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Social Media, Consumer Behavior and Marketing Strategy: Implications of "Halal" about Islamic Marketing Operations

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Abstract

This paper extensively examines the role of social media in the development of Islamic marketing strategies in Indonesia in the context of the reported shift towards a more relationship-oriented approach to marketing. Social media platforms have emerged as the main communication tool in relationship marketing in part because of their ability to facilitate ongoing two-way communication between organizations and mass audiences, while maintaining the push-messaging capabilities of traditional marketing. Therefore growing academic interest explores the factors that influence the adoption and use of social media for business development purposes. There is a growing interest in the field of Islamic marketing, in part because of its thin size, and the relatively significant influence Islam has on Muslim consumption behavior and the operation of business managers. The purpose of this paper is to describe the role that social media platforms play as a brand communication tool in the context of Islamic marketing. We began a paper with a brief explanation of the concept of Islamic marketing, highlighting several factors influencing academic development in the field. Next, we discuss the main ways social media use by marketers and consumers alike influences Muslim consumer behavior. Finally, we conclude the paper by examining the effectiveness of the role of social media platforms that develop as tools by which marketing managers can influence the buying behavior of Muslim customers.

Keywords: Halal, Islamic Marketing, Marketing Strategy, Social Media.

1. Introduction

1.1 Islamic Marketing

Marketing is a well-established discipline with a long tradition, but an understanding of what exactly includes continues to evolve, much in line with the growth of knowledge in the field of discipline and changes in the environment in which it is carried out. The leading organization for marketing scholars in the United States, the American Marketing Association, most recently defines marketing as "an activity, a set of institutions and processes to create, communicate, send and exchange offers that have value for customers, clients, partners and the wider community" (AMA, 2013). This definition makes marketing more than a management function. I emphasize value creation on both sides of exchange as the desired marketing outcome, recognizing the complexity of the environment in which marketing activities occur, various participants in the marketing process, and social responsibility to various stakeholders. This definition, apparently less criticized by marketing scholars than the previous AMA definition, has been adopted in many college marketing texts.
Marketing recognition is a process that involves many actors with clear objectives of different factors in interaction, commitment and exchange among these actors and introducing trust as an important aspect of the marketing function.

This relationship-based approach to understanding marketing offers a useful explanation for marketers efforts to maintain and increase customer loyalty (Sohail, 2012) and has been debated as the basis of a paradigm shift from a more transactional marketing model that dominated the previous marketing literature (Gronroos, 1994). In comparison, Islamic marketing is an emerging discipline that can be broadly described as an attempt to integrate orthodox marketing theory with Islamic teaching and ethics. Most scientific work has only appeared in mainstream management journals in the past decade, and although it is now more widely studied in the academic field, there is no universal definition of Islamic marketing. Academic comments about the concept seem to make use of, among other things, aspects of Muslim consumer behavior, marketing communication by organizations aimed at Muslim populations, and testing or applying Islamic ideology to broader marketing principles (See more, Alom & Haque, 2011; Wilson, 2012). Various approaches emerge as the basis for constructing a theory might be built on an approach (eg Allah Pitchay, 2012; Hashim & Hamzah, 2014) for example trying to contextualize the process of ‘doing’ Islamic marketing in existing marketing principles with a view to differentiating Islamic marketing practices from development of conventional marketing strategies. Others (eg Borzooei & Asgari, 2013; Roumieh & Garg, 2014) attempt to explore the extent of the relationship between the use of standard business management tools and elements of developing Islamic marketing strategies. The root of the current paper can be traced to this second approach insofar as it seeks to overcome the role of social media in the development of Islamic marketing strategies. Therefore, a number of Islamic marketing scholars have demonstrated the existence of several other potential investigation pathways that are useful for exploring Islamic marketing concepts in their fields of marketing and in combination with other disciplines (Wilson, 2012; Wilson et al, 2013).

