

Contributions to Management Science

Baker Ahmad Alserhan  
Veland Ramadani  
Jusuf Zeqiri  
Léo-Paul Dana *Editors*

# Strategic Islamic Marketing

A Roadmap for Engaging Muslim  
Consumers

 Springer

# **Contributions to Management Science**

The series *Contributions to Management Science* contains research publications in all fields of business and management science. These publications are primarily monographs and multiple author works containing new research results, and also feature selected conference-based publications are also considered. The focus of the series lies in presenting the development of latest theoretical and empirical research across different viewpoints.

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Editors

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A Roadmap for Engaging Muslim Consumers

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*Editors*

Baker Ahmad Alserhan  
King Talal School of Business Technology  
Princess Sumaya University for  
Technology (PSUT)  
Amman, Jordan

Veland Ramadani   
Faculty of Business and Economics  
South East European University  
Tetovo, North Macedonia

Jusuf Zeqiri   
South East European University  
Tetovo, North Macedonia

Léo-Paul Dana   
Rowe School of Business  
Dalhousie University  
Halifax, NS, Canada

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# An Introduction to Strategic Islamic Marketing



**Baker Ahmad Alserhan, Jusuf Zeqiri, Veland Ramadani,  
and Léo-Paul Dana**

**Abstract** This chapter discuss the Islamic marketing concept and its four distinct stages that form a logical sequence before Islamic marketing could attain the thought leadership position it is capable of. These stages are Islamic Marketing 1.0 (IM 1.0), awareness; Islamic Marketing 2.0 (IM 2.0), Islamization of existing theory; Islamic Marketing 3.0 (IM 3.0), theory making; and Islamic Marketing 4.0 (IM 4.0), thought leadership.

## 1 Introduction

Islamic marketing, a new member in the social sciences arena, has gained significant momentum in the decade 2010–2020 (Alserhan, 2010). In this short chapter, we will try to explain its current and possible stages of development over the foreseeable future. Although we will not be setting time frames for each of these stages, we can confidently say that stage one has been mostly completed and that Islamic marketing thought currently resides in the second stage which is related to the Islamization of traditional marketing theories. Moving into stage three where an independent body of Islamic marketing theories begins to evolve and stage four where Islamic

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B. A. Alserhan (✉)

King Talal School of Business Technology, Princess Sumaya University for Technology (PSUT), Amman, Jordan

e-mail: [alserhan@psut.edu.jo](mailto:alserhan@psut.edu.jo)

J. Zeqiri

South East European University, Tetovo, North Macedonia

e-mail: [j.zekiri@seeu.edu.mk](mailto:j.zekiri@seeu.edu.mk)

V. Ramadani

Faculty of Business and Economics, South East European University, Tetovo, North Macedonia

e-mail: [v.ramadani@seeu.edu.mk](mailto:v.ramadani@seeu.edu.mk)

L.-P. Dana

Rowe School of Business, Dalhousie University, Halifax, NS, Canada

e-mail: [lp762359@dal.ca](mailto:lp762359@dal.ca)

marketing theories are seen as an alternative theory realm will take some time to emerge. Although for stages three and four no time frame could be predicted, it is still reasonable to say it will happen within the decade 2020–2030 (Alserhan, 2011).

## 2 Islamic Marketing Stages

In the following section, the progress made so far in Islamic marketing will be reviewed. Generally speaking, there are four distinct stages that form a logical sequence before Islamic marketing could attain the thought leadership position it is capable of. These stages are (Fig. 1) as follows:

Islamic Marketing 1.0 (IM 1.0)—awareness

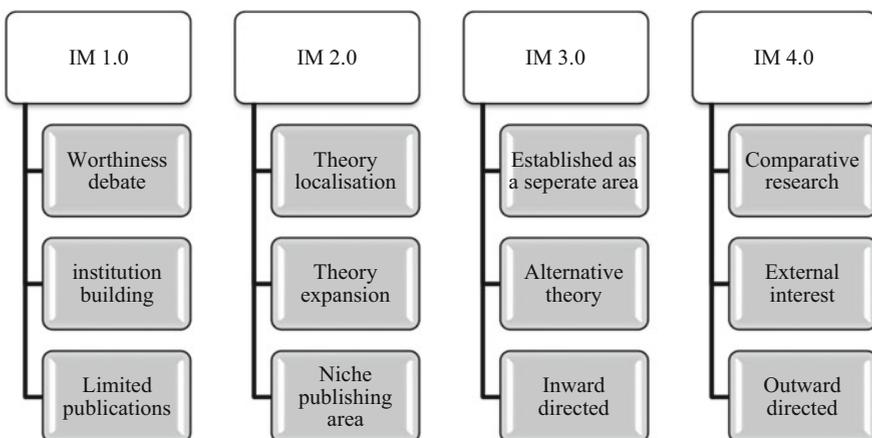
Islamic Marketing 2.0 (IM 2.0)—Islamization of existing theory

Islamic Marketing 3.0 (IM 3.0)—theory making

Islamic Marketing 4.0 (IM 4.0)—thought leadership

### 2.1 Islamic Marketing 1.0 (IM 1.0): Awareness

In this stage the terms Islamic marketing and Islamic branding came to existence. Starting from the year 2007, if you google these terms, you will get some results including work done in the United Arab Emirates University and also by the Said Business School at Oxford University. Both institutions started working on the topic almost simultaneously albeit independently without any prior knowledge of each other's work. Soon after that a journal by the name of *Journal of Islamic Marketing*



**Fig. 1** Development stages in Islamic marketing thought

was established by Emerald Publishing; a conference was organized by Said Business School followed shortly by another conference by the University of Malaya. The field got a huge boost with the launch of the successful annual Global Islamic Marketing Conference in 2011 organized by the International Islamic Marketing Association (IIMA). In 2015 another journal was launched by Inderscience by the same founder of the first journal with Emerald. During the same year, another journal specializing in Islamic marketing was launched in Arabic by IIMA. Several books were also published and continue to be published starting from the year 2011. Some of these books have more than one edition.

These efforts played a crucial role in creating a wide spread awareness within the academic community resulting in the acceptance of the field as a legitimate area of inquiry. A number of papers addressing various areas in the field were published. These papers addressed issues related to Muslim consumers' behavior, the Islamic marketing mix, Islamic branding, Islamic promotions and advertising, Halal products, the Halal value chain, and other closely related issues.

It is important to note that the new Islamic marketing-related journals, books, and conferences were in part a response to the difficulty in publishing in mainstream journals, where editors were reluctant to acknowledge the worthiness of the field as an area of scientific inquiry. However, a quick survey of the number of articles published in mainstream journals addressing areas of Islamic marketing reveals a massive surge during the decade 2010–2020, which could be attributed at least in part the level of awareness created by the Islamic marketing books, journals, and conferences.

## ***2.2 Islamic Marketing 2.0 (IM 2.0): Islamization of Existing Theory***

At this stage, although the new generation of researchers will not have to endure the agony of trying to publish as the first generation did, they will also not experience the joy that was associated with introducing Islamic marketing to the world for the first time. Their contributions to Islamic marketing theory will revolve around traditional theory expansion to incorporate Islamic concepts or some type of theory localization where established traditional theories are modified to fit the needs and culture of the Muslim consumers.

The field at this stage, although established, remains an area of niche publishing. Many of the researchers who write and publish here are capitalizing on the publishing possibility in a new attractive area. The extent of the writings at this stage will revolve around adopting/adapting current theory. Many of the papers in this area are basically copying research models used in published papers and using the same independent/dependent variables but within a Muslim consumer context. Other studies might add moderators or mediators to the model. This stage could be seen

as outward directed since researchers rely on external resources, i.e., knowledge not created with an Islamic faith in mind.

### **2.3 Islamic Marketing 3.0 (IM 3.0): Theory Making**

At this stage, a new generation of researchers who didn't witness the rise of Islamic marketing and didn't have to demonstrate its worthiness to the world will rise. To them, Islamic marketing is as real as other social sciences. Writing and publishing in the field became the normal thing to do. The field has passed a hard scientific scrutiny and prejudice, whether religious or cultural, and has been discredited. No criticisms will be made since the field has already been established and accepted within the scientific community. At this stage, the logical thing that researchers will do is engage in Islamic theory development in the same way they would in traditional marketing. They are highly skilled researchers with deep knowledge of the Islamic faith. Their contributions will be independent of traditional theory as it will be more inward directed. They will rely more on traditional Islamic thought, while incorporating sound research methods to create a new theory realm that is faith-based.

### **2.4 Islamic Marketing 4.0 (IM 4.0): Thought Leadership**

IM 4.0 is the final stage of the development of the field of Islamic marketing. At this stage, a body of alternative theory has been developed, tested, and proven within an Islamic context. As a result researchers and institutions from outside of the Islamic world will take notice. They will be interested in testing Islamic marketing theories within their respective countries or cultures, and comparative studies will be carried out, furthering the faith-based/traditional marketing debate and advancing the field of marketing in its entirety.

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**Baker Ahmad Alserhan** is a Professor in Business Administration at Princess Sumaya University for Technology in Amman, Jordan. Dr. Alserhan is the founder of the discipline of Islamic Marketing and authored the seminal book in the discipline: *The Principles of Islamic Marketing*. He is also the President of the International Islamic Marketing Association (IIMA) and Chair of the Annual Global Islamic Marketing Conference (GIMAC) and the Annual Halal Pharma Forum. He founded two academic journals for Emerald (*Journal of Islamic Marketing*) and 'Inderscience' (*Journal of Islamic Marketing and Branding*), and three in Arabic on the same topic. Dr. Alserhan is a prolific, published researcher of peer-reviewed scientific papers, public speaker, and consultant with research interests in Strategic Marketing, Business Strategy, Entrepreneurship, Islamic Marketing and Branding, Islamic Hospitality, Islamic Lifestyles, and Islamic business studies.

**Jusuf Zeqiri** is Associate Professor of Marketing and International Business at the Southeast European University, North Macedonia. He has more than 20 years of teaching experience at various institutions. He has been teaching for 18 years at undergraduate and graduate levels at South East European University and has held lectures as a visiting professor at many domestic and international educational institutions in Southeast Europe. He has supervised several master's and doctoral theses. His research interest includes marketing and international business. He has published many research papers in peer-reviewed scientific journals and is a reviewer for many international journals. Dr. Zeqiri is on the editorial board of the *Business System Research Journal* and is an associate editor for the *International Journal of Islamic Marketing and Branding*.

