Islamic marketing mix: is there a role for Islamic-based strategies?

Johari Bin Abdullah

Faculty of Business Management,
Universiti Teknologi MARA (UiTM) Cawangan Sarawak,
Kampus Mukah, Sarawak, Malaysia
Email: johariabdullah@sarawak.uitm.edu.my
Email: johariabdullah5103@gmail.com

Abstract: Development of Islamic marketing as a part of marketing knowledge has urged both academics and practitioners to explore the significance on the theory and practical implication to business and customer. This has been a flourishing new area which has set new boundaries to current marketing practices. Nevertheless, this area remains understudied with limited empirical evidence, particularly on marketing mix decisions in line with Islamic principles. Therefore, developing an approach exclusively considering distinctive Islamic characteristics is of paramount important. Findings suggest that Muslim customers consider five critical factors that must be emphasised by businesses in conducting their marketing mix. In their order of importance, these factors represent ‘conformity’, ‘character’, ‘commitment’, ‘conscience’ and ‘customer centrism’, then translated into marketing strategies. Therefore, it is proposed that businesses can adopt the strategies in engaging with Muslim customers through their marketing mix activities by consistently conforming to Syariah Halal Standard, exhibiting distinctive characteristics, instilling assurance, embedding morality and conscience and lastly embracing a ‘customer oriented’ approach.

Keywords: Islamic marketing; Halal; marketing strategies; Islamic marketing mix.

Reference to this paper should be made as follows: Abdullah, J.B. (2018) ‘Islamic marketing mix: is there a role for Islamic-based strategies?’, *Int. J. Islamic Marketing and Branding*, Vol. 3, No. 1, pp.15–34.

Biographical notes: Johari Bin Abdullah is currently attached at Universiti Teknologi MARA Sarawak upon graduation in MSc in Business Management (Research) from UiTM Malaysia. He lectures in the field of marketing, international business, quality management and entrepreneurship. His main research interests are in the area of Islamic marketing and branding, Halal marketing, and Muslim consumer behaviours.

1 Introduction

Periodic examination of traditional assumption of marketing theory allows scholars to remain relevant to emerging trends in business (Martin, 2009). Retrospectively, marketing theory is a blend of various field of knowledge. Some of its best characteristics
are the nature of adaptability and flexibility in developing new and improved theories originated from various related field for instance, economics. In fact, economic theories of production process, pricing, and channel members etc. have influenced marketing thought and the ‘marketing mix’ (Dixon, 2011). It is interesting, since early conventional marketing thought was a set of social and economic processes rather than a set of managerial activities due to relative absence of a managerial orientation. However, it evolved and had embraced managerial approach in 1950–1960s that clearly shown a paradigm shift from distributive function (Usui, 2011) in which the traditional function approach is gradually diminished. McCarthy’s (1960s) 4Ps marked as the beginning of the end of this approach and considered the most important concepts in the classical marketing.

As the matter fact marketing mix has been the most widely used terms used to represent marketing, at least in managerial marketing paradigm. It is popularity and pedagogical appeal in academia had revolutionised the marketing thought and it had appeared in most textbooks used in introductory marketing course in the last four decades (Schultz, 2003). This was clearly depicted in several works, as mentioned by Kent (1986), such concept is the ‘holy quadruple….of marketing faith….written in the tablet of stone’. It also has been most influential marketing mix paradigm dominating marketing thoughts, research and practices and core concept of marketing theory (Grönross, 1994; Constantinides, 2006; Möller, 2006). Therefore, it is not surprising with this large endorsement it has become synonymous to the very term marketing as formulated by American Marketing Association, AMA in early years.

1.1 Brief history of marketing mix paradigm

Marketing mix was first introduced in 1958 further popularised by Neil Borden in 1964 (Borden, 1964). However, James W. Culliton was credited as the originator of the concept traced back to 1948. Originally the concepts comprised of twelve elements as proposed by Borden in 1959, later to be synthesised by McCarthy in 1960s to more eloquent phrasing, which reduced it down to only four major variables. Although, there are very limited empirical proves in existence, Constantinides (2006) argued that several studies had confirmed it is still trusted conceptual platform for practitioners tackling operational/tactical-marketing issues. Author further reiterate s that, wide acceptance of such concepts to the practitioners of marketing due to profound exposure during college years (Kent, 1986; Cowell, 1984). Others suggested identification of controllable parameters such as 4Ps will likely to influence consumers buying process and decisions. In addition, it is more eloquent and memorable practical framework by practitioners proved to be useful for study analysis in business schools for many years (Jobber, 2001). These have been the mantras that make 4Ps unchallengeable in the 1950s–1960s up until the emergence of marketing concepts, at least.

Amid unstoppable evolution of marketing thoughts and practices, which lead to advance findings, it is essential that both marketing practitioners and educators rethinking the 4Ps approach to suit ever-changing business environment. This is due to the fact, revisiting the 4Ps as the fundamental recipes in marketing mix concept has leads to new adaptation, re-conceptualisation and even to a shifting new paradigm that posed a major challenge to this traditional marketing thought. This resulted to introduction of several additional new P’s and even total rejection of such concepts due to the discovery and re-discovery of essential aspects of marketing environments. Throughout the development
of marketing history, marketing mix has been the focal point of debate and argument can be traced back to 1960s. Some authors have clearly attacked the concepts due to its inability to adapt and its flexibility to be applied in the expanding marketing realm (Booms and Bitner, 1981; Bruner, 1988, 1989; Grönross, 1994; Gummesson, 1994, 1997; Van Waterschoot and Van den Bulte, 1992).

1.2 Critiques on marketing mix paradigm

As the foundation to most of principles of marketing textbooks, embracing that four Ps is all that matters might leads to misleading understanding both to academics and practitioners. Classical marketing mix concepts had led to silo effects due to the eloquent but incomplete framework in practicing marketing. Therefore, despite the superiority of such theoretical and practical parameters of classical marketing, doubts and objection have at times expressed by several academics thus re-evaluation and future of the concepts faced a minor adjustment to total rejections.

It is not surprising that some of challenges were highly concentrated in the emerging field at that time such as consumer marketing, services marketing and relationship marketing as to mentioned a few. In fact, Van Waterschoot and Van den Bulte (1992) had summarised five major weaknesses that of four Ps model: It focuses on what marketers do to customer rather than for customer, it focuses to external market ignore the internal market, it does not demonstrate interaction between mix variables, it takes mechanistic view about the market, lastly it assumes transactional exchange rather than a relationship. While, Lauterborn (1990) and Popovic (2006) had questioned also the ignorance of looking 4Ps from the customer orientation and perspective, and it is a fact that such classical concept is undeniably production oriented. This is because classical marketing mix is too internally oriented.

In addition, Möller (2006) had provide some good comments on the work of Constantinides (2006). Möller coined that the mix is void of theoretical content; it is too simplistic and favour the management’s attention this has been discussed by earlier works such as (Bruner, 1988, 1989; Van Waterschoot and Van den Bulte, 1992; Grönross, 1994) among others. It also does not consider the unique elements of sub-sets of marketing, such as services marketing. This was further re-emphasised by Cowell (1984) in which classical marketing mix is inadequate to suits the needs of service sector since it was exclusively developed for manufacturing companies. Furthermore, Bruner (1988, 1989). Author has reviewed the concept in line with set of criteria in evaluating marketing paradigm as proposed by Hunt (1983), which concluded that none of the alternative conceptualisation at that time seem likely to replace it. Bruner (1989) had re-conceptualised the marketing mix and come up with a natural extension and successor of the Four Ps model backed by the consistent and compatibility with the criteria.

In fact, more than 10 years later, Rafiq and Ahmed (1995) found that there is a high degree of dissatisfaction with the 4Ps framework that provides fairly strong support for Booms and Bitner (1981) 7Ps framework. Thus, have been fuelling the development of its own mixes consistent with other studies in this sub-set over the years. The emergence of consumer marketing, unique character of services marketing and the fact that classical marketing mix is too internally oriented had simultaneously developed a new ‘paradigm’ in marketing. One of the boldest steps in arguing the classical marketing mix dominance was taken by Grönross (1994). Author had challenged the superiority of marketing mix and claimed relationship marketing is shifting the traditional marketing paradigm.
This has marked the beginning of relation as the cornerstone of marketing and the possibility of having simultaneously existing paradigm. Grönroos had questioned the theoretical foundation of such concept. Since Borden’s original ideas was intended to be as guidelines. Nonetheless, further oversimplified by McCarthy into four variables (4Ps) and later morphed into principles in most of the marketing textbooks. Author further stressed that such variables is problematic since it was based on ‘loose foundations’ to qualify as a valid phenomenon, which makes it theoretically-ill.

In addition, Van Waterschoot and Van Den Bulte (1992) had demonstrated such ‘loose foundations’ years before in their work. Authors claimed that their suggested improved version of the marketing mix classifications with better distinct classes and more explicitly emphasised their complimentary is more logical classification and useful than classical four Ps. Nevertheless, although that have been attacks and reconceptualisation on such ‘established rules of thumb’, Zineldin and Philipson (2007) contended that Kotlerism of 4Ps is still dominating. Authors had questioned the paradigm shift that has been attacking classical 4Ps. Each of the sub-sets of the marketing from consumer marketing to relationship marketing, criticism on the foundation and inadequacies of classical 4Ps marketing mix has led to a new set of improved version and new models that suits the distinctive or unique characteristics of the emerging models. This paper content that a rationale for marketing mix is closely related to the idea that exchange concept which is the crux or marketing theory. Perhaps the answer to current challenges on the classical 4Ps can be further explored by presenting more comprehensive and cogent concept of marketing mix.

Regardless of the evolution of marketing mix concepts in the marketing, revisiting the fundamental concept of exchange perhaps provided the rationale for a marketing mix from the Islamic perspective. Prominent scholars such as Bagozzi, Alderson, Hunt, and Kotler agree that this is the core concept of the marketing discipline (Houston and Gassenheimer, 1987; Gunay, 2001). Zineldin and Philipson (2007) in similar vein claimed that marketing mix is crucial to the exchange concept.

Exchange, as coined by Kotler and Armstrong (2008), is the act of obtaining a desired object from someone by offering something in return. For Dibb et al. (2006), ‘exchange’ is the provision or transfer of goods, services and ideas in return for something of value. According to Bagozzi (1975), the exchange paradigm has emerged as a framework useful for conceptualising marketing behaviour, and indeed most of the contemporary definitions of marketing explicitly include exchange in the formulation of their definition. Van Waterschoot and Van den Bulte (1992) further concluded that:

“In addition, the framework’s rationale is firmly vested in marketing theory, especially the exchange paradigm and the functional school of thought as it is in line with recent insight about behavior modification techniques in consumer behavior…” [Van Waterschoot and Van den Bulte, (1992), p.91].

The exchange concept is thought to be the most fundamental marketing concept from this viewpoint.

Gunay (2001) stated that “the origin of marketing can be found in the process of peoples’ exchange of one good for another” [Gunay, (2001), p.118].

Likewise, Kotler and Levy (1969) also suggested that the general idea of exchange is the crux of existence in the marketing discipline, beyond the parochial market transaction thesis. This so-called ‘general idea’ or ‘basic idea’ undoubtedly needs an Islamic perspective to uncover the true meaning of exchange from an Islamic point of view,
Islamic marketing mix

despite the arguments on the evolution of the broadening concept of marketing over the last 30 years. The concept of exchange has been a focal point in economics and marketing thought. Therefore, Islamic marketing needs to revisit this basic concept to justify and provide a good foundation to develop its own set of knowledge or ‘principles’.

In conventional marketing, exchange must meet certain conditions in order for it to be carried out, according to Kotler (1984):

1. Two or more individuals, groups or organisations must participate.
2. Each party must possess something of value that the other party desires.
3. Each party must be willing to give up its ‘something of value’ to receive the ‘something of value’ held by another party. The objective of marketing exchange is to receive something that is desired more than that which is given up to get it – that is a reward in excess of costs.
4. The parties to the exchange must be able to communicate with each other to make their ‘something of value’ available.

The exchange concept is the focal point of the paradox between similarities and the distinct nature of marketing in both conventional and Islamic perspectives. As delineated earlier, in Islam, essence of Islamic marketing shall circles around the Muammalat principle has been outlined and urged to be followed by certain conditions. From an Islamic point of view, referring to Fiqh Muammalat (derived from Al Qur’an and As Sunnah), an exchange must be done by having Aqad or contract. Generally, in this case, Aqad Al Bai’ is applicable since by definition, Al-Bai’ can be ‘defined as an exchange of Mal (wealth) with Mal (wealth) or the exchange of wealth with wealth under certain conditions’ (wealth or Mal is a thing that has value including money) (Mansor, 1984). Syariah illuminates this exchange process by rules and regulations. In general, based on Muammalat principles, Mansor pointed out 5 Rukun or pillars:

1. buyer
2. seller
3. goods for sale
4. price
5. Sighat (Ijab and Qabul).

It must be Halal and the goods must be ‘Mubah’.

Kharofa (1997) in fiqh muammalat stated seven conditions to confirm that the buying and selling is valid:

1. mutual consent between parties involved (buyer and seller)
2. the buyer and seller must be sound minded and mature (Aqil Baligh and Rusyd)
3. the subject of the contract/transaction must have value in the form of money which has Manfaat (benefit)
4. the subject of the contract must belong to the seller or have the permission to sell (if permitted by the actual owner)
5. the subject of the contract can be delivered
the subject of the sale must be known specifically (clear picture about the goods)
the price be known to both parties involved (buyer and seller).

In addition, buying and selling has three overarching principles pointed out by Al Ghazali (1058–1111). *Aqad* in buying and selling must be based on three principles [as cited in Ghazali, (1991), pp.50–51]:

1. ‘*Aqid’, that is the buyer and the seller or parties involved.
2. Ma’qud ‘alaij, the subject of the sale, in which there are five additional conditional pertaining to this matter:
   a. cleanliness/purity
   b. being beneficial
   c. transferability
   d. knowledge of its nature(identity, volume/number and its other features (appearance)
   e. being in the possession of the owner, before sale.
3. Expression of ‘*Aqad*, whereby the offer and acceptance are clearly and unambiguously stated.

In addition, Ayob (2008) also mentioned that Al-Bai’ must not compromise with the *Riba’* and *Gharar*.

Therefore, similarity of this exchange concept can be seen in both conventional and Islamic perspectives as sharing the same ground on the underpinning fundamentals. It should be noted that from the exchange under *Aqad of Al Bai’*, the concept of marketing mix or basic four Ps were explicitly mentioned and acknowledged as important conditions that require parties involved to:

1. have a product or subject of the sale that has value or ‘*Manfaat*’ and must be known with a specific appearance (product)
2. determine price and be known to both parties, implying the reward in excess of cost (price)
3. be able to deliver the product or subject of the contract, which concerns availability of the product (place/distribution)
4. establish mutual consent between parties involved, which indicates that communication must take place and it must be of mutual consent (promotion/communication).