The development theory in the field at this time is somewhat masked by the tendency of some writers on the subject to offer a little more than the general verses about justice, transparency and accountability of the Qur’an and Hadith as a basis for establishing a distinctive Islamic marketing identity, one problem with this, a number of themes identified in such a framework exist in behavior that is generally similar in other hermeneutics of world religions (see for example Bartells, 1967; Friedman, 2000), and indeed to some extent recommended in secular marketing ethics literature (Smith & Murphy, 2013). Much clearer is evidence of the large, diverse and growing market for Islamic consumers throughout the world, especially the middle class which until now has not been recognized (Temporal, 2011). What can be observed is the recent sharp growth in international academic interest in Islamic marketing disciplines (Temporal, op. Cit., Hussnain, 2011; Adnan, 2013). Managerial and academic interests in the field are driven in part by the recognition of a large and growing halal industry, showing a relatively significant influence that Islam exerts Muslim consumption behavior (Borzooei & Asgari, 2013). Business owners and managers, even in the setting of the majority of non-Muslims, seem to integrate into their strategies, responsive to Islamic Law and practice in the production and marketing of their products, as evidenced for example in their advertising and promotion aspects,\(^1\) product labeling,\(^2\) packaging\(^3\) and

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\(^1\) Heine (2012)
other businesses management activities, to signal their desire to overcome the consumption preferences of the Islamic consumer market. For this purpose, social media platforms have the potential to be proven as brand communication media that can contribute to opening previously underserved markets (Dominici, 2009). Thus, a case can be made for an examination of the role of the use of social media in achieving Islamic marketing goals.

1.2 Meanings and Implications of Halal Concepts

"Halal" is an Arabic word used to identify items as lawful and is permitted for procurement and use by Muslims. In essence, a halal product if in accordance with Islamic Sharia law. By extension, procurement and prohibited use of products that are not compliant or unclean. More than just generating passive recognition of the nature of a product, halal is recognized as a deep and distinct product characteristic that influences Muslim consumer buying behavior on a spiritual level (Borzooei & Asgani, 2013). Economic indications The significance of this level of influence can be obtained from the size of the Muslim consumer market, which is well documented in the marketing literature: Around 1.6 billion people at the time of writing are expected to grow to more than 2 billion by 2030.

In terms of the future sustainability of this market, it has also been reported that around half of the global Muslim population is under 25 years old, and Muslims are estimated at around half of the global population under 18 years of age in 2050 (Temporal, 2011). Despite being geographically dispersed, a significant proportion of the Muslim population lives in developing countries in BRIC countries (ie, Brazil, Russia, India, China) and in the next 'new economic' groups MINT countries (i.e., Mexico, Indonesia, Nigeria, Turkey) suggest potential potential roles to be played by Muslim population groups in the global economy in the future of development (Wilson, 2014).

This trend has not escaped the attention of marketers, and in recent years, marketers appear to have begun to recognize halal as a fundamental positioning tool, given its ability to project brand personalities that are typical of Muslims (as well as non-Muslims), as well as their ability to appeal specifically to a sense of trust in Muslim consumers. Thus, various types of consumer goods and services and businesses including food, clothing, financial products, tourism, real estate and creative arts have come to be appointed and positioned as halal (Sandicki, 2011).

2. Discussion

2.1 Islamic Perspectives on Marketing Strategies

In their eponymous textbooks on the subject, Perrault, Cannon & McCarthy (2010) describe marketing strategy as a "big picture" of the steps the company wants to take to realize its marketing goals that combine the target audience and the related marketing mix. Refer to the marketing mix of controllable decisions taken by the company with the aim of satisfying the target audience. The historical perspective on the evolution of the marketing mix concept is well documented in the literature (See for example Goi, 2009; Jain, 2013), but however, within the framework of Perrault et al, marketing mix decisions are categorized into the following four elements called 4P: "Products", "Price", "Place" and "Promotion". Over
the years, in the face of relentless changes in the business environment, the 4Ps framework has often been criticized as a model that oversimplifies marketing operations (Gronroos, 1994; Goi, 2009; Fitzgerald, Cavanaugh & Bhiro, 2014), with the benefits of alternative frameworks such as 7P from the 'extended' marketing mix (consisting of the original 4P listed above plus three categories of additional "person", "process" and "physical environment" decisions) and 4C from "Customer value", "cost", "convenience" and "communication", not to mention several others, are fairly regularly submitted in academic publications and practitioners. Through various changes in technology and consumer behavior, the 4Ps framework remains among the most powerful categorization schemes and is widely used to regulate various strategic decisions that are controlled by marketers. Therefore for the purposes of this paper, our comments structure the marketing strategy around the 4P framework, and in it, consider briefly the aspects of the moderate role of Islam, through the concept of Halal, on conventional marketing practices, especially in market development in a majority non-Muslim arrangement.