**Veland Ramadani** is a Professor of Entrepreneurship and Family Business at the Faculty of Business and Economics, South East European University, North Macedonia. His research interests include entrepreneurship, small business management, and family businesses. He authored or co-authored around 170 research articles, 12 textbooks, and 20 edited books. He has published in *Journal of Business Research*, *International Entrepreneurship and Management Journal*, *International Journal of Entrepreneurial Behavior and Research*, and *Technological Forecasting and Social Change*, among others. Dr. Ramadani has recently published the co-authored book *Entrepreneurial Family Business* (Springer). Dr. Ramadani is co-Editor-in-Chief of the *Journal of Enterprising Communities (JEC)*. He has received the Award for Excellence 2016—Outstanding Paper by Emerald Group Publishing. In addition, Dr. Ramadani was invited as a keynote speaker in several international conferences and as a guest lecturer by President University, Indonesia, and Telkom University, Indonesia. During 2017–2021, he served as a member of the Supervisory Board of Development Bank of North Macedonia, where for 10 months acted as Chief Operating Officer (COO), as well.

**Léo-Paul Dana** is Professor at Dalhousie University and Visiting Professor at Kingston University. He is also associated with the Chaire ETI at Sorbonne Business School. A graduate of McGill University and HEC-Montreal, he has served as Marie Curie Fellow at Princeton University and Visiting Professor at INSEAD. He has published extensively in a variety of journals including *Entrepreneurship: Theory and Practice*, *International Business Review*, *International Small Business Journal*, *Journal of Business Research*, *Journal of Small Business Management*, *Journal of World Business*, *Small Business Economics*, and *Technological Forecasting and Social Change*.

# Halal Industry: Threats and Barriers



**Baker Ahmad Alserhan, Jusuf Zeqiri, Veland Ramadani,  
and Léo-Paul Dana**

**Abstract** This chapter provides basic information on halal industry's threats and barriers. There are key issues that the halal industry needs to address before it can take its rightful place, such as the halal industry is dominated by non-Muslims; the halal industry in Muslim countries remains mostly fragmented, with numerous insignificant players; halal certification chaos; there is a clear lack of halal-qualified Muslim workforce to keep up with the rising demand for halal services and skills; and the different sectors and businesses in the halal industry seem to have embraced a “silo” mentality where each of these sectors or businesses seems to be developing independently.

Halal industry as we know it today is mostly a recent business development, and a direct result of internationalization, that has been multiplied even further by globalization. Before that, all products in Muslim countries were taken for granted as being “halal” (Alserhan et al., 2016).

As demand from the Islamic market increased, the halal industry responded. The response was unorganized, unregulated, and mostly profit-based rather than faith-based. As firms raced to capitalize on this massive demand, each wanting a bigger slice of the halal market cake, the soul of halal was compromised, if not lost all together. Halal became increasingly commercialized, very much like what happened in other religions, namely, Christianity and the commercialization of “Xmas.”

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B. A. Alserhan (✉)

King Talal School of Business Technology, Princess Sumaya University for Technology (PSUT), Amman, Jordan  
e-mail: [alserhan@psut.edu.jo](mailto:alserhan@psut.edu.jo)

J. Zeqiri · V. Ramadani

Faculty of Business and Economics, South East European University, Tetovo, North Macedonia  
e-mail: [j.zekiri@seeu.edu.mk](mailto:j.zekiri@seeu.edu.mk); [v.ramadani@seeu.edu.mk](mailto:v.ramadani@seeu.edu.mk)

L.-P. Dana

Faculty of Management, Rowe School of Business, Dalhousie University, Halifax, NS, Canada  
e-mail: [lp762359@dal.ca](mailto:lp762359@dal.ca)

Since then, the halal industry seems to have lost its direction. It is now in a dire need to find its soul again. There are key issues that the halal industry needs to address before it can take its rightful place as a mainstream industry catering to both Muslims and non-Muslims alike. There issues are as follows:

1. *Currently*. The halal industry is dominated by non-Muslims, roughly 90% of it. Therefore, until this issue is resolved, the industry will remain bottom line-driven rather than faith-driven.
2. *Fragmented industry*. The halal industry in Muslim countries remains mostly fragmented, with numerous insignificant players. Until the industry concentrates, development and competencies will remain uncompetitive.
3. *Halal certification chaos*. There are hundreds of halal certification bodies in the world. Some of these are private, some are part of Islamic institutions, and a few are governmental. These bodies reflect different views and rarely agree on standards. This situation is damaging to the halal certification credibility. The solution to this miss lies in the establishment of an overarching framework that ensures professionalism and credibility.
4. *Human resources*. There is a clear lack of halal-qualified Muslim workforce to keep up with the rising demand for halal services and skills. As a result, staff are being hired from non-Islamic businesses into Islamic businesses. The case of the Islamic banks is a classic example. In these banks, employees were hired from riba-based banks (aka commercial banks and traditional banks). Those hired continue to bring with them the culture of their original banks. To those employees, it is just another transaction or business as usual, nothing related to faith.
5. *Silo mentality*. The different sectors and business in the halal industry seem to have embraced a “silo” mentality where each of these sectors or businesses seems to be developing independently. Not much recognition of the interdependence is being observed, therefore, a clear separation between halal- and Shariah-compliant. Halal is only a stage in compliance. For example, how would consumers perceive a halal product that has been financed by a traditional bank using non-Islamic financing or produced through the exploitation of women or children as cheap labor or with a negative environmental impact?
6. *Government engagement*. Muslim governments, a side from very few such as Malaysia, are not providing the necessary support needed to advance the halal industry in their respective countries. Unfortunately, most Muslim countries are not yet able to see the full potential of halal as an engine of growth. Until this potential is recognized, Muslim countries will remain reluctant in providing the needed support. A planned governmental intervention is a must since the industry cannot take off independently.
7. *Halal hubs*. A major action that has the potential to boost the competitiveness of the halal industry is the formation of halal hubs. Two regions are qualified to succeed in this; the South-East Asia hub comprising Malaysia, Pakistan, Bangladesh, and Indonesia. Malaysia could provide the much needed mentorship as a world leader in this industry. The other hub could include Turkey and

Azerbaijan. Turkish industrial and technological advancements aided by the prime location of Turkey are key success factors. Unfortunately, no such hub is possible in the Arab region, at least in the foreseeable future due to several factors including a high political risk.

