite into a righteous life meanwhile their buyers engage in worship, (Alserhan, 2010b).   One of the most fundamental obstacles to the growth of Islamic brands is achieving brand awareness when entering crowded markets dominated by Western or conventional brand. On the other hand, educating consumers about what *Halal* means is also a challenge for marketers. Temporal (2011) had pointed out that in Muslim to Muslims marketing perspective, having an accepted *Halal* brand is important; but from a Muslim to non-Muslim marketing perspective, top quality is an additional imperative. Islamic brands can harness the values of the religion in order to build brands of universal appeal to both Muslim and non-Muslim audiences. Some brands cleverly mix the rational and emotional characteristics of their brand's personality, so the brand can flex the brand character to suit the audience they are addressing. If this situation happened, it will harm the purity and the message of Islamic brands. For that reason, the investigation of *Halal* and more, specifically those aspects pertaining to branding and business, are still in their infancy, and it is a need for academic scholar to find out about Islamic brands, (Wilson & Liu, 2010). Alam & Sayuti (2011) had mentioned that each product category offers many different brands either locally named or internationally recognized. Some of the local brands appear to capture their own niches by projecting themselves as Islamic brands and it is also indirectly signals the *Halal* status of their products. It would be religiosity incorrectly and unethically if the product that is not *Sharia-compliant* branded as Islamic brands (Alserhan, 2010b)

3. Data Collection and Analysis

Focus group interviews were held using a structures format consisting of three parts. The discussion with the respondents for each segment lasted approximately between 30 minutes and 60 minutes. All interviews were audio taped and transcribed. Since some of the respondents answered the questions in both English and Malay languages, therefore the recording and the field notes were transcribed using both languages. There are 20 respondents that have been selected for this study. A sample of 10 respondents was students aged 20 to 26 years old and another 10 were adult working respondents aged 35 to 50 years old. The main reason for selecting two different segments of

respondents is to identify the similarities and differences of respondents' perception towards Islamic branding. The detail profiles of the respective respondents are illustrated in Table 1 and Table 2 as stated below:

Table 1. Detail Profiles of Respondents for Segment 1: Students

Respondent	Age	Gender	Marital Status	Qualification
Respondent Y1	20	Female	Single	IIUM Foundation of Law
Respondent Y2	20	Female	Single	Johor Matriculation College
Respondent Y3	20	Male	Single	Perak Matriculation College
Respondent Y4	21	Male	Single	STPM
Respondent Y5	20	Female	Single	Perak Matriculation College
Respondent Y6	21	Female	Single	STPM
Respondent Y7	23	Female	Single	Diploma Politeknik Perlis
Respondent Y8	26	Female	Single	Diploma Plantation
Respondent Y9	22	Female	Single	Diploma Plantation
Respondent Y10	20	Female	Single	IIUM Foundation of Law

Table 2. Detail Profiles of Respondents for Segment 2: Adult with Working Experience

Respondent	Age	Gender	Marital Status	Working Experience (year)
Respondent X1	49	Female	Married	15
Respondent X2	37	Male	Married	10
Respondent X3	36	Female	Married	5
Respondent X4	37	Female	Married	7
Respondent X5	36	Female	Married	11
Respondent X6	50	Male	Married	20
Respondent X7	35	Male	Married	6
Respondent X8	46	Male	Married	15
Respondent X9	39	Female	Single	12
Respondent X10	38	Male	Married	19

4. Discussion

4.1 'Fulfilled the Sharia-compliance'

There were a number of explanations were provided by the respondents that could exhibit their thoughtful and perception regarding Islamic branding. Most of the respondents agreed that the meaning of Islamic brands by compliance is the brands are appealing strictly on being *Sharia-compliant* starting from the "farm to the table".

Respondent Y2 affirmed that *'what I think about Islamic brand…it meets certain criteria of Islamic requirement such as it is Halal and it is free from Haram material….'* and Respondent X3 also mentioned that *'Islamic brands the brand where the sources of product are from Halal sources'.*

'…the meaning of Islamic brand is too broad, that brands that cover each perspectives' as voiced out by the Respondent Y3.

Moreover, for Respondent X1 also mentioned that *'Islamic brand is more than Halal…brands that have all these Islamic values'* and Respondent X2 also agreed by saying his opinion that *'…following the Islamic guidelines and that is what we call Islamic brands'.* Respondent X2 also added his opinion that *'Islamic brand is the brand that using Islamic name'.* Meanwhile Respondent X4 said that *'…following whatever requirement by Sharia'.*

From these statements indicates that most of the respondents share the similar thoughts regarding the

Islamic brands. The uses of Islamic brands shall meet the criteria of Islamic requirement such as fulfilling the *Sharia*-compliance. It is evident from the explanations that most of the respondents from Segment 1 stated that Islamic brands are a brand that holds *Halal* sources. Meanwhile, from Segment 2 bears a clear perception of Islamic brands whereas these brands embraces all the requirements of *Sharia* and most brands have to use Islamic names.