In the framework of 4Ps, a product is defined as "an offering that satisfies the needs of the company" (Perrault et al, 2010 p.229). This includes decisions regarding the benefits of products, packaging, guarantees, branding, and additional services. A product is seen as one that combines all these attributes to offer satisfaction to total benefits to customers. With regard to products, Islam mandates Muslim buyers to only consume products that are declared halal. In line with this, Islam prohibits sellers from hoarding goods, excessive product features and inaccurate scaling practices during negotiations or transactions (Allah Pitchay, 2012). Perhaps the most visible manifestation of contemporary marketers efforts to offer products that are consistent with the halal concept can be seen in the food sector where, in recent years, a number of similar small and large companies, including multinational restaurant chains such as McDonald’s, Subway, and KFC have opening several halal outlets throughout the world in the majority of non-Muslim locations, while at the same time time deepening the offerings of halal products in more conventional outlets (Poulter et al, 2014). Other manufacturers and producers in this sector, including Nestle and a number of retail chains, also experienced an increase in the marketing of a number of brands made with accredited halal processes (Temporal, 2011). Outside the food sector, a similar illustration exists in the fashion and personal care industries where Asian producers (most commonly from Malaysia and Indonesia) have operated historically, but where western producers such as L’Oreal, Unilever and developing groups are online producers who smaller ones can now be found making and selling various halal-certified clothing, cosmetics and care products (Temporal, op. cit.).

Place refers to decisions made to get goods and services where, when and how their customers want them. These include decisions relating to distribution, storage, the possibility of using intermediaries, and customers regarding service issues (Perrault et al 2010, p.285-286).

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4 The 7P and 4C frameworks are highlighted here as models that have gained the most advantage from many marketing strategy frameworks that have been published since the 1970s in particular. Both have entered educational texts and general practitioners. The exposition of the 7P framework can be found in Lovelock and Wirtz (2011, p.43-48) and similar expositions of the 4C framework are provided in the classic article Robert Lauterborn (1990) in Advertising Age.
One way companies show their response to Muslim groups is through the allocation of significant shelf space for halal-labeled products in retail settings (Heine, 2012) or allocation of dedicated service representatives in the financial services sector (Roumieh & Garg, 2014). Nevertheless, there is recognition in the framework desired by different target markets, or from the perspective of marketers, the most effective is served by different place strategies, situations that always result in the existence of many levels of customer service offered by companies for the distribution of goods and services.

Such practices place conventional marketing operations in the potential for conflict with Islamic teachings, as in the context of place, Islam mandates the uninterrupted flow of goods and services from sellers to buyers (Anwar [2010], quoted in Allah Pitchay, 2012) and for this purpose, prohibits marketers manipulate the distribution system in any way that has a negative impact on product availability or by other means creating additional burdens for consumers or retailers. Promotion is related to decisions made for the purpose of helping communication between the company and public purchases, usually for the purpose of influencing the attitude and behavior of the buyer. Decisions here may involve the choice of appropriate communication methods, including advertising, public relations, and a number of options including. Typically, marketers try to integrate various promotional methods to suit their customers and the environment they operate in (Perrault et al 2010, p.363). Anecdotal evidence in places like the United States shows an increase in promotion of efforts by business organizations targeted at Muslim populations intended to develop or improve relations with these populations. It is helpful that most of these promotional efforts seem to be launched through social media platforms, relying on this to build attraction that extends the reach of messages to more traditional outlets, and finally to a wider audience (Heine, 2012). With regard to promotion, Islamic teachings prioritize the disclosure of all known information about products that are promoted and prohibit the concealment of any facts about the product, including product defects or product information that may not be directly accessible to potential buyers. For some types of advertising, for example, this may require going beyond conventionally stated products of information and in certain ways confirming the credentials of halal products advertised as part of marketing that information is disseminated. Thus, certain promotional techniques such as email advertising, which are considered by some as old-fashioned marketing, but seen by others as a formidable and cost-effective marketing tool for smaller ones and businesses continue to grow (Roumieh & Garg, 2014), can offer different advantages for marketers who want to build relationships with customers who are geographically dispersed such as Muslims, because they sometimes tend to be in a majority non-Muslim environment. In addition, certain media outlets, including social media platforms that can be selected by members of the target audience, can offer specific operational advantages over others. Beyond this, there is a further prohibition in Islamic false product statements (kadh: Arabic words meaning "fraud"), unproven product claims, and excessive product benefits by sellers (Allah Pitchay, 2012).