## Reference

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**Baker Ahmad Alserhan** is a Professor in Business Administration at Princess Sumaya University for Technology in Amman, Jordan. Dr. Alserhan is the founder of the discipline of Islamic Marketing and authored the seminal book in the discipline: *The Principles of Islamic Marketing*. He is also the President of the International Islamic Marketing Association (IIMA) and Chair of the Annual Global Islamic Marketing Conference (GIMAC) and the Annual Halal Pharma Forum. He founded two academic journals for Emerald (*Journal of Islamic Marketing*) and 'Inderscience' (*Journal of Islamic Marketing and Branding*), and three in Arabic on the same topic. Dr. Alserhan is a prolific, published researcher of peer-reviewed scientific papers, public speaker, and consultant with research interests in Strategic Marketing, Business Strategy, Entrepreneurship, Islamic Marketing and Branding, Islamic Hospitality, Islamic Lifestyles, and Islamic business studies.

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University and HEC-Montreal, he has served as Marie Curie Fellow at Princeton University and Visiting Professor at INSEAD. He has published extensively in a variety of journals including *Entrepreneurship: Theory and Practice*, *International Business Review*, *International Small Business Journal*, *Journal of Business Research*, *Journal of Small Business Management*, *Journal of World Business*, *Small Business Economics*, and *Technological Forecasting and Social Change*.

# Halal Service Marketing: A Strategic Perspective



Nurhafihz Noor

**Abstract** This chapter contributes to the nascent field of Halal service marketing and research. We begin by underscoring the importance of services for Halal markets and service marketing theory for Islamic marketing. Through a synthesis of emerging Halal service research and an adaptation of seminal marketing frameworks for Halal markets, this chapter offers a strategic guide for managers to design and deliver better services to Muslims. The role of digital technologies such as artificial intelligence in optimizing services for Halal markets is included in this chapter.

## 1 Background

Economies today are driven by services (Wirtz & Lovelock, 2022), and Halal markets are no exception. According to the annual State of the Global Islamic Economy Report (DinarStandard, 2020), in 2019, consumers spent an estimated \$1.58 trillion in industries associated with Muslim-friendly travel, Islamic media and recreation, and Halal food. These sectors are service economies and, in total, account for a significant 78% of the total \$2.02 trillion of consumer expenditure across key Halal markets. Another important economy and service sector, Islamic finance, is expected to grow at CAGR of 5% to \$3.69 trillion in 2024.

These Halal sectors can be mapped according to the four types of service categories—an established typology in service marketing used to classify service types (Lovelock, 1983)—as shown in Table 1.

Services clearly drive the Islamic economy, and Muslim consumers are active participants in shaping these service experiences. With servitization, product-selling companies are also changing their business models and focusing more on service provisioning (Kowalkowski et al., 2022). However, despite the clear and increasing importance of services, there is a lack of understanding as to how services can be performed effectively for Muslims.

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N. Noor (✉)  
Curtin University Singapore, Singapore, Singapore  
e-mail: [nurhafihz.noor@curtin.edu.au](mailto:nurhafihz.noor@curtin.edu.au)

**Table 1** A classification of key Halal sectors by service types

	Direct recipient of service	
Nature of service act	People	Possessions
Tangible actions	Muslim-friendly travel	Halal food logistics
Intangible actions	Islamic media and recreation	Islamic finance services

**Table 2** Implications of key service features for Halal markets

Service vs. product	Implication for Halal market
Services are intangible in nature	Identifying physical cues and brand associations acceptable to Muslims
Consumers are co-creators of service	Deeper understanding Muslim consumers beyond geographic and demographic segmentation data
Services are heterogenous	Optimizing service experience by managing Halal brand with personalization in service positioning

Much of the current discussion on Islamic marketing conflates products and services. While products and services share characteristics, services are fundamentally different from products. Services are acts or performances provided by a service provider to the customer (Wirtz & Lovelock, 2022). In the context of this chapter, these service performances are done by Muslim or non-Muslim service providers to Muslim consumers as the primary target market, although the Halal market can comprise of non-Muslim consumers (Kadirov et al., 2020). Non-Muslim service providers serving Muslims can come in the form of artificial intelligence service agents such as chatbots (Noor et al., 2021).

Indeed, there is much difference between services and products (Wirtz & Lovelock, 2022) which gives rise to several strategic implications as shown in Table 2.

Insights from Tables 1 and 2 represent a fragment of the potential contribution of service marketing to Islamic marketing. Indeed, the service marketing literature is a rich and established research stream that has illuminated service knowledge. Within this marketing stream, scholars have developed theories which enable service managers to strategically manage service delivery.

Few scholars have attempted to address the relevance of service marketing to Islamic marketing. In his seminal book *The Principles of Islamic Marketing*, Alserhan (2016) adopted the traditional 4Ps product-centric marketing mix (i.e., product, price, place, promotion) and discussed the relevance of models which are product-centric in nature (e.g., three product levels) to Islamic marketing. Wilson (2012) proposed seven new Ps for Islamic marketing: pragmatism, pertinence, palliation, peer support, pedagogy, persistence, and patience. Hashim and Hamzah (2014) extended Wilson's 7Ps by pairing each P with the traditional service marketing mix of product, price, place, promotion, people, process, and physical evidence. Despite these advances in Islamic marketing, discussions remain product-centric with little accompanying discussions of service theories to Halal markets.

In a promising development, the *Journal of Halal Service Research* was established in 2020 to advance the domain of service research in Halal markets (Kadirov et al., 2020). Indeed, important questions remain on the applicability of key service marketing theories to Halal markets and whether Islamic marketing can offer fresh perspectives to service marketing. The answers to these questions will provide valuable research insights as well as crucial strategic lenses for service managers to tap on the potential of Halal markets.

This chapter aims to contribute to this endeavor. We provide strategic insights for service professionals in Halal markets as well as highlight key research opportunities for scholars in the field. The flow of discussion is based on the marketing research-marketing strategy-marketing action framework (Huang & Rust, 2021).

## 2 Market Research for Halal Service

The development of good marketing strategies for Halal markets begins with rich insights derived from quality research data. As consumers are key in shaping service experiences, having a deep understanding of Muslim consumers is crucial. Primary research accomplishes this. However, one of the challenges of conducting primary research for Muslim consumers is that respondents may provide inaccurate feedback of their service expectations and experiences. These inaccuracies are not due to their eagerness to please the service provider but the need to feel gratitude (shukr) for the service rendered. While a praiseworthy value in Islam (Ali et al., 2020), this orientation can lead to erroneous survey findings as many key instruments used to diagnose and improve service, such as service quality, rely on self-administered surveys from respondents. Consequentially, Muslim consumers may report higher levels of service satisfaction than what they experienced. Similarly, they may underreport their service expectations as they feel obliged to be more contented (redha) with the standards of service provisioned to them.

To gather more accurate insights from Muslims, qualitative research techniques such as consumer observations and interviews are key for both service managers and researchers. The further development of scales to measure shukr and redha will also be useful for researchers to use as control variables for their empirical studies. Finally, the use of artificial intelligence techniques such as data mining can assist the Halal service industry to gather deeper insights into the meanings of services to consumers (Huang & Rust, 2021). More accurate research data about Muslim consumers in service will assist service providers to subsequently formulate better segmentation, targeting, and positioning strategies.

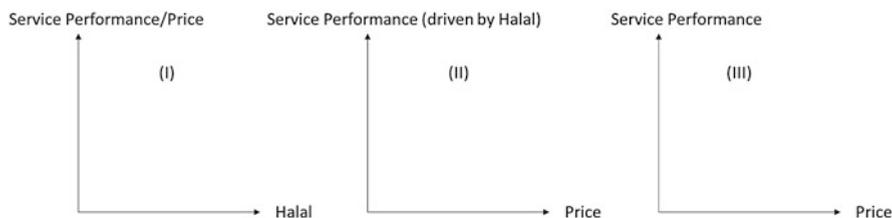
### 3 Marketing Strategy for Halal Service

The size of the global Muslim population and its continued growth rate are statistics that are regularly cited as indicators of the potential of the Halal market. However, segmentation based on geographic and demographic techniques alone cannot conclude the existence of a market. This is because it is unclear if the aggregate group of people who merely share similar geographic and demographic traits will think, feel, and react in the same way to the service offering. Accordingly, deeper insights of the target audience based on psychographic and behavioral data is key to ascertaining if indeed there is a segment of Muslims who have similar service expectations and who will respond in an equivalent way to the communications messages and eventual service performance.

A variety of typologies have been proposed to segment Muslim consumers. These include gummies (global urban Muslim consumers), hijabsters (young Muslims who wear the hijab), mipsterz (Muslim hipsters), and Gen M (Muslim millennials). Other research points to segments such as religious conservatives (extremely religious and conservative), pragmatic strivers (nontraditional and ambitious), extreme liberals (liberal, independent, and assertive), new age Muslims (somewhat traditional and religious), and social conformists (preferring social norms over personal choice) (Temporal, 2011). On a different note, beyond religious compliance, consumers may associate Halal services with attributes such as quality and assurance (Shah et al., 2020). Specific actions that can contribute to this positioning in the minds of consumers include Halal certifications and standards (Islam, 2020).

Indeed, the array of possible Muslim consumer segments and positioning strategies can seem daunting. To give greater clarity on Halal service positioning, we adapt a positioning framework from another emerging field in marketing: sustainability marketing. From a strategic perspective, Halal may be positioned together with service performance/price, as a driver of service performance with price or as an attribute not communicated upfront with the service as shown in Fig. 1.

Further research is needed to shed light on Muslim consumer segments. In addition, a better understanding is required as to how religiosity levels among Muslims can differ for each service industry and phase and its implications for Halal service performance. Insights on the perceptual associations of Halal in different services industries among Muslims and non-Muslims can contribute to



**Fig. 1** Positioning Halal in services, adapted from sustainability positioning strategies by Belz and Peattie (2012)

better branding and positioning strategies. Finally, advancements in artificial intelligence can significantly assist service managers to identify new and more accurate Halal market segments and develop better positioning strategies to cater to them (Huang & Rust, 2021).

With clearer segmentation and positioning strategies, the next phase involves setting the right tactics for Muslim consumers. Accordingly, the next section of this chapter analyzes key theories in service marketing and discusses their relevance for Halal markets.

## 4 Service Marketing Mix and Islamic Marketing

The literature on service marketing has produced a wealth of theoretical insights and models (Wirtz & Lovelock, 2022). A key model underpins each service marketing mix as shown in Table 3.

**Table 3** Implications of key service marketing mix models for Halal markets

Strategic decision	Key service marketing model	Description	Implication for Halal market
Product	Flower of service	Services comprise of a core service and supporting supplementary services	Important Islamic perspectives embed the core and supplementary services
Price	Perceived service costs	Consumers weigh perceived costs when evaluating the overall service value	Muslim consumers may factor spiritual rewards associated with the service when deciding to consume the service
Place	Service delivery modes	Service managers need to respond to four questions—What? How? Where? When?—For effective service distribution	Each question category contains peculiar distribution considerations for Halal markets in service
Promotion	Service touchpoints as promotional channels	In addition to traditional promotional channels, consumers can learn more about the service from the service touchpoints	Service touchpoints can be empowered to promote the Halal benefits that the service brand offers to Muslim consumers
People	Training	Training of service professionals are key to effective service performance	Muslim service professionals can deliver good service due to faith-based service motivators
Process	Service blueprint	The service process, touchpoints, and actions performed by the customer and service provider can be managed using a blueprint	Service managers need to manage potential fail points unique to Muslim consumers
Physical evidence	Servicescape	A framework which highlights the impact of the service environment in shaping behaviors	It is important to design a service environment optimized for Muslims

This chapter proceeds to elaborate on the impact that the Islamic tradition and Halal markets have on each key model and discusses its implications for service professionals and scholars in the field.

## 4.1 *Product: Halal Flower of Service*

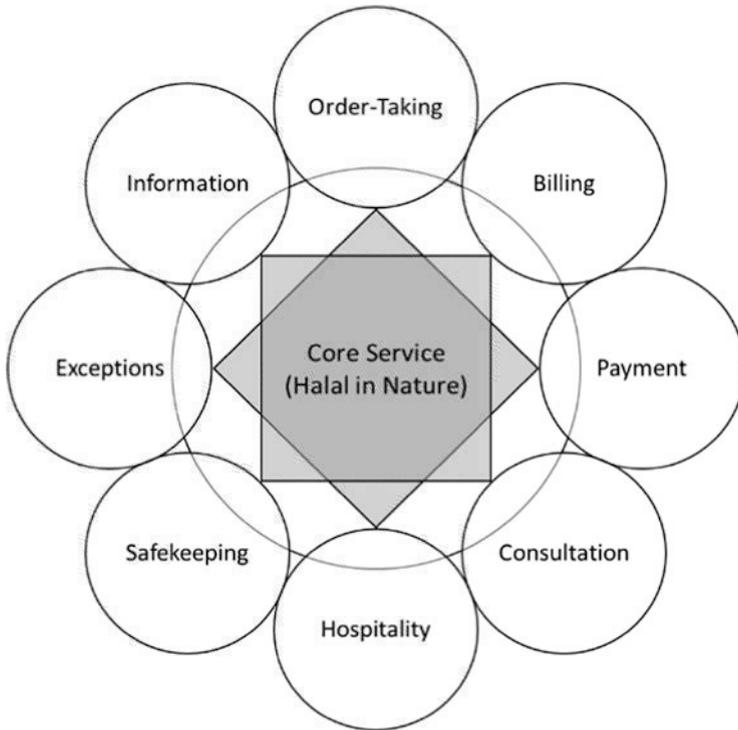
A service can be described as comprising of a core service (i.e., the fundamental service offering) and supplementary services that facilitate and add value to the core service (Wirtz & Lovelock, 2022). Supplementary services which facilitate the core service include information, order-taking, billing, and payment, whereas those which enhance the core service include consultation, hospitality, exceptions, and safekeeping. These supplementary services are petals which surround the core and together form the flower of service. Table 4 summarizes key implications of each flower of service component for the Halal market.

### 4.1.1 Core Service and Muslims

By default, all services (and its activities and tangibles) are permissible to Muslims except for those which contain haram or non-permissible elements as stipulated in the Islamic law (Al-Qaradawi, 2001). Such non-permissible service activities include gambling and the serving of alcohol and non-Halal meat. In Halal markets, a greater emphasis is placed on the display of the Halal label, despite the fact that what should technically be considered is whether the service contains non-Halal elements (Wilson, 2018). The importance of Halal in the fundamental service offering is highlighted in Fig. 2.

