



Islamic perspectives on marketing

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Abstract

Purpose – The paper aims to conceptually exhibit modern marketing theory from an Islamic perspective.

Design/methodology/approach – The paper is conceptual and qualitative in nature. It originated from two mainstream publications. The first belongs to the ones which discuss Islamic economics and Islamic banking and finance. The second source comes from those which discuss Islamic business ethics. Both sources are essential in developing the conceptual theory of Islamic marketing.

Findings – Religious teachings, at least Islam, could be applied in the realm of modern marketing theory. Though not all of its elements could be applied in Islamic society, modern marketing theory will provide some elements which could be utilised in developing Islamic marketing theory.

Research limitations/implications – The lack of papers on Islamic marketing makes the depth of discussion rather limited.

Originality/value – Although several papers already exist in discussing Islamic business ethics with some elements of the marketing mix, it could be argued that this paper is the first of its kind which specifically discusses the concept of modern marketing from an Islamic perspective.

Keywords Islam, Marketing, Marketing theory

Paper type Conceptual paper

1. Introduction

Islam teaches its followers to engage in a decent way of wealth acquisition, as Allah SWT states the issue through one of the Quranic verses as follows:

O you who believe! Eat not up your property among yourselves unjustly except it be a trade amongst you, by mutual consent. And do not kill yourselves (nor kill one another). Surely, Allah is Most Merciful to you (*Al-Quran* 4:29).

From the above verse, one could find a strong message concerning trading. Islam guides its followers to engage in commercial activities and to refrain from the practice of charging interest/usury. Therefore, commerce is something viewed as essential in Islam, for as long as the process is parallel with Islamic teaching on doing business. It should be noted that Islam views commerce as one crucial factor in human life, so crucial that Allah SWT destined Prophet Muhammad SAW to be a successful businessman before his prophetic life (Antonio, 2007; Trim, 2009). Since Islam is a way of life, one could advance a logic that Islam must have written the code of conducts in doing business, among any other things.

When companies do business, the marketing department plays a role in delivering products and services which suit the costumers' expectation. Though it is not working alone, that department has a crucial role in determining the success of companies. In delivering their products and services, it is argued that companies are expected to do so in a morally acceptable way. Therefore, through this paper, the author would like to discuss the implementation of the morally acceptable way of marketing from the Islamic perspective.



In order to comprehend the essence of the discussion, the author will present this paper in several parts. The first part, already given here, is an opening part concerning commercial activities. A Quranic verse is given in order to show the reader that Islam does pay particular attention towards commercial activities. Also, an examination of several literatures (Antonio, 2007; Trim, 2009) has shown that the life of Prophet Muhammad SAW as a trader was longer than that as a messenger. Next, discussion concerning Islam and marketing will be exhibited in the literature review section, along with several research questions. The Section 3 embarks upon the process towards discussing the research questions. Finally, concluding remarks will be given at the end of this paper.

2. Islam and the real sector

Islam is a comprehensive way of life which rules everything, including commercial activities. Through *Al-Quran* and *Hadith*, the two main references for Islamic law, Islam exhorts its followers to avoid taking usury and instead maintain the quality of their wealth through just trading. This could be seen from one of the Quranic verses as follows:

Those who eat *Riba* (usury) will not stand (on the Day of Resurrection) except like the standing of a person beaten by *Shaitan* (Satan) leading him to insanity. That is because they say: "Trading is only like *Riba* (usury)," whereas Allah has permitted trading and forbidden *Riba* (usury). So whosoever receives an admonition from his Lord and stops eating *Riba* (usury) shall not be punished for the past; his case is for Allah (to judge); but whoever returns [to *Riba* (usury)], such are the dwellers of the Fire – they will abide therein (*Al-Quran* 2:275).

There are few points worth considering from the above verse. It could be argued that Islam does allow the practice of wealth acquisition. Second, freedom in wealth acquisition is not unlimited. This means that Islam exhorts its followers to acquire wealth by actively participating in real sectors and not through acquiring "easy money" by practicing interest. Allah SWT, through his messengers, had already given an example of participating in the real sector. On this regard, Prophet Muhammad SAW said the following:

Narrated Abu Hurairah RA: The Prophet SAW Said, "Allah did not send any Prophet but he shepherded sheep." His Companions asked him. "Did you do the same?" The Prophet SAW replied, "Yes, I used to shepherd the sheep of the people of Makkah for some *Qirat*" (Khan, 1997, p. 254).

The word "Sheep" depicted in the above *Hadith* symbolizes the real sector. One could argue that investment in real sector is very important since it attracts the creation of capital and decreases the amount of unemployed. However, Islam also rules the condition of participating in the real sector. In this manner can Islamic marketing plays its role, according to the author.

3. Research questions

Given the argument that Islamic marketing could play its role in modern commercial activities, the questions that are going to be discussed in this chapter are as follows:

RQ1. What are the philosophical and characteristics of Islamic marketing?