Price, in the context of the marketing mix, is a term used to describe the amount charged for something of value. This includes all costs, discounts, benefits and price levels. In conventional marketing practices, price is a marketer's specific marketing objective function, which is developed based on known customer preferences and marketer's legal obligations (Perrault et al., 2010), all of which tend to allow the flexibility in pricing policies to be practiced in the travel and leisure industry for example. Building such flexibility into
pricing strategies can be a problem in the context of Islamic marketing. On the one hand, healthy competition, including the mechanism of price adjustment is considered lawful (Allah Pitchay, 2012), but taking undue profits to slide into areas of price discrimination that cannot be justified is unlawful, because it is considered a form of usury (Arabic word equated with obtaining an increase in capital without providing the necessary services. Further see Allah Pitchay, op. cit.). Much of the information related to prices in Islamic marketing seems to converge around the issue of usury, specifically its avoidance, which seems to be the dominant theme in explaining the types of product innovations that have been developed in recent years in the growing Islamic finance industry, for example (Temporal, 2011).

2.2 Social Media and Marketing Strategy

We broadly define social media as an internet-based application that allows creating and exchanging user-generated content. Included in this description are websites such as Facebook and YouTube that allow content creation and sharing, micro-blogging sites like Twitter and Google Buzz, and news repositories such as Wikipedia and Digg. Through this platform individuals and organizations increasingly manage their interactions with the wider community, and business organizations in particular apply aspects of their marketing strategies.

While many companies dealing with halal products or other ways of engaging with the Muslim market have established online presence through their websites, observable and anecdotal evidence shows that relatively few appear actively to utilize online interactivity facilitated by social media, and potential all this has increased the relationship they have with their customers. It may not be surprising that relatively a number of research papers have been published about the integration of social media into such organizational marketing strategies. Historical marketing activities involve one-way communication between a marketer and prospective customers. In more recent times, larger and smaller companies alike seem to adopt and apply the two-way communication method as an integral part of their marketing strategy in line with the broader environmental shift towards the relationship marketing approach referred to in the introduction to this paper.

The social media platform has emerged as a vital component of this method, partly because of their ability to facilitate ongoing two-way communication between organizations and the public, while maintaining the push-messaging capabilities of traditional marketing. The ability to target the intended audience (even geographically dispersed) and measure subsequent results also increases their attractiveness to marketers. Because of this organizational perspective, social media platforms offer companies relatively inexpensive and sustainable methods used to build and maintain relationships with partners and members of their online communities, as shown in digital space activities such as ummaland.com, islamicity.com, and used website muxlim.com. Communication originating from this approach can be both two-way and in many cases almost real-time, which in the context of marketing, highlights their ability to help plan and implement focused and timely marketing strategies and their potential to help respond to developments market place quickly enough.

At the most basic level, social media platforms can be used to generate brand awareness, especially among those members of the targeted online product / brand community, and through them to members of various social networks where they are located. However, as Roumieh & Garg (2014) cautioned, there is still little research evidence that
speaks conclusively to the idea of loyalty to consumers who are interested in a brand through social media platforms, although previous research on the entrepreneurial / marketing interface shows this may depend on relatives. Specific bond strengths are developed through certain social media platforms (O'Donnell, 2004), which themselves represent the fact that some social media platforms may be inherently more effective than others in achieving certain communication goals. However, social media technology provides broader and more manageable opportunities for businesses to collaborate with customers and other members of their value chains, and to expand the reach of direct sales efforts by maintaining relationships with clients and other stakeholders (Glenn, 2011). As such, organizations are better able to use social media platforms to target specific consumer populations with information marketing, and just as important, to utilize web-based consumer recommendations as launching pad for certain types of word-of-mouth marketing campaigns (WOM), which the literature has marketing is consistently proven to produce greater trust by consumers than marketing information received through generic media sources (Bughin, Doogan & Vetvik, 2010; Kozinets et al, 2010). Thus, social media platforms where reference to group behavior can be observed, discussed and shared, can serve as an effective tool for conveying WOM recommendations and expected behavioral models.