**Table 4** Implications of flower of service components for Halal markets

Service component	Description	Implication for Halal market
Core service	The core service is the fundamental service benefit to the consumer	The core service must be Halal and not perceived to contain any non-permissible elements
Information	Facilitating supplementary services assist in the performance of the core service	Methods in providing facilitating supplementary services need to be in accordance with the Islamic law
Order-taking		
Billing		
Payment		
Consultation	Enhancing supplementary services add value to the core service	Enhancing supplementary services are praiseworthy actions in the Islamic tradition
Hospitality		
Safekeeping		
Exceptions		



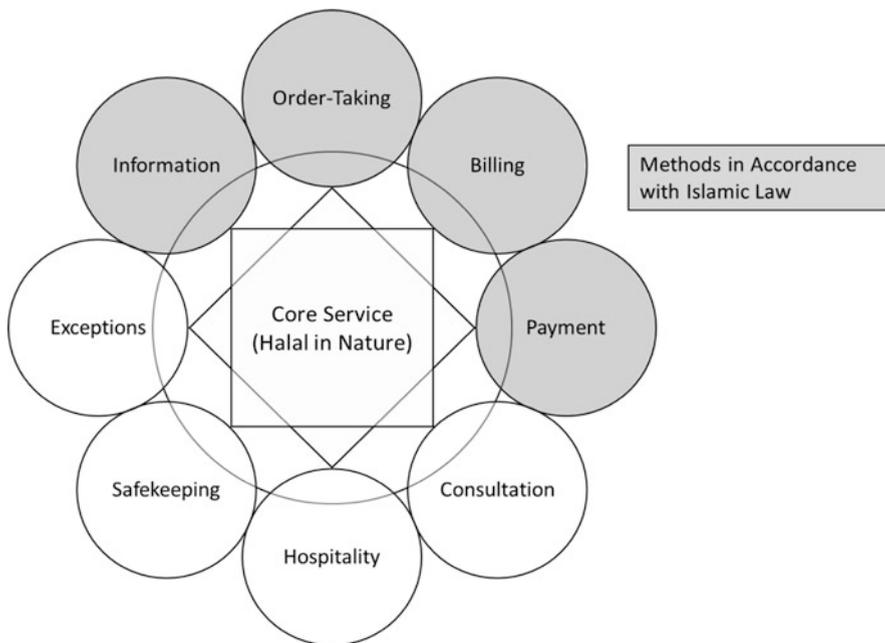
**Fig. 2** Importance of a Halal core service in flower of service

As the number of prohibitions are minuscule in relation to the number of permissible acts in Islamic law, service managers may conduct their own research to ensure that the fundamental service offering is Halal in nature. Alternatively, they can seek the advice from religious scholars for assurance that their services are permissible or Halal. This assurance can be conveyed to consumers and subsequently increase the perceived service quality of the service (Parasuraman et al., 1988).

#### **4.1.2 Facilitating Supplementary Services and Muslims**

Reliable and accurate information should be provided to Muslim consumers and in a manner that is free from temptation (Alserhan, 2016). Together with order-taking, billing, and payments, these processes must be done using methods which are permissible according to Islamic law, particularly Islamic finance. This is highlighted in Fig. 3.

An Islamic scholar or auditor may be engaged to ensure that the facilitating supplementary services which have been set up adhere to the regulations under the Islamic law. On the research front, scholars need keep up to date with rapidly



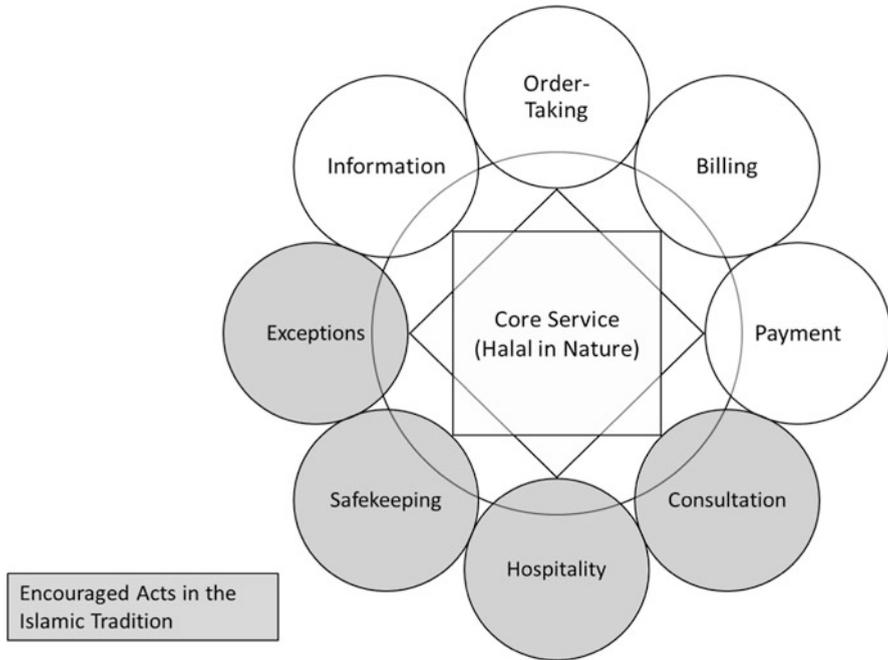
**Fig. 3** Role of performing facilitating supplementary services in accordance with Islamic law in flower of service

emerging technologies (e.g., artificial intelligence, bitcoin, blockchain) which can affect the way in which facilitating supplementary services are performed and assess the impact of these innovation on Halal services.

### 4.1.3 Enhancing Supplementary Services and Muslims

It is praiseworthy in the Islamic tradition to consult one another, to honor customers as guests and be hospitable towards them (Alserhan, 2016), to take care of each other’s rights including possessions, and to give special assistance to those in need. These are desired attributes as indicated in the Quran and by Prophet Muhammad:

- Consultation: “who respond to their Lord, establish prayer, conduct their affairs by mutual consultation, and donate from what We have provided for them” (Quran 42:38).
- Hospitality: “He who believes in Allah and the Last Day, let him show hospitality to his guest. . .” (Prophet Muhammad).
- Safekeeping: “Indeed, Allah commands you to return trusts to their rightful owners. . .” (Quran 4:58).



**Fig. 4** Encouraged acts in Islam and enhancing supplementary services in flower of service

- Exceptions: “. . .And whoever helps ease a difficulty in the world, Allah will grant him ease from a difficulty in the world and in the Hereafter. . .” (Prophet Muhammad).

The relevance of enhancing supplementary services being praiseworthy acts in Islam is highlighted in Fig. 4.

The link between the performance of enhancing supplementary services and spiritual rewards has implications. First, Muslim consumers may prefer such enhancing supplementary services due to the inherent goodness contained in these actions. This benefits the service manager as the core service is now being supplemented by services which are sought after by Muslim consumers. Second, Muslim service professionals will look forward to performing these enhancing supplementary services to increase their own spiritual rewards. Thus, the overall value proposition of the service can be strengthened based on the actualization of these enhancing supplementary services by intrinsically motivated Muslim service professionals.

Despite the underlying noteworthiness of these enhancing supplementary services in the Islamic tradition, Halal services have yet to truly optimize these traits as true value propositions; in reality, most global service brands today are non-Muslim. While service managers adopt western standards and practices of hospitality and other enhancing supplementary services to Muslim cultures, research is needed to uncover the novel theories that the Islamic tradition can offer to service marketing in this area.

## 4.2 *Price: Value of Good Deeds*

One of the ways in which consumers evaluate the value of the service is to compare the service benefits against the perceived costs associated with the service. Service managers would aim to minimize the nonmonetary costs such as effort, time, and perceived risks to increase the perceived value of the service. This can translate to higher prices and profits for the service brand. Service managers serving Halal markets should also weigh other intangible benefits such as the perceived spiritual rewards associated with the service when Muslim consumers evaluate the overall value of the service:

$$\text{perceived value of service} = [\text{service benefits} - \text{monetary costs} \\ - \text{nonmonetary costs}] + \text{net spiritual rewards from service}$$

An example of such an evaluation will be the Muslim who decides to bring his family to the movies. Beyond mere entertainment, his conclusion is that the net spiritual rewards from the service, such as the post-service benefit associated with a healthy well-being of the family members, are positive. Therefore, he decides to proceed with the service.

While raising the awareness of the presence of such spiritual rewards in the service seems reasonable, commoditizing and profiteering from the religion are contentious. Thus, such marketing communication messages to consumers need be evaluated to better understand how consumers value such spiritual rewards vis-à-vis the corresponding prices set for such services.

## 4.3 *Place: Halal Service Distribution Considerations*

It is essential for service managers to respond to four key questions—What? How? Where? When?—to create an effective service distribution strategy (Wirtz & Lovelock, 2022). The implications of these questions for Halal markets in service is shown in Table 5.

Service managers must do a thorough analysis based on these four questions before deciding on the distribution of the service. The ability to offer convenience as well as a care for the faith-based needs of Muslim consumers can help the service to gain a competitive advantage in service delivery and consequentially improve its overall performance.

**Table 5** Implications of key service distribution questions for Halal markets

Key service distribution question	Implication for Halal market
What flows through the channel?	<ul style="list-style-type: none"> <li>• Information related to the Halal service must be trustworthy</li> <li>• Negotiations on the service agreement need to consider strong cultural influences which may affect outcome</li> <li>• Conditions of physical facilities used for distribution need to be in accordance with Islamic law</li> </ul>
How should the service reach the customer?	<ul style="list-style-type: none"> <li>• A physical service site is in a more favorable position to welcome Muslim customers if there is a provisioning of Halal food and prayer facilities</li> <li>• An online service site should translate both words and images (i.e., suitable to the norms of the culture) when serving Muslims from different regions</li> <li>• For service providers going to Muslim customers and meeting individuals of the opposite gender, they should attempt to avoid a situation where both are alone at the site</li> <li>• When transacting via intermediaries, it is important to assess if the intermediary has non-Halal associations (e.g., gambling ads, non-Halal digital services)</li> </ul>
Where should the service be delivered?	<ul style="list-style-type: none"> <li>• The site vicinity should be free of non-Halal elements.</li> <li>• While Muslim consumers would appreciate personalization, they do not want to feel unnecessarily segregated from the rest to enjoy the service</li> </ul>
When should the service be delivered?	<ul style="list-style-type: none"> <li>• The service provider should avoid prayer time periods.</li> <li>• The service provider needs to consider changes in lifestyles and schedules during Ramadan</li> </ul>

#### 4.4 Promotion: Touchpoints as Halal Service Ambassadors

Unlike product promotions which rely on the traditional promotional mix such as advertising, direct marketing, personal selling, public relations, and sales promotions, services can also count on their service touchpoints—points in which the service brand is making contact with the customer for service delivery—to promote the service. For Halal markets, this means that the service staff can promote the ways in which the brand caters to the needs of Muslims. In addition, Muslim customers may expect service staff to have a degree of knowledge over the Halal aspects of the service. Examples include:

- Waiters may be asked on the possible Halal food options at the restaurant.
- Hotel receptionists can highlight that prayer rooms are available for Muslim guests.
- Hiring managers can inform Muslim staff on the availability of Halal food in the canteen.
- The Mosque Imam can inform the congregation that special Ramadan services are provided.
- The chatbot recommends to the Muslim traveler a suitable trip itinerary while factoring prayer times.