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How Brand are Engaging Muslim Consumers

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"My Lord! Enrich me with knowledge..."
(Qur'an, 20:114)

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The Major Questions

- ❖ What do we mean by Muslim markets and brands?
- ❖ What are the challenges, how can they be overcome and how to build customer loyalty?
- ❖ How are Muslims perceived today when it comes to religion, culture and branding and what are the challenges of engaging Muslims in a multicultural global world?
- ❖ What innovation can we hope for in the future and what trends will shape the Muslim markets of the future?

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The Muslim Population and Markets



- ❖ According to the Pew Research Center a comprehensive demographic study of more than 200 countries finds that ***there are 1.7-1.8 billion Muslims of all ages living in the world today***, representing 27% of an estimated 2012 world population of 6.9 billion.
- ❖ Not only is the Muslim population a significant percentage of the global population, but ***the market for Shariah-compliant products or services totals USD\$ 3 trillion annually*** and is growing rapidly.

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The New Muslim Generation



- ❖ Muslim countries are some of the youngest in the world. ***There are more than 780 million Muslims under the age of 25, representing 45% of the global Muslim population, and 15% of the world's.***
- ❖ Muslims are a mosaic of views on 'halal', on culture, attitudes, economics, poverty and other demographics.
- ❖ This mosaic includes Muslims who live in both majority and minority Muslim countries.
- ❖ We can call this group as ***"THE THIRD ONE BILLION"***

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Misunderstanding About Muslim Consumers



- ❖ To date, Muslim consumers have been commonly misunderstood.
- ❖ **Common errors:**
 - ***Stereotyping***
 - ***Insensitivity***
 - ***Over-simplification***
- ❖ Causing many marketers to stumble, inadvertently offend, fail to cross borders, or fail to resonate.

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How can we reach them ?



- ❖ There is no single Muslim consumer, only a consumer to whom we have to respond, who has wants, needs and desires.
- ❖ Ramadan is the only time that the 'Muslim consumer' exists.
- ❖ Instead we must ask: ***can these consumers be reached based on their Islamic identity despite cultural and geographic differences?"***

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The Common Demands



- ❖ The Muslim populations across markets show a number of similarities:
 - **Common faith, values and identity as Muslims;**
 - **Similar lifestyle as well as halal dietary requirements,**
 - **Strong sense of community and welfare.**
- ❖ However, the differences are worth noting of diverse locations, languages and dialects, cultural and lifestyle differences, degrees of religiosity, education, affluence and marketing sophistication.

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The Significance of Halal Industry



- ❖ The 'halal industry' focuses on five segments:

“(1)Islamic lifestyle products, (2)food and beverage, (3) finance, (4) education and (5) Internet and digital brands.”
- ❖ The ranking of the importance of Shariah-compliance increases with the body sensitivity of the product where food, dairy, beverages and oral care score highest, followed by fashion, personal care and 'regular' finance and finally airlines, hotels and resorts, financial and insurance products.
- ❖ **Some products are considered neutral of the halal/haram criteria such as software.**

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The New Muslim Consumers 'the Futurists'



- ❖ Research by Ogilvy Noor, a group of Muslim branding consultancy at Ogilvy & Mather, identified a group so-called '**Futurists**' are of most interest to marketers.
- ❖ **They are individualists who 'choose' Islam. Their pride is intense, regardless of the extent to which they would be categorized as 'devout.**
- ❖ ***They believe in education and question intention. In particular they challenge the use of 'halal' to make sure it is not just a logo.***
- ❖ For where information on 'halal' status is not available the company's reputation for **Shariah-friendliness** is one key of critical success factors.

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The New Muslim Consumers 'the Futurists'



- ❖ They are driven by pride in who they are, and by their reach for success in all that they do.
- ❖ *They look confidently to the future: technology-wisdom/ innovation-loving/ globally-travelled/ well-educated.*
- ❖ But stay firmly rooted in the values that define them.
- ❖ *Family values/ togetherness and community/ respect/ religious ritual/ cultural heritage.*
- ❖ They are fully engaged with the world, but are defining their own place in it.

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The values of the *Shariah*.



- ❖ Every marketer has to understand core **Islamic values - the values of the *Shariah***. Some of these values are:
 - ❖ **honesty**, sincerity, respect, **community**, consideration, kindness, peacefulness, purity, **authenticity**, patience,
 - ❖ **discipline**, transparency, trustworthiness, **moderation**, modesty, understanding, **humility**, self-improvement, equality, dignity.
 - ❖ *This is not an exhaustive list, but one developed through consultation with religious scholars and academics. We believe these are values that most Muslims would recognize as being core to their faith.*

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Islamic Value Proposition



- ❖ For any kind of Islamic value proposition the qualities it needs to demonstrate include:
 - ✓ **“Honesty, respect, consideration, kindness, peacefulness, authenticity, purity, patience, discipline, transparency, modesty, community, dignity.”**
- ❖ The aim of an Islamic value proposition is “not to measure devoutness but to understand how devoutness, regardless of intensity, affects the lives of people as they work, play and consume.

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The Growth of Islamic Branding



- ❖ The global Muslim community has been underserved as consumers by brands and companies.
- ❖ **Islamic Branding is one of the next big global growth opportunities -the Halal market alone is worth USD 3 trillion annually.**
- ❖ While the economic opportunity is clearly evident, we believe we need to genuinely understand the Muslim consumer.
- ❖ We also need to understand **“Islamic Branding”**

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What is Islamic Branding



- ❖ Ogilvy Noor, a group of Muslim branding consultancy at Ogilvy & Mather, define Islamic Branding as:
“Branding that’s empathetic to Shariah values, in order to appeal to the Muslim consumer, ranging from basic Shariah friendliness to full Shariah compliance in all aspects of a brand’s identity, behaviour and communications”.

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The Significance of Branding



- ❖ Identity building.
- ❖ Feel globally connected, and up to speed.
- ❖ Reassure, and provide a link with heritage.
- ❖ Feel actively involved in their communities.
- ❖ Engage in honest, open, equal dialogue.
- ❖ Take *their* values as a starting point.
- ❖ ***But brands can also disappoint, and let them down.***
- ❖ ***When they succeed, brands today are openly welcomed into their core inner circle of trust and loyalty.***

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The Character of Islamic Branding



- ❖ The brand of Islam must be practiced as real if Islamic products are to carry legitimate weight.
- ❖ There is a need for ***“quality and social responsibility”*** not just economic benefit, and that this focus applies to all parts of the supply chain including elements such as advertising.
- ❖ Such a market entry strategy must avoid producing sub-standard products, and must be accompanied by long-term investment..

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Important Principles



- ❖ Principles for the development of a robust Islamic marketing and branding sector.
- ❖ **First, the halal intention commitment has to come from the CEO of the corporation, no one less. And it has to be carried out in a rigorous way through many parts of the organization before the marketing and branding process can even begin.**
- ❖ **Second, the branding needs to make no compromises in sophistication.**

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The Problems



- ❖ None of today's global brands are from a Muslim country.
- ❖ Innovation is being held back in Muslim companies by fear of failure, small thinking and a lack of critical thinking.
- ❖ A lack of creativity stems from a poor understanding of Islamic culture.
- ❖ This lack of creativity was demonstrated through the stereotypical and shallow symbolism that exploited tired imagery like the crescent and the arch.
- ❖ It is time to **“move beyond traditional expressions”**

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The Problems



- ❖ Global brands are liked for their quality, innovation and heritage, but the sincerity of their halal-friendliness is doubted.
- ❖ Local brands are considered to have more insight and evoke pride, but raise concerns of quality and helpfulness.
- ❖ Global brands need to communicate their sincerity, local brands need to show quality, innovation and transparency.

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The Next Move



- ❖ Muslims have to think of business as a religious duty and so work on changing perceptions.
- ❖ Muslims are no less entrepreneurial, however their businesses are not organized.
- ❖ For entrepreneurship to be Islamic it cannot just copy conventional models because of the risks of placing profit over people and being unsustainable.
- ❖ Conventional entrepreneurship was also exclusive to those with access to capital and networks and so the challenge for Islamic entrepreneurship is to find ways to encourage entrepreneurs from people with the lowest levels of capital and networks.

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The Challenges of Islamic Branding



- ❖ There are two challenges of Islamic branding and marketing:
 1. **First**, is the need to develop a comprehensive range of products that are universally accepted by all Muslims.
 2. **Second**, value propositions are required that will appeal to non-Muslims which would move the addressable market from 1.8bn Muslims to the full global population.
- ❖ Islamic branded products offer a better future for all, as they are based in the values of goodness and justice.
- ❖ But such products needed to be competitive and the substantive benefits has to be obvious.

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Common HALAL Brand



- ❖ To achieve scalability, **first a common 'halal brand' needs to be established, and then "local and theological variation can be easily introduced."**
- ❖ To achieve this, **global standards** will absolutely be helpful, and will require a **global consensus** in order to build the industry and avoid duplication.

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About The Muslim Consumers



- ❖ An Islamic lifestyle does not mean an anti-western or anti-modernity lifestyle.
- ❖ Muslims are becoming active consumers and active in the economy as bankers and investors.
- ❖ **Both these hark back to the golden era when Muslims dominated global trade by virtue of their geographic position.**
- ❖ Whilst geography is no longer as significant today, the cultural, historic and religious connections that Muslims share across the globe are an important asset for commercial markets.

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Moving Halal Thailand to be Number One In The World



Thank You !