RQ2. Is it ethical to market products or services by exploiting one's religious believe?

RQ3. What constitutes Islamic marketing strategy?

RQ4. What are the challenges ahead for Islamic marketing?

The collection of papers which specifically discuss the elements of Islamic marketing has not been found so far. However, apart from *Al-Quran* and *Hadeeth*, the author noted that there are two types of papers which share the elements of Islamic marketing and therefore could contribute to build the body of knowledge on Islamic marketing. The first type belongs to those which discuss the concept of Islamic economy and Islamic finance (including Islamic banking) in general. The work of Alhabshi (1987), Khan (1987), Chapra (1988), Ahmad (1989), Dar and Presley (1999), Hassan and Lewis (2007), and Saidi (2009) are some examples which belong to this category. The second type, such as those presented by Rice (2001), Saeed *et al.* (2001), and Abuznaid (2009), touch some elements of Islamic marketing although the whole papers are not specifically entitled to discuss the marketing concept. Those papers in the second type are closer to the conceptual development of Islamic marketing than those in the first. However, it does not mean that the exclusion of those belong to the first type could be considered. All of those papers are necessary in order to build the body of knowledge in Islamic marketing.

Realizing the wide intellectual gap in Islamic marketing publication, this paper will attempt to unite all ideas, no matter how small, in order to build the body of knowledge in Islamic marketing. As its first attempt, this paper will commence its discussion towards the philosophy of Islamic marketing.

4. The need for Islamic marketing

The author argued that people, at least the Muslim, need to live in a way that is prescribed by Allah and his messenger. In one of the Quranic verses, Allah SWT said the following:

O you who believe! Enter perfectly in Islam (by obeying all the rules and regulations of the Islamic religion) and follow not the footsteps of Shaitan (Satan). Verily, He is to you a plain enemy (*Al-Quran* 2:208).

The above verse suggests that all ways should be Islamic ways. Therefore, all ways could be made Islamic. The only challenge is the “How” element. Realizing that, the author argued that marketing could be made Islamic as well. Therefore, through this paper, the author would like to develop Islamic marketing starting from its philosophical aspect. It could be argued that building philosophical concept is very crucial towards the development of knowledge. Arguably, the philosophy of knowledge will shape the elements of Islamic marketing.

4.1 Fundamental philosophy of Islamic marketing

The highest and most important concept in Islam is the *Tawhid* or oneness[1](Alhabshi, 1987; Haneef, 1997). This is the most important concept that Muslim must know in order to live and survive in this world and the hereafter. Rice (2001) stated that the concept of *Tawhid* is the most crucial ingredient in commerce. Furthermore, according to Abusulayman (1998), the concept of *Tawhid* is both vertical and horizontal. The vertical relationship pictures the connection between human and its creator, while the horizontal relationship portrays the inter-human relationship based on Allah’s law (Abusulayman, 1998).

The *Tawhid* principle also takes Muslims to believe that Allah SWT is the only architect of the universe and therefore human being is the representative of Allah to manage this world and its resources in just way (Abusulayman, 1998; Badawi, 2002). In terms of marketing, the author argued that justice could be implemented in smoothing the flow of goods, among others. By smoothing the flow of goods, companies will ease the customers in meeting their needs. Furthermore, the author argued that smoothing the flow of goods could prevent the practice of hoarding which is condemned by Islamic teaching.

By eliminating the practice of hoarding, one has successfully shown one's act of brotherhood (good inter-human relationship) to other people and also establishes justice to society. Since everybody is essentially equal, all costumers have equal rights to get the products that they want in order to satisfy their need. Hoarding will inflate the price and create injustice to those who cannot afford to but the particular product that they need[2].

So far this paper has discussed the important principle of Islamic marketing. One should know that the concept needs to be elaborated further. In the author's opinion, the Tawhidi paradigm serves as a spirit which needs "A Character to Fill." Therefore, this paper needs to discuss some traits that could shape a "Character" which can be energized with the spirit of *Tawhid*. This "Shape" would be recognized as the characteristics of Islamic marketing, unique traits infused with the Tawhidi spirit that could be utilised in the context of modern marketing theory.

4.2 Characteristics of Islamic marketing

In general, there are four characteristics that surround Islamic marketing concept. These are spiritualistic, ethical, realistic, and humanistic (Sula and Kartajaya, 2006). If one gives those four characteristics a thought, one will find a good relationship between the five pillars of Islam and the implementation of it. These concepts will be explored as follows.

4.2.1 Spiritualistic. This is the umbrella of all teachings in Islamic marketing[3], according to the author. Spiritualistic means that all business conducts must be coherent with the teaching of *Al-Quran* and *Sunnah*. Moreover, Islamic marketers must fully believe that Islamic law is the ultimate law that must be used as a guidance which is just, perfect, and the source for all goodness (*Sharing*, 2006; Sula and Kartajaya, 2006).

