

***Shari'a* Compliance in Building Identified Islamic Brands**

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Abstract

Shari'a, in its strictest definition, is a divine law, broadly expressed in the *Qur'an* and *Sunnah*. As such, it is related to but different from *fiqh*, which is emphasized as the human interpretation of the law. Every human aspect is under the domain of this guideline, business and marketing is no exceptional. The paper discusses on how *Shari'a* compliance help the Islamic Brands identifiable and increases its reputation. Since brand development is the element that causes most businesses the biggest challenge for creating the company identity, exploring brand marketing concepts in Islamic branding would fine-tune its business model and practices in today's competitive market place. Islam has a set of values which are immensely strong and can identify itself as a strong brand, pose unique image thus build good reputation. This study is an attempt to find out how the compliance of *Shari'a* might contribute to build identified Islamic brands with good image and reputation.

Key Words: Islamic Branding, Shariah, Halal, reputation and Image.

1. Introduction

The topic '***Shari'a* Compliance in building identified Islamic Brands'**, has been selected with the aim of highlighting the creed of Islamic practices for the marketers especially in offering the products to the Muslim *Ummah*. Islam is a world view and an outlook of life. The uniqueness of Islamic culture lies in its values and principles. The strength of Islam lies in its ideals, values and principles leading it to a superior image and good reputation. In *Qur'an* Allah says, "And I did not create jinn & mankind except to worship ('*ibādah*) Me" (51:56). According to this verse, every human activity that is in compliance with the *Sharia* can be termed as '*ibādah*', where marketing and building brands is no different from it. In our search for a new world order today, Islam emphasizes to such a system of life through which human problems could be addressed from different perspective of righteousness and how best it can strive to evolve a just and a humane world order at different levels of existence, individual, national and international. (Maududi, Towards Understanding Islam, 1979)

This study aims to reveal: (1) how does the *Shari'a*-compliant attribute contribute to build the Identity of Islamic brands? ; (2) how does this help to influence in the development of brand's image and reputation. The plan for the article is as follows. Firstly, in the introduction, objectives are highlighted followed by a brief description of the study methodology. Then literature review is then presented. Finally, the article concludes with limitations and suggestions.

2. Methodology of the study:

The study is not quantitative; rather it is mostly based on **secondary** information and some observations. To find out the concept of Islamic branding and *Shariah* compliance, the author consulted available literatures in the relevant field, various publications, Qur'an & Hadith, journals and websites. The study is structured in the light of research objectives in future.

3. Literature Review

3.1 Concept of Branding and Islamic Branding

Typically a brand is defined as a name, term, sign, symbol or design, or a combination of these that identifies the product or service of one seller or group of sellers and differentiates them from those of competitors. (Kotler, 2008, p. 226); Consumers view brand as an important part of a product, and branding can add value to a product (Kotler, 2008). Branding relates to a product's or service's ability to create a relationship with a consumer; typically, via an appealing promise. A summary of the purpose of branding can be found in Walter Landor's prophetic quote of 1964: "Products are built in the factory; brands are created in the mind (Foley, 2010)." Aaker (1996) claimed brand awareness contribute to brand equity by creating memory to recall, forming a sense of familiarity, acting as a signal of trust in the brand and providing basis for one to consider the brand in his consideration set.

Temporal (2011) mentioned that "Islam can be considered as a brand in its own right, with its unique image; and like any global brand, this image is viewed differently by different people." As branding is all about addressing consumer's shared values, wants, and needs; a large segment of the population, i.e. the Muslims, who comprises the shared values, has similar need and wants around the world. (Temporal, 2011) To Muslims, the **brand 'Islam' represents a way of life**; 'Halal' is a global Islamic brand for food; likewise *Ramadan, Hajj, Jihad, Zakat* etc. are also all familiar names with their own brand values and brand experiences. The ritual of hajj is about building brotherhood, and yet in the tussle to complete the prescribed *tawaf*, people will happily elbow their brothers and sisters, walk on their feet, or squash others, leaving themselves and others feeling angry, hostile and horrified. The brand value of hajj – building of brotherhood – is lost to the technicalities of completing the *tawaf*. (Janmohamed, 2010)

Many literatures suggests that religion is a fundamental element of our culture and is linked to many aspects of consumer's life and behavior (Bailey and Sood, 1993; Lupfer and Wald, 1985; Lupfer *et al.*, 1992; McDaniel and Burnett, 1990; Wilkes *et al.*, 1986). Evidence for links between religion and behavior can be found in activities that form part of an individual's daily routines, as well as in those rituals that are rare and unique. Similarly, evidence for the influence of religion on behavior is found in areas such as parental attachment, clothing styles, eating and drinking, the use of cosmetics, social and political views and other behavior (Levin, 1979). Clearly the motives for participating in religious experiences are linked to religion (Gorlow and Schroeder, 1968). Swimberghe *et al.* (2009) argued that consumers' religious beliefs seem to resonate in their consumption choices. If the number of consumers is adequate, the choice of Islamic brands will also be influenced.