3. Conclusion

The purpose of developing customer loyalty is one that many businesses have because it is a contributing factor to the sustainability of a company. Customer loyalty is the cornerstone of relationship marketing, and organizations that are successful in this regard tend to devote significant resources to their efforts in this field. Shared commitment, communication and trust are key antecedents of relationship marketing that provide a useful framework by examining Islamic marketing operations. However, this is only one possible framework of many, and the concept of Islamic marketing still, at the moment, is still liquid. As Jonathan Wilson asks with respect to the concept of Islamic marketing: kita Are we talking about religion, culture, approach or business and management functions? (Wilson, 2012, p. 104). These are challenging questions that seem to be collective literature answering at the moment as "all of the above". This is not surprising given the different academic backgrounds of the Islamic marketing scholars community.

One of the key conceptual challenges faced today is partly because of the Islamic ambiguity of the marketing concept itself. Islamic Marketing Marketing 'sits rather uncomfortably between businesses that continue to evolve the marketing function with their inherent crookedness towards self-promotion and profit maximization on the one hand, and conservative Islamic religious orthodoxy on the other which teach managerial transparency and prohibit profit seeking. But there is little ambiguity about the idea that the Muslim market is basically a lifestyle market. Sandicki (2011, p.251) equates the discovery of the 20th century market of Muslim consumers with the emergence of ethnic minority market segments in the United States, and argues that such marketing practices because segmentation and promotion play a role in creating market segments in the form that contemporary marketers are involved with they.

Perhaps the Muslim market will, in time, be seen in much the same light, but however it develops, organizations need to recognize first, that the center of Islamic consumer behavior is adherence to the halal concept, which might fundamentally influence how these
organizations carry out production activities and their marketing. Second, beyond the direct implications of halal, the Islamic lifestyle is strongly influenced by certain rituals, symbols and values. Therefore, marketing strategies targeted at Muslim consumers must be sensitive to halal problems so as not to offend the market they are trying to attract through, for example, inappropriate product features, labeling, promotion, and so on. At the same time, marketers targeting Muslim customers need more than one blatant Islamic message that can be used to connect with them. In other words, a consistent reflection of halal attributes in the overall business model, which contradicts shallow religiosity in the context of an isolated strategy seems to offer the potential for greater relationships with consumers who are increasingly understanding at this time. Like a more general lifestyle, it's normal to have several fields of similarity and areas of difference. The Muslim population is increasing, and as noted earlier, is a very significant segment of certain demographic groups, such as young people under the age of 18 on the one hand, it can be expected that these Muslim youth will share many of the same behaviors and experiences that are young non-Other Muslims, for example, have several leisure and communication options. Just as we have noted, Islam promotes certain values and requires very specific behavior from its followers, and therefore marketers can expect this to give rise to a level of collective distinctiveness at a certain level in the same profile of young Muslim consumers. Organizations that build and explore innovative ways to interact with their target markets using this method can really expect benefits from them, but a broader lesson is that marketers should not expect to find homogeneous behavior throughout the Muslim world. A certain level of fragmentation can be expected to be found even in markets which are otherwise bound by Islamic hegemony. In reality, various marketing strategies, informed by good marketing research, are likely to be asked to engage with different Islamic market segments. Communicating with these segments is likely to present opportunities and challenges for marketers, but the ability of social media platforms to instill themselves in the lifestyle of many of their users must be considered mostly as opportunities by companies that want to use the platform to generate and improve customer relationships. At present, there has not been an old tradition of companies using social media platforms to engage with customers in ways that revolve around Islamic values and teachings, etc. Early bird opportunities seem to be for companies that do this to position their brands differently than those some belong to secular and other marketers.

References