The first pillar of Islam, the *shahadah*, becomes the heart of this concept. *Shahadah* is the ultimate confession of a human to his or her creator. By confessing the *shahadah*, a Muslim is abode by any "Terms and Condition" set by Allah SWT to live in this world. Any forbidden action will be taken into responsibility in front of the court of Allah SWT.

In terms of Islamic marketing, the total submission to Allah SWT means that all aspects of marketing must be parallel with the teaching of Islam. Of course, in some ways, its implementation varies. According to Sula and Kartajaya (2006), Islamic marketers must be able to include the spirit of Islam in all aspect of marketing activities, from the planning to after sales service. In other words, any marketing activities must be done within the ethical boundaries set by Islamic teaching.

4.2.2 Ethical. The spiritual enhancement within Islamic marketing will form Islamic ethics within the business transaction. Sula and Kartajaya (2006) stated that one of the characteristics of Islamic marketers is full of ethical consideration. This ethical conduct, argued the author, must follow the teachings of *Al-Quran* and *Hadeeth*. Therefore, it is necessary to refer this kind of ethics as *Islamic Ethics*.

In the view of the author, the concept of Islamic ethics can be seen from the practice of Islamic daily prayers, the second pillar of Islam. Before Muslims pray, they must clean certain parts of their body before commencing their prayers. In other words, certain preparations that make Muslims look clean must be done before “meeting” with their creators.

In marketing sense, Islamic marketers must make themselves ready. They must be “purified” before commencing their marketing activities. The term “purified” refers to any attempt of “self-cleansing” before serving the markets. For instance, companies must train their marketers so that all marketing activities could be done in ethical standard set by Islamic teaching.

Last but not least, companies must clearly inform their staffs that they must accept any results that appear in front of them, for as long as they have worked hard and done everything they can. Sula and Kartajaya (2006) referred this concept as being “Realistic.”

4.2.3 Realistic. According to Sula and Kartajaya (2006), syariah marketers should not be so “rigid” in practicing Islamic marketing, for as long as it does not violate Islamic law. The content is more important than the appearance[4]. However, it must be noted that being realistic does not mean that in the case of “emergency”, Muslim marketers can do something which violates the principles of Islamic law[5]. Sula and Kartajaya (2006) stated that Muslim marketers must be brave to differ themselves from any other marketers which partially or do not use Islamic principles in conducting business.

In the view of the author, the “realistic” mentality could be seen in people who perform fasting in the month of Ramadhan. Fasting, the third pillar of Islam, teaches people to become realistic. When Muslims perform fasting, they cannot eat when the sun rises until the sun sets. During that time, all Muslims around the world still do their normal activity[6] even if they are in the state of hunger and thirst. In the view of the author, the feeling of hunger and thirst is a symbol of a “struggle” which will end when the sun sets. This shows that nothing lasts forever. For every challenge, there lies hope and prosperity. Being realistic is not just sitting down and losing hope.

In marketing point of view, being realistic means an opportunity for creativity. This is a state where marketers’ ability is being tested in order to create breakthrough. For instance, if companies know that they are selling expensive products, they had better sold the product in credit rather than asking people to buy it in cash. They could also offer the least expensive products. This may encourage customers’ willingness to buy. The two examples show how the state of being realistic creates hope, which in turn create an inner power to make a breakthrough. It is important for Islamic marketers to understand this concept since it will increase the spirit of marketing their products.

Last but not least, companies should view the market humanely. This means that companies should realize that it is the human being that buy the products, not just a set of “being” which could be treated like an object. Therefore, Islamic marketing tries to be humanistic.

4.2.4 Humanistic. Humanistic here means that Islam, like any other religions, comes in order teach people the values that could differentiate people from any other creatures that inhabit this world (Sula and Kartajaya, 2006). As a consequence, one should be able to distant oneself with inhumane desire such as greed (Sula and Kartajaya, 2006).

According to the author, being humanistic is equal with the fourth and the fifth pillar of Islam, namely, *zakah* and *hajj*[7]. The two pillars, the author argued, are closely related with being human. Paying *zakah* will increase social sensitivity towards the poor,

while going to *hajj* increase social acceptance towards people from different race and most importantly skin colours.

Furthermore, the author argued that being humanistic also affects the discipline of marketing. Modern marketing refers this as “Sustainable Marketing” (Kotler and Armstrong, 2010). Basically, it is a concept of marketing which tries to balance between market demand and environmental preservation (Kotler and Armstrong, 2010). In the view of the author, it is the trend of today’s companies to pay more attention to their society and more importantly their environment.

So far, this paper has already discussed the philosophy and characteristics of Islamic marketing. Before expanding the discussion further, the author argued that the philosophy and characteristics of Islamic marketing need one further test. This test is so important as to determine whether people, especially Muslim, will accept Islamic marketing as a new concept or whether this is regarded as “Me Too” marketing concept which is fabricated to satisfy the emerging Muslim market.