3.2 What is *Shari'a* Compliance?

Shari'a, the Arabic word, refers to the laws and way of life prescribed by Allah (SWT) for His servants. It deals with the ideology and faith; behavior and manners; and practical daily matters like marketing. Allah says "To each among you, we have prescribed a law and a clear way" (Qur'an 5:48) It is obligatory for Muslims to consume halal food and use halal products solely because they do not eat and use consumer goods for the sake of pleasure only but also for performing their duties, responsibilities and mission in this world. Since the Islamic Branding is synonymously used as *Shari'a* compliance and the need for Halal offering is of increasing demand, Muslim marketers can position themselves with this ideal to make their brands distinctive.

Practicing Muslims are very much conscious about the view of what is lawful (*halal*) and unlawful (*haram*), which compels them for the consideration of Islamic brands as their choice. Ibn al-Ukhuwwah (1938) remarked that the product of Islamic brands must be lawful and doesn't cause dullness of mind in any form. Thus the ultimate satisfaction is the satisfaction of both mind and body. The spiritual satisfaction of the Muslims could be brought

about by following the *Shariah* guidelines. Use of Islamic products like *hijab* by a Muslim woman identifies herself as a person of belief, which also puts a positive image and good reputation as practicing *Ummah*. Similarly, in service sectors like Islamic Banking, Muslims are aware of interest free banking to practice what they believe-which also create a distinct position as Islamic brands. Not only the Muslims are demanding Islamic brands, there has been rising interest even from non-Muslims towards Islamic products due to the increasing awareness as the *Sharia*-compliant product offers a more secure alternative but also an wholesome offerings that is fair, clean and transparent. Food safety has become a significant factor in producing food and other consumable products. These behaviors identify Islam as unique brand where the gap between belief and behavior is remarkably narrow.

3.3 Shariah Compliance and Islamic Branding

Successful brands are anchored in propositions that are desirable, distinctive, and credible in the target consumer's mind. According to Young (2007), Islamic branding is actually more complex than this, and exists at three levels. At the most exclusive level, overtly Islamic brands place their appeal strictly on *Shariah* principles (e.g. in finance and food sectors). There are brands created by Islamic-rooted organizations informed by Islamic belief but which are pluralist in their appeal (airlines or telecoms would be the examples). Still, there are brands which origin from Islamic countries but which are not specifically religious in character. To do so effectively means harnessing the concepts of branding in each of these categories. So it is just becoming clear, for instance, that *Shariah* compliance in itself is not differentiating. Brand choice requires emotional cues as well. (Young, 2007).

Due to the increasing awareness that the *Sharia*-compliant product offers not only a more secure alternative but also an ethical investment that is fair, clean and transparent ("Non Muslims turn to"). Institutions are not only expected to be competent in fulfilling their commercial functions, but the objectives of *Shari'a* itself requires the brand to uphold its social responsibility in promoting justice and fairness (Dusuki 2008). Islamic branding is not only about *Halal* (permissible) and *Haram* (non-permissible) but it imbues good deeds which are motivated by honest and sincere intention that goes beyond purely commercial branding efforts (Alserhan, 2010).

3.3.1 *Shari'a*-compliant attribute contribute to build the Identity of Islamic brands.

According to the basic source of *Shariah*, i.e. Al-Qur'an and Sunnah, it is seen that Islamic Brands may pose distinctiveness and unique features. "Those who gorge themselves on *usury* behave but as he might behave whom *Satan* has confounded with his touch; for they say, "Buying and selling is but a kind of *usury*" - while Allah has made buying and selling lawful and *usury* unlawful." (2:275). The boundary of *halal* and *haram* is distinct. In Qur'an the boundaries of *halal* and *haram* is clearly mentioned. Prophet (peace be upon Him) has given a guideline concerning *Syubhah* matters. It is reported by Bukhari, