THE DEVELOPMENT OF THE PHENOMENA OF ISLAMIC MARKETING, ISLAMIC Branding, AND INDONESIAN MUSLIM MIDDLE CLASS

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ABSTRACT

Islam as a religion has been found to impact the ethical beliefs and behaviours of Muslim consumers from different countries, as well as consumers’ choice of services and some taboo products on the basis of Islamic Shariah law. The emergence of Islamic marketing and Islamic branding in various parts of the world and the increasing middle-class Muslims in Indonesia are interesting phenomena to study. Using the qualitative approach, this study aims to explore the development of Islamic marketing, Islamic branding, and middle-class Muslim in Indonesia. The results showed that Islamic marketing is still new in the literature and the definition of the true meaning of Islamic marketing is still being developed. In addition, Islamic branding is closely related to the halal concept. The behaviour of Muslim middle-class in Indonesia is very challenging and it has enormous potential. The discussions are explained further.

Keyword: Islamic Marketing; Islamic Branding; Middle Class Muslim.

INTRODUCTION

Pew Research Centre (2017) reported that the Muslim population is expected to reach 2.99 billion by 2060 or approximately 31 per cent of the world population. According to Ogilvy Noor (2010), Islamic marketing can offer something promising namely the Muslim consumer market, which consists of 1.8 billion people and is undeniably the next important global opportunity which is largely untapped. The halal market alone is worth US$2.1 trillion annually and is increasing by US$500 billion annually due to the significant growth of the global Muslim population. Furthermore, Alserhan (2010) stated that it is expected that the global Muslim consumer market will reach $30 trillion in the coming 2050.

Isef.co.id (2021) reported that Indonesia is home to the world's largest Muslim population, and most Muslims are digitally native, young, and highly loyal to domestic brands. However, they are also price-sensitive, creating significant opportunities for newcomers in the market to gain substantial profits. In 2020, Indonesia is the largest halal consumer market in the world with consumer spending by Indonesian Muslims reached
$184 billion (isef.co.id, 2021). Therefore, it would be interesting to further exploring phenomena in relation to this market segment.

For Muslims and non-Muslims alike, this is an enormous business opportunity to create new products and services according to the needs and nuances of the Islamic Muslim market, such as swimwear that caters to the needs of Muslim women, or accommodation services that address family issues and gender relevant to the Muslim context. For Muslims involved in business activities, Islamic marketing is expected to remain true to the beliefs and principles as Muslims, in the context of marketing. On the other hand, there is an obligation as a Muslim to fight for this new social science which is rooted in the Quran and Sunnah so that it can make Islam come alive in the field of marketing.

However, the type of marketing or market orientation strategy to be adopted for engaging in Muslim majority markets remains subject to multiple standpoints. In that respect, the international development and definitions of marketing models addressing those specific markets, has given rise to research themes including Islamic marketing and branding in the lead (Tournois & Aoun, 2012). To the authors’ knowledge, there is no research that discusses the phenomenon of the development of Islamic marketing, Islamic branding, and middle-class Muslims in Indonesia.

Islamic marketing is a new field in marketing science. According to Ramadan (2009), much of the current discussion is based on the application of Islamic principles to contemporary Western marketing ideas. Although applying the principles of Western marketing ideas is important, it does not address the root of the problem because such ideas are based on things that may not be in accordance with the ethics and principles of the applicable Islamic tradition. Therefore, more in-depth research also needs to be carried out so that new models and frameworks can emerge, namely what Ramadan (2009) calls transformational reform based on Islamic teachings and principles.

The emergence of Islamic marketing occurred in 2010, when the Journal of Islamic Marketing was created to lay the foundation and advance Islamic marketing as a new scientific discipline. Even well-known international marketing agencies like Ogilvy and Mather founded Ogilvy Noor to get into Islamic branding in 2010. Moreover, the first Global Islamic Marketing Conference was started in 2011. Furthermore, Islamic marketing cannot be separated from Muammaralah, including doing business or trade. In business, knowledge about business, including Islamic marketing, is very crucial, especially for Muslims. The consequences of doing business without knowing Sharia law are fatal and
will result in many bad things due to falling into haram things such as usury, fraud, speculation and others (Rumaysho.com, 2010). Moreover, this study aims to explore the development of Islamic marketing, Islamic branding, and middle-class Muslim in Indonesia.

LITERATURE REVIEW

Islamic Marketing

Kotler and Keller (2016) stated that to become a marketer, marketers must understand what marketing is, how marketing works, who does the marketing and what is being marketed. Kotler and Keller (2016) also explain that marketing is identifying and fulfilling human and social needs. In the context of Islamic marketing, the principal opinion of Malik and Khan (2016) is that in providing halal item rates and administration globally for Muslim consumers, companies in the world must execute different procedures than procedures in selling merchandise to non-Muslim consumers. Their marketing system must be adapted to Islamic values, norms and regulations.

The aim of defining marketing procedures that are suitable for both hierarchical societies and consumers who have different tendencies. In Islam, marketing is a strategic business discipline that directs the process of creating, offering and changing values from one initiator to its stakeholders. According to sharia principles, marketing activities must be based on the spirit of worshiping God, the Supreme Creator, and trying as much as possible for the common good, not for the interests of the group, let alone their own interests. According to Wilson (2012) and Alserhan et al. (2016), Islamic marketing is a growing and well-known subject of research. Islamic marketing research is becoming more and more popular, yet it has long been "an untapped and viable market segment" (Sandikçi, 2011, p. 246), according to contemporary literature. The fact that Islamic marketing has mostly remained a uniform and localized marketing niche is also important to note.

The scholarship on Islam and marketing has also been divided into two parts by Sandikci (2011): omission and discovery. Muslims are referred to as traditional and Islam as incompatible with contemporary consumer behaviour by omission, whereas Muslims are referred to as a potential market sector by discovery (Sandıkçi, 2011). In terms of categorizing how marketing fits into the disciplinary field of teaching and research, it appears that the literature is still up for debate. Islamic marketing is being debated as a potential new and distinct field. Besides, the definition of Islamic marketing is also up for
Since Islamic marketing is a relatively new field of social science, its exact description is lacking. According to Wilson (2012), Islamic marketing is frequently described as a God-conscious method of marketing that seeks to "[...]
strike a balance between material and spiritual needs in any situation of human existence" (Bouzenita & Boulanouar, 2016, p. 77). Islamic marketing is the study of marketing phenomena in relation to Islamic principles and practises or in the context of Muslim societies (Jafari, 2012). Islamic marketing can refer to practises used by businesses, whether Muslim or not, in their dealings with Muslim consumers. Islamic marketing can also refer to religion-based marketing, when marketing operations are governed by the guidelines of Islamic sharia (Alserhan, 2017).

**Islamic Branding**

The concept of Islamic branding can be regarded as branding that is sympathetic to sharia ideals, with the ultimate objective of integrating Muslim consumers. It goes beyond the basic sharia-hospitality concept to fully include sharia into every aspect of the brand character (Alserhan, 2010). Subsequent research gradually developed interest in a comparative between traditional and Islamic financial services (Ahmad et al., 2011; Al-Ajmi et al., 2009; Amat Taap et al., 2011; Butt et al., 2011), and in Muslim consumers’ perceptions towards the predisposition of firms to integrate Islamic Law principles (Sharia-compliance) to their marketing mix (K. Abdullah & Ahmad, 2010; Bin Yusuf, 2010), and specifically to halal products or Islamic branding challenges (Alserhan, 2010; Ireland & Rajabzadeh, 2011; Wilson & Liu, 2010, 2011). On the concept of Islamic branding, Ogilvy Noor (2010) define it as [. . .] branding that is empathic to Shariah values, in order to appeal to Muslim consumers, ranging from basic Shariah-friendliness to full Shariah compliance in all aspects of a brand’s identity, behavior, and communications.

Several academic circles concur that *Istihalah*’s point of view can be modified. Term has two distinct meanings. A change from something's original essence is one of them. An unclean substance that transforms (with word) into a new substance is considered to be holy, notwithstanding scholarly dispute on the subject. Religion can be viewed as a catalyst for human advancement, ranging from devotion (Halal) to denigration (Haram). These beliefs and principles serve as the building blocks of Muslim society. Regarding the use of Muslims, this religious obligation and acknowledgement affect people's feelings and mental health. The implicit laws, way of life, and explanation of existence in Islam are also
predetermined by Allah 'azza wa jalla. Organisation of the Islamic Conference countries have given halal items a lot of thought, helped along by the sharia framework. The world's Muslim population is a potential market for halal goods, and as the largest Muslim nation in the world, Indonesia has the potential to grow both as a consumer and producer of halal goods.

**Middle Class Muslims in Indonesia**

Consumer behaviour among the middle class is particularly fluid and movable today. They can also swiftly switch brands and are required to keep moving to keep up with consumer mobility. In addition, the product must be improved, new ones must be invented, and the price strategy, distribution, and promotion must all be altered in a certain way. Companies must avoid monotony when promoting their products (SWA.co.id, 2013).

The Muslim market in Indonesia is very challenging because not only does it have enormous potential. The number of Muslim consumers reaches 87 percent of the entire population of Indonesia. On the other hand, the dynamics of changes in Indonesian Muslim consumers have increased in recent years (Yuswohady.com, 2014). Therefore, the Muslim consumer market is stretching and marketers should be more prepared to reap it. According to Yuswohadi (2014), the following are some of the visible changes in the phenomenon of the development of the Muslim middle-class market in Indonesia that is the rapid growth of Sharia Banking, hijab revolution, development of the Muslim cosmetics market, regularly perform Umrah, development of Sharia Hotels, excitement of Islamic Culture, Muslim Entrepreneurship, the richer the more charity, and increased use and understanding of the Halal label.

**METHOD**

This study uses a qualitative descriptive method, because the use of this method can help researchers to describe facts, data, and substantive objects rationally and theoretically in the form of language or discourse through accurate and systematic explanations. This research uses a non-interactive qualitative descriptive method because it does not consider the assumptions or opinions of the informants or informants (Sukmadinata, 2011). Moreover, this research uses a qualitative descriptive method because the use of this method can help researchers to describe facts, data, and substantive objects rationally and theoretically in the form of language or discourse through accurate and systematic explanations (Sukmadinata, 2011).
Data collection was carried out by literature study and document study. This study uses auxiliary data obtained by researchers from related articles and books. Data analysis by reducing data obtained through library research. In addition, data reduction is done by categorizing the data so that it makes it easier for researchers to verify data and determine conclusions based on research results. The data analysis used by the researcher refers to Sugiyono’s (2016) data analysis, namely data reduction, data presentation, verification, and conclusion drawing.

RESULT

Basically, Islam allows its adherents to participate in business activities as long as they pay attention to the prohibitions and principles of trade that have been written in the Qur'an and Sunnah. The concepts of usury, haram, and halal must be considered carefully in making business strategies. Therefore, trading is important in Islam and the procedure in it is in accordance with Islamic instructions in working with other people. In addition, Islam is also a way of life and one can encourage the rationality that Islam must consist of an ethical code of conduct in working with others.

The Prophet sallallaahu 'alaihi wa sallam has taught his people throughout the world to trade while upholding Islamic ethics. In economic activities, Muslims are prohibited from committing false acts, but Muslims must carry out economic activities on a mutually agreeable or voluntary basis, as the word of Allah Ta'ala, which means, "O you who believe, do not consume each other's wealth. in a false way, except by means of commerce which is carried out consensually between you. And do not kill yourselves; Verily Allah is Most Merciful to you." (QS. An-Nisaa: 29).

Based on this verse, Islam strongly encourages its people to become traders so that trading becomes very important in Islam. So important, that Allah Subhanahu wa Ta'ala appointed the Prophet Muhammad sallallaahu 'alaihi wa sallam as a very successful trader before he was appointed a prophet. This shows that Allah Subhanahu wa Ta'ala taught Muhammad bin Abdullah with honesty when he was a trader that his merchandise did not make a loss, but instead made him a successful businessman. Therefore, Muslims (especially traders) should follow his example when carrying out trading activities.

Al-Quran also regulates life activities or muamalah. Also trade, sales or marketing ethics. One of the verses of the Al-Quran which is guided by marketing ethics is QS. Al-Baqarah. This second letter in the Al-Quran consists of 286 verses, 6,221 words and 25,500 letters, and is classified as a Madaniyah letter. In verses 1-2 Al-Baqarah means:
“This Al-Quran has no doubt about it; guidance for those who are pious.” This verse is very relevant to be guided by in carrying out marketing tasks, because marketing is a very important part of the company's machine. From this verse we can understand three things, namely: Companies must be able to guarantee their products, What Allah explains in the Al-Quran are the benefits of the product, and explanation of the targets or customers of the company's products.

Nowadays, marketing methods that are unethical, fraudulent, and unprofessional are often encountered. Therefore, marketing activities should be returned to their true characteristics, namely religious, ethical, realistic and upholding human values. Ethical marketing principles should be applicable, whether it's a large or small scale company. Marketing according to Islam has interesting values and characteristics. Sharia marketing believes that a person's actions will be held accountable in the afterlife. Apart from that, sharia marketing prioritizes moral values and moral ethics in its implementation. Therefore, sharia marketing is important for marketing personnel to penetrate the market, especially the Muslim market.

If marketers carry out the marketing activities that are ordered and ignore the prohibitions that are prohibited, marketing becomes an activity permitted in the Islamic religion. Therefore, from a sharia perspective, marketing is all activities carried out in business activities in the form of value creating activities which enable anyone who does it to grow and utilize its benefits based on honesty, fairness, openness and sincerity in accordance with the process. which is based on the Islamic muamalah contract or business transaction agreement in Islam.

According to Alserhan (2010), Islamic branding can be interpreted in three different ways. First, Islamic brands by compliance (Islamic brands by religion or halal brands) and these brands aim specifically to attract Muslim consumers as these brands are faith-based. Second, Islamic brand by origin in which these brands are originating from Muslim countries, such as airlines Emirates Airlines, Emirati Etisalat, Egyptian telecommunications company Orascom and Saudi industrial company SABIC. Third, Islamic brand by customer that originating from non-Islamic countries but they are specifically designed to target Muslim consumers.

Many companies that comply with sharia requirements reveal that not all of their customers are Muslims. Halal means “permissible” and refers to a set of rules that defines permissible and forbidden activities. More specifically, halal products should not contain haram (prohibited) ingredients, incur the exploitation of labour or the environment or be
harmful (Rehman & Shahbaz Shabbir, 2010). Islamic religious brands or halal brands are created according to the principles of Islam which provide instructions on what is permissible not only in the food industry but also in various industries, such as cosmetics, pharmaceuticals, logistics, clothing, finance, hospitality, and banking (Minkus-McKenna, 2007).

It's fascinating to comprehend the economic makeup and moral principles that make up Muslim society, particularly middle class Muslim Indonesia. The principles upheld have a significant impact on Indonesia's future stability and growth. Muslims in the middle class typically have solid financial standing and significant purchasing power. They are also well-versed in knowledge, which makes them attentive to changes in the economy, society, and politics (alvara-strategic.com, 2023). Middle class and Islam are two concepts that must be understood in order to fully comprehend the face of middle class Muslims in Indonesia. The middle class has distinct traits, and Indonesian Muslims also have distinctive traits. Most members of the middle class reside in urban areas that are hubs of commerce and industry. Islam was accepted as the official religion by the Muslim community (alvara-strategic.com, 2023).

Muslim society is viewed from a religious perspective, where religion acts as a set of ideals governing human interaction with one another and with their creator. Islam does in fact differ from other religions in its specific doctrines (alvara-strategic.com, 2023). The Muslim community looks to Islam's ideals as well as its distinctive attitudes and ideologies. Islam is practised in a wide variety of ways, from conservatives and moderates to liberals and radicals, just in Indonesia. Religious teachings have a significant influence on people's attitudes and behavioural patterns. Since Islam has concepts like zuhud (modesty) and the doctrine of halal (allowed) and haram (forbidden), religious teachings also influence people's spending and consumption habits (alvara-strategic.com, 2023).

CONCLUSION

Islamic guidelines ensure that the interest of all parties in a transaction, that is, the buyers, sellers, business partners and the community are safeguarded (K. Abdullah & Ahmad, 2010). As such, Muslim businesses are able to maintain a balance between their profit making responsibilities to the company, providing safe and quality products to the consumers, and ensuring the welfare of society (K. Abdullah & Ahmad, 2010). To maximize the opportunity for success in targeting the Islamic market, both Muslim entrepreneurs, non-Muslim entrepreneurs, Muslim multinational companies and non-
Muslim multinational companies must implement marketing strategies in accordance with the values, rules, norms in Islam and what has been exemplified by the Prophet Muhammad. 'alaihi wa sallaam. They are also required to be able to build branding localization competencies.

According to Williamson and Zeng (2004), in general multinational companies have higher managerial competence in terms of marketing and branding. These multinational companies are equipped with sophisticated marketing and brand building skills that far exceed their local competitors. However, it does not rule out the possibility that local entrepreneurs or companies can take part in capturing and enjoying the Muslim market share, even though the amount is not as large as the market share of multinational companies.

Local companies or entrepreneurs have the advantage of knowing more about the region and culture in which they live and therefore, multinational companies wishing to enter the Islamic market must deepen their understanding of Muslim culture. Islamic markets are fundamentally different from other conventional markets, especially in terms of motivation, structure and behavior. In addition, religious factors have a key role in the decision-making process for Muslim customers and any form of neutralizing this effect on the decisions of Muslim consumers would be a boomerang in itself.

Ultimately, multinational companies wishing to enter Islamic markets such as Indonesia must be more careful about offering a wide range of products and brands aimed at Muslims. Indonesia's title as the largest Muslim country in the world can be a soft market for all marketers. Therefore, the strategic choices made by the company must be in accordance with sharia principles, deep understanding of Muslim consumers and the implications of the Halal concept in various aspects of the company's marketing.

RECOMMENDATION

The Islamic Marketing phenomenon is relevant in understanding and studying the characteristics of Muslim consumers and how to create marketing strategies that are suitable for the Muslim market share. Muslim consumers have differences with non-Muslim consumers, especially in terms of sensitivity to religious beliefs, norms and values. Companies dealing with Islamic products must understand consumer perceptions that are influenced by the use of the halal label and the moral values of Islamic society and Islamic norms.
To engage in the halal market, companies must implement a brand-Islamization strategy based on information obtained from the Islamic market, including customers, competitors and the business environment. With the information obtained, companies can further develop their organizational values, norms, practices and organizational structures with the aim of appreciating the novelty that exists in the Islamic market.

Companies that want to target Muslim consumers must have a marketing strategy that is different from marketing strategies that target traditional consumers. Marketing strategies aimed at targeting Muslim consumers must comply with Islamic values, standards and guidelines. In addition, these companies also have to consider several factors that can affect the success of their operations in the Islamic market. According to Nooh et al. (2007), these factors include promotion, location, quality, certification and cleanliness in operations.

Finally, there is a rising consumer power of Muslim millennials, which signals the importance of religious lifestyle (Izberk-Bilgin & Nakata, 2016). Thus, future research could investigate on this consumer power using quantitative methods. Previous researchers are in agreement that religion remains an under-studied area in consumer behaviour and wider marketing literatures (Essoo & Dibb, 2004; Muhamad & Mizerski, 2010; Sandikçıl, 2011). Thus, it would be promising to investigate and explore Islam, consumer behaviour, and marketing deeper.

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