One needs to question the eligibility of utilising religious concept to sell products and services and exploiting people’s religious belief to purchase certain products claimed to be “ethical.” In order to keep the discussion on track, these questions will be discussed from the viewpoint of Islamic teachings. However, before embarking upon the journey towards discussing the questions, it could be argued that one needs to discuss the objectives of Islamic marketing.

5. Religion as marketing tool

In this part, the author would like to discuss the utilisation of religion as a marketing tool. The discussion will start from the objectives of Islamic marketing and goes through the Islamic view of utilising religious teaching to market products and services.

5.1 Objectives of Islamic marketing

It could be argued that the objectives of Islamic marketing cannot be separated from the objectives of the Sharia. From the above presentation on the philosophy of Islamic marketing, it is clear that human is Allah’s envoy in this world. This world is entrusted to human to be controlled and managed in accordance to Allah’s will (Khan, 1991; Haneef, 1997; Hassan and Lewis, 2007). This view is rather different from the concept of human in conventional economics, as cited by Haneef (1997, p. 45) as follows:

This is of course, totally at variance with modern “economic man,” who is not obliged to consider any form of submission to a transcendent God.

Therefore, the trust that Allah gives must be utilised in all aspects of life, including marketing. Although in reality, different ways might be taken to utilise that trust as long as they meet certain principles. Those principles, according to Ahmad (1989, p. 26), are follows:

- Agree with the principles of Islamic law or Shariah.
- Achieve the economic and social goal of Islamic civilization.

The author argued that it is somewhat challenging to arrive at one single and definitive objective of Islamic marketing. However, since any objectives need to align with the principles of Islamic law, one could try to elaborate the objectives of Islamic marketing as follows:

- To bring forward marketing theory to a new realm, whereby modern marketing theory interrelates with Islamic teaching.
- Islamic marketing should be able to take part in realizing social justice.

Given the objectives set above, perhaps one may ask the notion that religious teaching could be utilised as a marketing tool. This notion is important to consider, as failing to address the issue will create doubt on whether religious teaching should isolate itself from any commercial decision making. Section 5.2 would like to highlight this matter.

5.2 Can one use religious teaching as a marketing tool?

It could be said that religious teaching could be utilised as a marketing tool. As far as Islamic teaching is concerned, there are some evidences that are available in light of this proposition. First, the *Holy Quran* has presented many verses which are related in commercial transaction. These verses, among any, include the prohibition of interest (*Al-Quran* 2:275); being straightforward in negotiation (*Al-Quran* 33:70); and many more.

Furthermore, one could also witness Islamic concept on commercial transactions through many sayings of Prophet Muhammad SAW. On selling products transparently, Prophet Muhammad SAW said the following:

Narrated Hakim bin Hizam: Allah's Messenger said, "The seller and the buyer have the right to keep or return goods as long as they have not parted, or till they part; and if both the parties spoke the truth and described the defects and qualities (of the goods), then they would be blessed in their transaction, and if they told lies or hid something, then the blessings of their transaction would be lost" (Khan, 1997, p. 173).

Moreover, as far as legal ruling is concerned, there are no prohibitions towards utilising religion as a marketing tool nor are there any prohibitions for labelling certain marketing strategies as "Islamic Marketing Strategy", "Christian Marketing Strategy", "Hindu Marketing Strategy", and the like. Therefore, the author argued that incorporating religious teaching into marketing is feasible.

Finally, the author argued that one cannot fully exclude religious teachings from marketing concept even if marketing strategy development is build from non religious teachings. One example is the development of relationship marketing or the rise of social media (such as Facebook). The author argued that such social phenomenon is parallel with Islamic concept of unity (brotherhood). Therefore, even without scrolling through any religious text, one might set up a strategy which is parallel with the teaching of Islam.

Another interesting exposition comes from Harrison (2005, p. 278), who stated that:

[...] the bounded ethical principles specifically for marketing are suggested to be:

1. The improvement of human life (morality seen as a defence for the weak, etc.);
2. Recognition of Society's constraints (the law; consumer needs);
3. Working within a market economy, with its emphasis on the reward of risk taking, hard work and creativity (issues of distributive justice);
4. Recognising the constraints of human capabilities and limitations (e.g. the link between psychological egoism and theories of motivation).

Looking at Harrison's point of view, one could argue that his propositions are very close to Islamic teaching. The issues on "The improvement of human being" and

“Recognition of Society’s constraints” could be seen from the above *Hadeeth* concerning product transparency. The author argued that product transparency could hinder the consumers from any harm that the products may cause. Islam also teaches the concept of “hard working” and “distributive justice” through *Al-Quran* (3:1-3) and *Al-Quran* (6-141). However, although Islam encourages people to take some risks, Islamic concept of risks is rather “sharing the risks” than “take the risks yourself.”