4.2 'Issues in Halal Accreditation'

In Malaysia and especially Muslim market, the use of *Halal* accreditation is required by each producer. As Muslim consumer, a product or service with *Halal* logo is the paramount importance in daily life. However, this issue had been brought up by several of the respondents in Segment 1 and 2.

Respondent Y9 had come with a different opinion towards this important issue that related to *Halal* accreditation where she had stated that *'...Halal accreditation that has been given by the authorization bodies is questionable…'*

Respondent Y4 suggested that *'...the authorization bodies should make severe monitoring…and extra checking from other parties...so that fraud of Halal logo can be controlled'* and Respondent Y5 agreed with the statement where she mentioned that *'...adjustments and standardization need to be made, Halal logo from the authorization bodies shall be standardize and no doubt about it...'*

Meanwhile for Respondent X2 said that *'... some of the consumers think that Halal logo already represent for Islam, but it is more than that…'*

The researcher had received numerous opinions from Respondent X5 and X8 on regards of *Halal* accreditation or certification:
'...even though some brands accredited Halal by the authorization bodies, it will not showing that the product is Islamic brands and with Sharia-compliance...'

'...if you say Halal, XXX is the only authorization bodies that issue Halal certification. Non-Muslim can apply for the certification and are they are following the Sharia-compliant?' He also added *'Halal and Islam is two different things…when we follow Islam, then we can get Halal…'* and this statement was agreed by Respondent X7.

Based on the above statements, the researcher found that the respondents agreed that Islamic brands need to have a reliable *Halal* Accreditation and can be trusted among by consumers. However, strict implementation by the authorization bodies should be implemented in order to regain the trust and confidence of consumers.

4.3 'Behind the Scene'

Identification of what, where, how and who are *"behind the scene"* of the product or service's brands are important. In another word means *practice* is another theme that derived from the respondents to explain their understanding towards Islamic branding. The responses given by Respondent Y6 and Y7 include the following:

'...if I want to buy burger or hot dog, I will choose Ramly Burger because he is Muslim producer...'
'...local products that produce from our country, it is Halal...'

But, surprisingly Respondents Y3 has come out with a different view towards this issue *'...lots of Non-Muslim producer have come out with numerous Islamic brands especially in banking sector...'*
Respondent Y7 added *'if the producer has good practices such as no corruption, so you can produce an Islamic brands'*

By looking at the outcomes from another segment, the importance of *"behind the scene"* and *practices* are very important elements in identifying what is Islamic branding. Respondents X2 highlighted that *'...it is not just the Halal logo, but it is involving the process how to process the product and how they operate the company itself...'*

Moreover, Respondent X3, X7 and X9 agreed in certain thought that:

'...brands those produce by Islamic companies'.

'The producer is Muslim people'.

'...if the producer is Muslim, we will not asking about Halal certification because we already know that it is Islamic brand'.

Nevertheless, Respondent X6, X8 and X10 are greater emphasis on practices of the companies such as:
'...the process and implementation is very important especially no interest charges...'

'If you do not know who is the maker, the raw and production material and those people who are working within in the production...until the distribution channel. There is a question mark whether it is Halal or not'.

'Even though the product is Halal but the way how the business implemented for example bribery, does not guarantee it is Islamic brands'

From the segment 1 perspective, the findings show that most of the respondents will straightly point out that if the producer is Muslim people and as well as the country of origin, they are assuming that the product and the brand is *Halal* and Islamic. But, from the view of segment 2 it revealed that the *practices* within the companies that owned by Muslim producer shall be based on Islamic values.

5. Conclusion

A number of issues had been explained and justified by all the respondents in Segment 1 and Segment 2. The respondents were able to discuss and answer all the questions freely based on their thought, knowledge and experiences. The themes or issues that have been identified were *'Fulfilled the Sharia-compliance'*, *'Issues in Halal Accreditation'* and *'Behind the Scene'*. It is believed that the theme of *'Fulfilled the Sharia-compliance'* was mostly expected been indicated by the respondents towards the definition of Islamic branding. It is due to the fact that the respondents were agreed that the use of Islamic brands must meet the *Sharia*-compliance.

In addition, the respondents were able to connect the first theme with these two themes which are *'Issues in Halal Accreditation'* and *'Behind the Scene'*. It was proven when the respondents kept on mentioning about the importance of *Halal* accreditation in Islamic brands and the *practices* that been implemented by the producers in introducing the brands. From all the statements that were received from both segments showed that *Halal* accreditation from the authorization bodies are very important to gain consumer's trust and confidence. Nevertheless, a proper implementation and authorization should be made by any authorization bodies or other parties that involved in making sure that any concerns of consumers can be addressed in the future. Careful monitoring should be seriously considered by any relevant authorities in order to use the exact *Halal* logo. By having and fulfilling *Sharia*-compliance is not only rely on the production of raw materials, but in terms of production, marketing strategies, work ethics, employees and business plan needs to be considered.

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