Likewise, in conventional marketing, the basic four Ps were generally paralleled by the exchange concept in *Fiqh Muammalat*, which is called *Aqad al Bai’*. Nevertheless, from the Islamic perspective, all these aspects must be observed under Syariah law or Islamic injunctions regarding the permissible and non-permissible transaction or exchange, especially Islamic guidelines on the matter regarding *Riba’, Gharar, al Maisir*, swine origin products etc. This guideline had existed long before McCarthy’s ‘marketing mix’. Although the marketing mix may have been seen as the tools of marketing in enabling such exchanging processes, nevertheless it is basically the fundamental concept that entails the most vital principles. Therefore, it is worthwhile to focus on such basic principles in the main body of this study.
1.3 What is Islamic marketing

In penetrating the core aspects of marketing, central to decisions on marketing mix of 4Ps is the principles idea of marketing success. This has been the crux of marketing thought since the 1960s and is considered as one of the core concept of marketing. At the glance, we already see that there are difficulties in embracing traditional marketing mix in all marketing sub-sets or some claimed-paradigm. Since there is no ‘one size fit all’ marketing mix, evolution of marketing mix has shown considerable reconceptualisation made by several works which intended to present much viable an up to date marketing mix (Yudelson, 1999; Constantinides, 2009; Möller, 2006; Goi, 2009). This was clear since each of sub-sets and paradigm was fuelled by discovery of new emerging unique aspects. For instance, Yudelson (1999) summarised it into to the six seismic shocks that provoked the status quo or 4Ps.

Apart from these shocks, Islamic marketing might be the new challenger of the classical marketing canon. This is due to the fact; it also has its own distinctive characteristics. According to Sula and Kertajaya (2006) there are four characteristics of Islamic marketing. These are spiritualistic, ethical, realistic and humanistic. Several works on Islamic marketing particularly marketing mix from an Islamic perspective have made these characteristics as compulsory in their literature review (Arham, 2010; Shamsudin and Rahman, 2014; Ahmadova, 2016; Asmawy, 2015; Tabrani and Marlizar, 2017). Although, as to justify Islamic marketing to be a new paradigm too is early. However, such an infant area raised some issues to what extent contemporary marketing theories are compatible such a distinct characteristic, especially in practicing and developing Islamic marketing mix. History has shown that in 1970s, the broadening concept of marketing thought has span the marketing horizon and urged both academic and practitioners to rethink marketing thoughts. Although contemporary marketing has been consistently ignoring such elements for over four decades. Recent development of marketing thought has once again evolved to marketing 3.0 addressing the spiritual aspects in marketing thoughts and practice (Kotler et al., 2010).

Arham (2010) has given a good insight of the crucial aspect of Islamic Marketing as to challenge some of fundamental concepts in contemporary marketing. It is oneness or Tawhid, the most crucial aspects for both material and spiritual world. Such concept is beyond contemporary marketing, concepts. Spiritualistic in this context means all business or marketing conducts must be coherent with the teaching of Al Quran and As-Sunnah. This is rooted heavily on the concept of Habluminannas (interhuman relationship) and Habluminallah (human-creator relationship). This fundamental concept will question some of the basic contemporary marketing thoughts. For instance, a challenge to the concept of relationship marketing might be how far such area consider conceptualised bond between parties involved in beyond transaction or exchange based activities. Since, Tawhid (oneness) span the horizon of relationship to the spiritual realm. In this case, it is not only a horizontal but also vertical. Therefore, it goes beyond human interaction (inter-human relationship) that is horizontal, most importantly it embodied the vertical relationships, which is the interaction between human and its creator.

Arham (2010) emphasised that further elaboration needed as to fill in the character (Tawhidi paradigm). Wilson and Grant (2013) suggested:

“[..] conventional approaches towards defining and interpreting what Muslim or religiosity is and mean need further investigation. This is not to say that we are arguing for better understanding of marketing universals or universal
differences- instead that principles should be revisited and re-evaluated, rather than extended along the idea of one common premise. Anatomically, physiologically, emotionally and intellectually, we (and marketing) all may share the same roots- but the focal lens with which reality is viewed is, can and will change. Islam states clearly that there will always be the seen and the unseen beyond human comprehension. [...] -for marketing an Muslims need to be understood through their cultures, exchanges and lenses.” (Wilson and Grant, 2013, p.17)

As far as we appreciate the efforts in highlighting the differences between Islamic marketing and conventional marketing and consistent works in this field to uncover and comments on the loopholes in current marketing theory and practices. For instance several works appear in most early literature in Islamic marketing with the arguments that emphasising Al Quran and As-Sunnah serves as moral compass in conducting business and marketing in coherent with Islamic injunctions (Fauroni, 2003; Rice, 1999; Beekun and Badawi, 2005; Saeed et al., 2001) and are the main sources of general principles of ethical standard which can be seen from several works (Alserhan, 2010; Hanafy and Salam, 1988; Al Fauroni, 2003; Rice, 1999; Beekun and Badawi; 2005) that makes it different from conventional perspective. Therefore, it raised the question on how does the contemporary marketing address the Islamic principles to marketing concept? It needs further clarification in both conventional and Islamic marketing. So are we once again experiencing a new ‘broadening concept of marketing’?