The last point concerning “constraints of human capabilities and limitations” is even more interesting since it is the last point on Harrison’s list. This is appealing as Islam teaches its followers to work hard with maximum capability and then submit everything to the will of Allah. This is shown by the following verse:

And by the Mercy of Allah, you dealt with them gently. And had you been severe and harsh-hearted, they would have broken away from about you; so pass over (their faults), and ask (Allah’s) Forgiveness for them; and consult them in the affairs. Then when you have taken a decision, put your trust in Allah, certainly, Allah loves those who put their trust (in Him) (*Al-Quran* 3:159).

The above verse seems to align very well with Harrison’s list. The verse already gives Muslim a direction to make final submission to Allah for all the works they have done. The concept of submission is arguably useful to eliminate “this is my work” ego since the verse clearly hints that Allah is the final decision maker.

So far the author has argued over the credibility of incorporating religious teachings in marketing. This paper has highlighted some arguments concerning the credibility of incorporating religious teaching into marketing concept. In the subsequent part, the author will try to elaborate the conceptual implementation of Islamic marketing. In this regard, the author would like to focus on conceptual implementation of Islamic teachings in marketing strategy.

6. How to implement the objectives of Islamic marketing strategy?

The concept of Islamic marketing is useful if it can turn the philosophical concept into modern marketing concept. In this part, the author would like to present the implementation of Islamic teachings in marketing mix.

The first step towards applying Islamic marketing is to understand the basic principles of Islamic marketing. Sula and Kartajaya (2006) stated 17 principles of Islamic marketing that should be applied when institutions want to be classified as those who based on Islamic marketing. Those 17 principles are presented by Table I. In general, those principles are divided into four broad categories.

The first category belongs to the landscape of Islamic business (Sula and Kartajaya, 2006, p. 142). Basically, Sula and Kartajaya (2006, pp. 142-3) made a model which consists of all elements in business. These are “Competitor”, “Change”, “Customers, and “Company” (Sula and Kartajaya, 2006, pp. 142-3).

The second category belongs to the elements of marketing strategy. Sula and Kartajaya (2006, p. 143) further divided into three sub categories, namely, “Shariah Marketing Strategy”, “Shariah Marketing Tactic”, and “Shariah Marketing Value.”

Furthermore, the third category belongs to syariah scorecard. The scorecard can be used as a tool to balance between the Islamic values that a company promotes and the actors that support and promote those values (Sula and Kartajaya, 2006, p. 148).

Finally, the fourth category belongs to “Sharia enterprise.” Sula and Kartajaya (2006, p. 150) argued that those values have a strong relationship with “Inspiration”,

Landscapes of Islamic marketing	1. Information technology allows us to be transparent (change)
	2. Be respectful to your competitors (competitor)
	3. The emergence of customers global paradox (customers)
Elements of strategic business architectures	4. Develop a spiritual-based organization (company)
	5. View market universally (segmentation)
	6. Target customer's heart and soul (targeting)
	7. Build a belief system (positioning)
	8. Differ yourself with a good package of content and context (differentiation)
	9. Be honest with your 4Ps (marketing mix)
	10. Practice a relationship – based selling (selling)
	11. Use a spiritual brand character (brand)
	12. Services should have the ability to transform (service)
Sharia scorecard	13. Practice a reliable business process (process)
Shariah marketing enterprise	14. Create value to your stakeholders (scorecard)
	15. Create a noble cause (inspiration)
	16. Develop an ethical corporate culture (culture)
	17. Measurement must be clear and transparent (institution)

Table I.
Principles of Islamic
marketing

Source: Adapted from Sula and Kartajaya (2006, pp. 141-2)

“Culture”, and “Institution.” Sula and Kartajaya (2006, p. 150) also argued that those three factors must also obey the principles set by Islamic teaching.

For the purpose sake of marketing strategy, this paper will focus the discussion on the third category concerning the elements of strategic business architecture[8].

6.1 Fundamental elements of Islamic marketing strategy

The elements of Islamic marketing strategy consist of segmentation, targeting, and positioning. The following part will discuss how these elements work within Islamic marketing.

6.1.1 Segmentation. Gunara and Sudibyo (2007) presented an interesting example of segmentation practiced by Prophet Muhammad SAW. In his time, Prophet Muhammad SAW conducted his trading business in several important markets in Arabic peninsula (Trim, 2009), including the one in Bahrain called “Mushaqqar” (Antonio, 2007, p. 82; Gunara and Sudibyo, 2007, p. 17). Gunara and Sudibyo (2007) also added that Prophet Muhammad SAW knew the way of life and the way people eat and drink in Bahrain.

From the information obtained above, one could argue that Prophet Muhammad SAW used some of the attributes of geographic, demographic, and psychographic segmentation in doing his business[9]. Furthermore, one could learn the example of market segmentation from Prophet Muhammad SAW.

From the way Prophet Muhammad SAW conducted his business, one could learn that market segmentation could be done through mental process of market identification. The author used the term “Mental Process” in order to show how one should come to see his or her market before conducting segmentation. Prophet Muhammad SAW knew the situation in Bahrain since he was there and involved in the trading process. In the process, the author argued that Prophet Muhammad SAW utilised multiple types of market segmentation. He knew the location of important markets in Arab peninsula

(geographic segmentation), the type of people he met in the market (demographic segmentation), and the lifestyle of those he met in the market (lifestyle segmentation).

6.1.2 Targeting. Previously, this paper discussed how Prophet Muhammad SAW segmented the market. Now, this paper will look at how he targeted his segments. Modern marketing theory teaches that the various segments available should be evaluated so that companies know which segments that can be served well (Kotler and Armstrong, 2010).

How Prophet Muhammad SAW exactly targeted his segments[10] needs to be researched thoroughly. However, one argument from Gunara and Sudibyo (2007) stated that Prophet Muhammad SAW could target all of his segments. In modern marketing, such targeting strategy is called “Differentiated Marketing”, a segmenting strategy whereby companies create several different products for several different segments (Kotler and Armstrong, 2010).

The problem that remains, argued the author, is the quest towards searching for a good targeting strategy. Perhaps, in this part, the key lies within positioning strategy.

6.1.3 Positioning. According to Kotler and Armstrong (2010), companies must position their products so that the products could be deemed valuable from the customers’ perspective.

When applying this theory back to the era of Prophet Muhammad SAW, one could find some similarities in product offering. First, the consumers in that era were arguably as careful as those in present time. Logically, they would buy the best product in accordance to their financial ability. Second, many sellers offer multiple products to sell.

Modern marketing theory suggests sellers to position their products in the mind of the consumers. However, an examination from several literatures (Kamaluddin, 2007; Al-Fatih, 2009; Trim, 2009) suggested that Prophet Muhammad SAW positioned himself as an honest trader, rather than positioned the products he sold. In other words, it seems that the sellers are more important than the objects being sold. This does not mean that Prophet Muhammad SAW did not think about the quality of his products. Rather, the author argued that Prophet Muhammad SAW did total positioning. He did not just position the products he sold, but also the way he sold them. With his personality, Muhammad SAW made a differentiation in his offering.

6.1.4 Shariah marketing tactics. There are three elements discussed in this part. These are differentiation, marketing mix, and selling.

6.1.4.1 Differentiation. The type of differentiation that Prophet Muhammad SAW made was unique at his time. The author argued that differentiation of both sellers and the products they sell must be coherent. This is because a factor called transparency will take place. One obvious differentiation that Prophet Muhammad SAW did was his moral obligation to tell every customer the weak point of his products (Al-Fatih, 2009). He never concealed anything from his customers, including any defects that his products contained[11]. Al-Fatih (2009) also added that telling the defects of the products sold was something of a must for Prophet Muhammad SAW.

Based on the above information, it is argued that one should re-think the philosophy behind the modern concept of differentiation. Perhaps, one should re-tool the concept and put more emphasis on differentiation based on sellers’ merit rather than solely rely on the imaginary component of the products. Arguably, this is important to be considered as differentiating products on the basis of the sellers’ morality might bring real impact to the quality of the products sold.

6.1.4.2 Designing marketing mix. Prophet Muhammad SAW already taught some lessons in conducting business, which could be implemented in marketing mix.

On pricing, Prophet Muhammad SAW sold his products with a price which could be absorbed by the market (Trim, 2008). In other words, he got his profit based on sales volume (Trim, 2008). Arguably, this is a good strategy to take since he could enter all market segments with such pricing.

On product, Prophet Muhammad SAW chose to sell commodities which are needed by all people and are not rotten (Trim, 2009). According to Trim (2009), Prophet Muhammad SAW chose to go for clothing[12]. According to Al-Fatih (2009), Prophet Muhammad SAW also prohibited to put the low-quality and the high-quality products on the same place. Arguably, that was an act of transparency so that customers could easily differentiate between high and low grade products.

On place (distribution), Prophet Muhammad SAW prohibited the act of monopoly. Thus, dominating the distribution channel with the intention to set up the price level is an act condemned by Islamic teaching (Trim, 2009)[13].

On promotion, Islam prohibits the practice of over promising (Trim, 2008). Products should be communicated within ethical boundaries so that customers do not feel deceived.

Finally, on phrase, Islam teaches its followers to present an agreement in the process of buying and selling. This is very important in Islam, as failing to meet the conditions of buying and selling will cause the process unacceptable (Ayub, 2007)[14].

6.1.4.3 Selling. In selling products, at least there are several lessons that one can learn from Prophet Muhammad SAW. First, sellers are not allowed to conceal anything to their buyers during transactions (Trim, 2008). Thus, for as long as sellers meet with the buyers, either one can opt to quit or to continue negotiation (Trim, 2008). Second, sellers are prohibited to sell something that does not exist (Trim, 2009). Thus, the goods being sold must exist. Third, scaling needs to be as accurate as possible (Trim, 2009). If the products is 1 kilogram, then the scale must show 1 kilogram and not otherwise. Fourth, it is highly recommended that sellers do not go to other buyers unless negotiation fails with the first buyer (Trim, 2009). Prophet Muhammad SAW did that in order to satisfy and to respect all customers (Trim, 2009). Last but not least, Prophet Muhammad SAW taught to prioritize the first buyer (Trim, 2009).

From the above presentations of Prophet's selling techniques, one could learn that Islam also puts special attention to total customer satisfaction. Arguably, this is the key towards sustainable business development. The author argued that by having all customers satisfied, companies could have customers that last.

6.1.5 *Shariah marketing value*. According to Sula and Kartajaya (2006), all efforts to sell products and service will doom to fail without any attempts to include product or service values. In their book, Sula and Kartajaya (2006) includes the concept of value within brand (value indicator), service (value enhancer), and process (value enabler).

6.1.5.1 Brand, service and process. On value indicator, Sula and Kartajaya (2006) stated that the appearance of a brand presents the total service that companies offer, starting from product purchase to after sales service. Kotler and Armstrong (2010) argued that brand conveys unique message to its audience and consumers try to link themselves emotionally with it. In the case of Prophet Muhammad SAW, the author argued that his name was a guarantee for quality, honesty, and integrity[15].

On value enhancer, Sula and Kartajaya (2006) stated that buyers need to serve their customers well. It is argued that one indicator of good service is the lack of complain. Rabi Bin Badr, one of Prophet Muhammad SAW's business partners once said that Prophet Muhammad SAW was the best partner he had, as he never quarrelled with Prophet Muhammad SAW and Prophet Muhammad SAW never cheated as well (Antonio, 2007).

Finally, Sula and Kartajaya (2006) stated that value enabler serve as catalyst in provision of good service. It is argued that everything needs process (throughput). How one does the job could differentiate the end result.

Going forward with this discussion, although the author tried to elaborate the concept of Islamic marketing, it could be argued that challenges to make Islamic marketing acceptable by the market are still considerable. Some of these these challenges will be discussed in the subsequent part.

7. Challenges ahead

The development of Islamic marketing, both theoretical and practical, faces challenges that need to be resolved in order to see future progress. The author would like to highlight some challenges that need to be taken care of.

7.1 Immersing Islamic teaching within modern law

It is quite surprising to see that modern life also contains elements which represent the teaching of Islam. In Indonesian context, the Indonesian Government forms a body which rules out any attempts on market monopoly[16]. Indonesia also possesses other supervisory body which supervise the quality of the food, both from spiritual perspective[17] and from hygienic perspective[18] and many others. The key point is to achieve justice in the society (Wilson, 2006).

Therefore, the author further suggested that Islamic marketing could find its role in the body of modern law.

7.2 Narrowing intellectual gap

Another challenge that emerges is the ability for Islamic marketing to screen any relevant theory of conventional marketing in order to position itself uniquely in the body area of marketing literature. Dar and Presley (1999, p. 1) commented the following regarding in lack of conventional theory when building Islamic paradigm:

[...] Islamic writers have focused upon the Koran and mainly Asian literature without utilising a wide body of literature in the West which would assist with the development of the Islamic paradigm.

As happened with the discussion concerning the chemistry between Islamic and ethical banking (Saidi, 2009), it seems that Islamic marketing would go for the same kind of issue. Although the author argued that Islamic marketing is not similar with ethical marketing, more discussion should be gathered in order to confirm or contradict the issue.

8. Conclusion

From the discussion above, one could argue that religious teaching, at least from Islamic perspective, could be utilised as a marketing tool. As a consequence, one could build

another body of knowledge called “Islamic marketing” as another way to look at the science of marketing. The author’s proposition that Islamic teaching could be used as a marketing tool shows that marketing science could stand very well with religious matters.

Although this paper has presented the concept of Islamic marketing strategy, the author proposes that Islamic marketing needs to enrich itself in order to gain acceptance from scientific community. Therefore, it is the duty of all researchers interested in this issue to develop this knowledge. May Allah gives guidance in this new endeavour.

Notes

1. One shall dismiss the argument that the concept of oneness should be skipped when discussing matters like Islamic economics, finance, and management. Such notion is baseless and depicts the intellectual “incompleteness” in comprehending the essence of Islamic teachings. This is, by no means, the most important concept in Islam since it will influence all sort of things. For instance, the way pricing concept will be developed and the types of transactions allowed in Islam. Therefore, in terms of Islamic marketing, one should comprehend this concept before discussing other concepts such as marketing mix, for example. Finally, the underlying message that must be understood from the concept of *Tawhid* is that, from Islamic perspective, dichotomy between knowledge and religion is obviously impossible.
2. The phrase “[...] the particular product [...]” here resembles the products from particular brand that might capture the majority of the market share. That product, in the absence of hoarding, could be purchased at normal price. However, in the event of hoarding, not all people could purchase the product. If the product is available, its quantity will not be able to meet the customers’ demand. Furthermore, those who cannot get it are expected to buy a replacement product whose quality might be inferior or go home with nothing at hand.
3. In this thesis, the term “Islamic Marketing” is used rather than “Shariah Marketing.” There are reasons for that. First, the author would like to emphasis the “Islamicness” of Marketing in this thesis and not any other concept. Second, the term “Shariah Marketing” is vague since it can be interpreted differently by many people. For instance, “Shariah Marketing” may mean “Christian Marketing”, “Buddhist Marketing”, or any other faith-based Marketing. Therefore, the term “Islamic Marketing” will bring a clear and exact meaning to any reader of this thesis.
4. For instance, it does not matter if Islamic banks employ non-muslim employees. For as long as the employees are competent and want to obey the rules and regulations stipulated in their contract, then there is no reason for Islamic banks to reject them. This is parallel with the universality of Islamic law.
5. For instance, Muslim marketers should not make any “move” which could violate the basic tenets of Islamic business in the middle of a very important negotiation which has a big probability to fail.
6. In reality, apart from doing normal activity, Muslim are also encouraged to increase their religious activity such as reading *Al-Quran*, etc.
7. *Zakah* means paying charities under predetermined rate, while *hajj* means performing religious ritual in the city of Mecca and Medina, Saudi Arabia.
8. This decision taken is not an attempt to underestimate the importance of other principles of Islamic marketing within the box. The author would like to emphasise the discussion

concerning the elements of strategic business architecture since the discussion relates strongly with the theme of this thesis.

9. It is not clear whether the ability to segment the market was something developed naturally, taught by someone, or both. Prophet Muhammad SAW began to know entrepreneurship when he was 12 year old (Antonio, 2007; Trim, 2008, 2009; Kamaluddin, 2007). At that time, together with his uncle Abdul Muthalib, he began his first trading mission to a place called "Syam" (Antonio, 2007; Trim, 2008, 2009; Kamaluddin, 2007). It could be argued that the journey to Syam marked Prophet Muhammad SAW as "Young Entrepreneur." During his life, Prophet Muhammad SAW had visited many countries in Arab peninsula (Antonio, 2007). Though it is not clear how exactly Prophet Muhammad SAW learned about segmenting markets, the author argued that this ability might come from both experience and the teachings of other people, including his uncles. The author used the phrase "other people" since Prophet Muhammad SAW might learn segmentation from many people other than his uncles. This could be the people that he met during his journey or other people from the Quraisy tribe. The phrase "his uncles" is used since, according to Trim (2008), Prophet Muhammad SAW also had an uncle called Abbas Bin Abdul Muthalib who was also a trader. The author argued that Abbas Bin Abdul Muthalib might also teach young Muhammad the strategy and tactics of conducting business, including market segmentation.
10. This paper solely discusses everything regarding business concept of Prophet Muhammad SAW. One could also apply the theory of segmentation, targeting, and positioning of Prophet Muhammad SAW when promoting Islam. However, such discussion is beyond the scope of this paper.
11. The practice needs to be researched thoroughly in order to be applicable in modern business. Owing to the complex nature of distribution channel, one needs to find ways to think about this issue. For instance, can one view a small, almost unseen scratch as "defect"? Even if one does, how does one design a distribution process which can avoid even the smallest scratch at low cost? Such things are worth to be considered if one desires to have a business with total transparency.
12. The author argued that the essence of the above statement is that the products should be commodities which do not get rotten easily. This is because Prophet Muhammad SAW must have sold many products other than clothing.
13. It is interesting to look at this issue thoroughly. In relation with today's globalization, if one reflects on Islamic teaching concerning monopoly, perhaps one should re-think on whether to have "Fair Trade" as oppose with "Free Trade."
14. This element, together with other elements in Islamic marketing strategy, shall be discussed deeply in other papers.
15. The author argued that companies need to re-think the essence of buying and selling. Are products and services bought and sold, or do companies and customers actually buy and sell honesty and integrity? Is zero defect something that customers really want? If yes, why did people keep coming to Prophet Muhammad SAW, despite the fact that some of his products contained defects? It is argued that companies should spend some time thinking about this issue.
16. Supervised by the so-called "Monitoring Agency for Business Competition."
17. Supervised by the so-called "Indonesian Council of Ulema."
18. Supervised by the so-called "National Agency of Drug and Food Control."

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Further reading

Al-Quran (n.d), Translated and interpreted by Muhammad Taqi-ud-Din Al-Hilali and Muhammad Muhsin Khan, King Fahd Complex for the Printing of the Holy Quran, Madinah.

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