Nevertheless, further research is warranted as to prove the limitation of such theories that are applied in marketing such as ethical marketing or even relationship marketing mentioned earlier. At the same time to find out how does Muslim practitioners of marketing really practice their marketing in line with Holy Scriptures? Since, as far as the academia is concern, research uncovered alarming findings about the current practice that are incompliance to so-called Islamic marketing (Abdullah and Ahmad, 2010; Ahmad and Santhapparaj, 2012). This called for development of more comprehensive and hands-on practical marketing mix framework conforming to Syariah guidelines. Indeed, it offers unique characteristic to a new set of dimensions that differs from contemporary marketing mix. Thus, called for re-evaluating the 4Ps in line with Syariah law. For instance, permissibility of certain products, or ingredient used and the way such products and ingredient are handled. Rethinking promotional activities that are following the Islamic principles. Which at the present the compliance to so-called Islamic marketing is questionable due to inexistence of a comprehensive hands on framework to be practiced.

Therefore, the most critical challenge now is to provide operational framework as to realise the ideal Islamic way of doing marketing, which is the ‘how’ part. However, there have not been any comprehensive Islamic marketing mix are developed in academia and working framework in practicing Islamic marketing mix. According to Gahien (1986) ‘Islam defines only the philosophy and the objectives of marketing systems, not techniques to be used, thus establishment of such techniques has been left to the people who interpret how the philosophy should be implemented’ [Gahien, (1986), p.220]. Some argued that, the classical marketing resembles the Islamic marketing mix in theory but not in practice and behaviour (Al Bureay, 1993). According to Wahab (1987) such mixes
is neutral by nature and it’s up to Muslims on how to practice their marketing. Likewise, Anwar and Saeed (1996) such tools are Islamic if it is in parallel with Islamic principles and injunctions. It is worth putting forward more cogent techniques that will present viable marketing mix decisions in current business settings. Therefore, the time has come to provide such working framework in which academia has fall short in their efforts.

Although there are considerable work dedicated to marketing mix from an Islamic perspective in the last 10 years (Wahab, 1987; Gahien, 1986; Haniff, 1994; Sula and Kertajaya, 2006; Abdullah, 2008; Arham, 2010; Nadeem, 2012; Damirchi and Shafai, 2011; Ishak and Abdullah, 2012; Abuznai, 2012; Hashim and Hamzah, 2014; Ahmed and Rahman, 2015; Zarrad and Debbi, 2015; Ahmadova, 2016; Sahlou and Bouslama, 2016; Latif and Misbah, 2016; Tabani and Marlizar, 2017). Neither of this works had challenged the status quo of existing classical marketing mix nor had pointed out the rationale of having such concepts in Islamic marketing. This might be due to profound exposure of such established rule of thumb in the marketing education as argued by Constantinides (2006) by quoting the several works (Cowell, 1984; Ken, 1986). Despite the unique characteristics of Islamic marketing mentioned earlier, Kotlerism still receive considerable acceptance makes it no difference between Islamic and conventional marketing. Some of the works also have not been able to really highlight unique preposition of Islamic marketing rather it re-emphasised previous author’s ideas and extended along the same premise of arguments.

Furthermore, most of the works are lacks empirical validation (Damirchi and Shafai, 2011; Ahmed and Rahman, 2015; Ahmadova, 2016; Tabani and Marlizar, 2017; Sahlou and Bouslama, 2016). These works had ignored the scientific requirement as to justify such marketing to be a valid marketing phenomenon. It raised the issue on how critical is such conceptualisation and review has been. If such works continue to be used as a mere guideline, the theoretical foundation of so-called Islamic marketing mix will also be questioned since it is theoretically void. There has been ample evidence on this argument that attacks the very existence of classical marketing mix (Van Waterschoot and Van den Bulte, 1992; Grönros, 1994). It is critical to provide reflexivity and self-critique for the improvement of current practice and Islamic marketing theory as suggested by Jafari (2012). So, the current works on Islamic marketing mix require more scientific proves. Researcher must come up with some unique and valid set of methodology as to provide a rigorous Islamic marketing mix.

Although there has been little empirical research has been done, several works had initially tried to uncover marketing practices from Islamic perspective (Abdullah and Ahmad, 2010; Ahmad and Santapparaj, 2012). Abdullah and Ahmad (2010) focus more on promotional practice from an Islamic perspective while Ahmad and Santapparaj (2012) more focus on the pricing techniques. However, it was not aimed towards developments of an empirically developed factors or variables. More works are needed as to come up a set of comprehensive marketing mix, or dimension that are exclusively Islamic that can be applied and appeal to both academia and practitioners. Authors admitted that more research needed to be carried out as to proposed much more cogent concept of Islamic marketing practices. Both need to develop a more comprehensive set of Islamic marketing mixes via empirical induction.
2 Data collection and methodology

The main purpose of this paper was twofold. Firstly, it was designed to empirically identify critical factors in marketing mix in line with Islamic principles. Secondly, it assessed the order of importance of these factors. The process of developing the survey instrument was carried out in line with (Churchil, 1979). The questionnaire consisted of 3 major sections; Section A contained questions regarding demographic profile of the respondents. Section B contained 29 items randomly presented statements on Islamic marketing mix which has been developed using combination of content analysis using in dept literature review and survey form to illicit initial items and further confirmed by draft questionnaire and pilot test. Whilst for section C it contained questions pertaining customer satisfaction and loyalty.

A total of 700 questionnaires were distributed by 10 enumerators in various selected parts of the two divisions specifically aimed at Muslim customer, resulting in 502 corrected and completed questionnaires obtained, yielding a response rate of 71.43%. The number of usable sample size of more than 384 for a population size of nearly 1 million customers, in this case population of both Kuching and Samarahan division was representatively adequate and in parallel with the generalised scientific guideline for sample size decisions as proposed by Krejecie and Morgan (1970).

3 Analysis and results

3.1 Exploratory factor analysis

Exploratory factor analysis was carried out in line with the best practices in EFA suggested by Worthington and Whittaker (2006). Firstly, as to ensure adequate sampling for multivariate statistical analyses, according to Hair, sample size of (N = 502) considered as (N = 500) is good (Hair et al., 1995). Secondly, factorability of the data was also examined via significant of Bartlett test of sphericity and measuring the sampling adequacy using Kaiser-Meyer-Olkin (KMO). Both tests were resulted in good outcome, with Bartlett test of sphericity was significant at p < 0.00, χ² (N = 502) and further supported by KMO with the value of 0.927 was above the adequate sampling value of 0.6 as recommended by previous study. Structure of factor was further investigated by subjecting 29 items from section B of the questionnaire using factorial analysis. Maximum likelihood procedure was utilised together with varimax rotation in this stage.

As suggested by Hair based on the range of aforementioned sample size in this paper, (N = 502) it was considerably acceptable to include a variable in a factor that has value of factor loading ≥ 0.50. Other than that, Tabachnick and Fidel, 1989 suggest that all factors whose eigenvalues greater than 1.0 were retained in the factor solution. This was in line with Kaiser Criterion (retaining factors with eigenvalues greater than one) as supported by several works that argued this was the most appropriate in factor retention (Ford et al., 2006).

The scree plot analysis and parallel analysis are another alternative criterion on how many factors to be retained. This test examined the pattern of eigenvalues for its breaks or discontinuity, which determine the cut-off point for the pattern. This cut-off point will determine number of optimum factors that can be extracted. Factor five was retained
since parallel analysis shown it was only slightly under the intersection between factor analyses and was qualified for Kaiser Criterion and scree plot. On the other hand, factor six was dropped since it has insufficient item or factor loading per factor (at least three), although has common conceptual meaning, however it has been explained by another factor (Suhr, 2006). Five factors were retained and can be describe as the following:

- **Factor 1: commitment** – this factor emphasises on instilling assurance in business dealings via trustworthy marketing activities.
- **Factor 2: characteristic** – this factor describes the distinctive character of Islamic marketing. This uniqueness can be in terms of product design, specification and promotion that shall be reflecting and in line with Islamic values and characteristics.
- **Factor 3: conformity** – this factor scrutinises on compliance in terms of process involved in creating and delivering the product and services involved in marketing Islamic product.
- **Factor 4: conscience** – this factor mainly relates to ethical dimensions of Islamic marketing. It mixed up combination of marketing mix that stressed on true sense of promoting and clarity in pricing a product in parallel with Islamic value.
- **Factor 5: customer centric** – this factor describes an approach towards the customers, this combination mainly deals with basic marketing concept.

### 3.2 Confirmatory factor analysis

Confirmatory factor analysis was carried out by using lisrel framework (Joreskog and Sorbom, 1978). Since, this statistical approach useful to purify the measure via several tests, for instance unidimensionality, validity and reliability of the measurement instrument (Steenkamp and Van Trijp, 1991). Based on LISREL 9.1 (Scientific Software International, Inc. Copyright, 2012), a five-dimension measurement model was developed for each of the constructs within parameter estimated using aforementioned software. Based on Figure 1, lisrel was used as to further confirm the five factors from EFA namely commitment, character, conformity, conscience and customer centric as to find out whether there was good fit as a model. Findings shown that the model fit reasonable well using multivariate goodness-of-fit indices which is in line with a set of rules of thumb has been adopted as recommended by Schermelleh-Engel et al. (2003). All indicators of model evaluation shown a good and acceptable results. Chi Square $\chi^2$ $p = 0.01$, goodness-of-fit index (GFI) 0.903, adjusted goodness-of-fit index (AGFI) 0.879, comparative Fit Index (CFI) 0.969, non-normed fit index (NNFI) 0.965, Incremental fit index (IFI) 0.969, Root mean squared error of approximation (RMESA) 0.060 all indicated that the model is fit reasonably well.

### 3.3 Reliability test

In this case, internal consistency was assessed via Cronbach coefficient alpha suggested by Cronbach (1951). Internal consistency estimates of reliability were computed and five factor affecting Islamic marketing indicated that all of these factors were internally consistent with alpha value of more than 0.70 based on cut-off point suggested by Nunnally (1978). The alpha values are as follow: commitment (0.770), character (0.810), conformity (0.775), conscience (0.752) and customer centric (0.738).
3.4 Validity test

Several validity tests were used in this paper for the purpose of assessing validity of the measurement, namely face validity, content validity, convergent validity, discriminant validity and criterion-related validity. In this paper, face validity was assessed by qualitatively operationalised construct as to present unambiguous meaning of the subject being studied. Whereas, content validity emphasised on the relevancy of the content domains exist in the literature against the constructs of measurement. In depth search of relevant underpinning constructs of the theory being studied and ought to be measured shall qualified for such validity. In this paper, questionnaire was developed via in depth review of relevant literature and the construct has clear meaning to the respondents which clearly portrayed the subject to be measured. In this paper, the questionnaire was developed via in depth reviews of relevant literature on Islamic marketing mix such as Wahab, 1987; Gahien, 1986; Haniff, 1994; Sula and Kartajaya, 2006; Arham, 2010; Nadeem, 2012; Abdullah, 2008; Abdullah and Ahmad, 2010; Damirchi and Shafai, 2011;
Ishak and Abdullah, 2012; Abuznaid, 2012 and the construct has clear meaning to the respondents who clearly portrayed the subject to be measured as suggested by Bohnstedt 1983; Kaplan and Sacuzzo 1993).

Churchill suggests that convergent and discriminate validity should be assessed in investigating construct validity. The correlations coefficient among the five factors affecting Islamic marketing mix values range from 0.447 to 0.612. Convergent validity can be portrayed by strong correlation between the constructs or components (Narver and Slater, 1990). Whilst, moderate positive relationship between the five constructs, indicating evidence of convergent validity and the absence of multicollinearity since correlation value is less than 0.8. Therefore, convergent validity was achieved. Subsequently, discriminant validity can be determined by verifying those dimensions are differentiated or form the same factor. This can be assessed by subjecting the dimensions to a Chi-Square difference to examine the scale for discriminant validity. All the dimensions were assessed and found out to have statistically significant result at the p < 0.01 level. Therefore, indicated distinctive constructs exited among all the five factors affecting Islamic marketing mix and the discriminant validity prevails.

Criterion validity concerns the correspondence of a measure with a criterion measure, a known and preferably standard measure of the same concept (Ping, 2004). In this paper, criterion-related validity was established. Table 4 indicates that all the dimensions have a significant positive correlation with customer satisfaction. All correlations were significant at p = 0.01 level range ranged from 0.269 to 0.407. Cohen suggests that those ranges can be considered as medium validity coefficient. Hence, criterion-related validity is established.

3.5 Relative importance of five critical factors

Multiple regression was used in this paper to determine the overall effect of the five critical factors in Islamic marketing mix on customer satisfaction and to assess the relative importance of the individual dimensions. However, the presence of high correlations of 0.90 and above between independent variables may influence regression results and interpretations (Tabachnick and Fidell, 1996; Kline, 1998). Analysis on multicolinearity also observed VIF values were ranged from 1.694 to 2.029 indicated that the absence of harmful multicolinearity. Linear combination of the five dimensions related to customer satisfaction, with $R^2 = 0.205$, adjusted $R^2 = 0.197$, $F(5, 496) = 25.641$, $p = 0.01$. The sample multiple correlation coefficient was 0.205, indicating that approximately only 20.5% of the variance of customer satisfaction level in the sample can be accounted for by the linear combination of the five. It yielded only three factors contributing significantly towards explaining the variance in the overall customer satisfaction level. Conformity is found to be the most important factors affecting Islamic marketing mix, secondly ‘character’, thirdly ‘commitment’, followed by ‘conscience’ and ‘customer’ were found to be not significant to customer satisfaction ($p < 0.05$).

4 Conclusions and discussions

Primary contribution of this paper is to help businesses in developing their marketing mix in line with Islamic principles and to be sensitive to Muslim customers. Research findings suggest that Muslim customers consider five factors that are critical in conducting Islamic
marketing mix in line with Islamic principles, and these are commitment, character, conformity, conscience and customer centric in their rank order of importance. Commitment is concerned with instilling assurance and faithfulness. The second critical factor, characteristic is about differentiation in line with Islamic teachings. To truly adhere to Islamic teachings and Syariah, ensuring all aspects of business activities should be distinguishable from other aspects that depict an ‘un-Islamic’ characteristic. Whereas, conformity refers to compliance in creating and distributing the product. It focuses more on the production and distribution process via stringent and prudent processes in congruence with Syariah rules, and is one of the most important aspects of Islamic marketing. Conscience on the other hand affects Islamic marketing mix. Marketing activities from an Islamic perspective should be screened out with Islamic injunctions that emphasise highly ethical ways of marketing a product and service. The fifth critical factor in the Islamic marketing mix is ‘customer centric’. This factor stresses the customer oriented Islamic marketing mix.

4.1 Islamic business strategies

Based upon the five critical factors derived from our recent study, this paper advanced several Islamic-oriented marketing strategies to be adopted by businesses.

4.2 Strategy 1: conforming consistently to Syariah principles and Halal standards

It is prevalent that today, the emergence of certain standards that place emphasis on quality has attracted huge attention from many stakeholders. In the Halal industry this depicts commitment to quality in the light of Syariah guidelines and undeniably has become a major marketing tool in the current business environment. Due to this changing environment and to attract Muslim customers, ensuring the product and service can be consumed or used by the customers in line with Syariah is indeed crucial. Firstly, the production process must be pure from the beginning to the end; in this case it must stringently observe Syariah guidelines.

Ensuring the process is in line with Syariah is even more important since this process will determine if the product can be consumed by the end user. As to monitor such process, it is vital to have a system that observes critical aspects of the process in parallel with Syariah guidelines. Perhaps it needs third party that has the authority to monitor such compliances. The business must be constantly checked for its ability to maintain stringent quality control on the production process, from procurement of raw materials, the use of proper machinery, to the use of proper packaging material, all of these must adhere to quality control principles. Thus, once this authentic Halal certification is acquired, the business must strive to maintain such status for their products, ensuring that phases of the production process, raw materials, equipment, tools and machinery are free from doubtful elements.

4.3 Strategy 2: exhibiting distinctive characteristic

Intense competition has brought innovative ideas to be different from others. Differentiation is seen as the best remedy to survive in such environment. In this case, the distinctive characteristic of the Islamic approach in marketing can be best represented by
staying on the path illuminated by Syariah. The distinctive characteristic of an Islamically rooted business can be shown by offering only lawful or permissible products and services in line with Syariah. The reason behind the emphasis on permissibility is the universal set of principles applied to all humans, not just for the Muslims. Permissibility of products from Islamic point of view is to safeguard the welfare of the customer and ensuring quality that is universal in nature. It is also an opportunity for a business to distance itself from conventional paradigm that removes religious views on certain critical marketing decisions on product offered to the target market. Therefore, a business that adopts an Islamic approach in marketing a product must differentiate their product by having such permissibility or certification that represents compliance to Syariah and quality as well.

4.4 Strategy 3: instilling assurance

Customer confidence and trust is definitely the main reason for a business to survive in the long term. This has been the main priority practiced by Prophet Muhammad S.A.W, as mentioned by many authors in instilling assurance via credentials and honest business conduct. Transactions that might involve individuals or a group of individuals should have obligations towards others, especially for Muslims. A Muslim is a brother to the other Muslims, therefore injustice conducted in business activities is to be avoided so as to build up trust and safeguarding long lasting relationships (Silaturahim). A business must translate their ‘Commitment’ in carrying out their Islamic marketing mix, which can be delineated by having:

1. clear marketing goals
2. clear informative offerings
3. truthful communication
4. fulfilment of promises
5. highly ethical personnel.

4.5 Strategy 4: embedding morality and conscience

Ethical issues with regard to marketing are not new to the field, both in academic research and practice. Customer perceptions towards marketing activities often relate unethical conduct being carried out by businesses. There are many critics of marketing practices in the literature as well as in the mass media. Thus, marketing is needs of sound strategies in implementing its activities. An ethically sound strategy that is in line with Islamic principles must focus on morality and conscience. It must carefully guide the customer expectation in positioning certain products in the mind of customers. A business should manage customer expectations by carefully communicating a reasonable picture of the performance of their product. This is to give a clear assumption of what to expect when consuming or buying these products.

Most important of all is honesty in conveying the benefits and defects of their products to assure that products will satisfy the customer. Besides that, unethical appeals such as sexual, emotional and false research must strictly be avoided by Islamic businesses. This can be monitored by having an internal committee that screens out
elements of advertising that are not in line with Syariah. This Syariah observation committee should have the authority to screen inappropriate elements to be presented to the target audience. Elements of Islamic teachings must be embedded into the advertisements, for instance commandments in Al Quran, to give awareness to the target audience. It is vital to have such internal committees within the business to monitor the promotional activities, particularly in advertising.

4.6 Strategy 5: embracing a ‘customer oriented’ approach

Existing literature and current practices have pointed out the importance of customer oriented businesses or marketing orientations. Emphasis behind such orientation is due to the fact customer is the heart of marketing success. Nevertheless, it must be emphasised that this fulfilment should be in line with Islamic teachings such as permissibility or compliance toward Islamic law or Syariah. Although, undeniably cultural differences do exist in these different Muslim customer segments and need to be taken into consideration. Besides that, majority of the customers are looking for high quality product that is durable and able to perform what has been claimed by the marketers through their promotional activities or the product information in the product. In this case, offering high quality product is the priority for the marketers as to ensure the customers are satisfied with their product. In fact, it has been practiced by Prophet Muhammad S.A.W that no low-quality product should be offered along with good quality product as to deceive customers. It is to project the right expectation of the customers that a high-quality product will lead to customer satisfaction.

References


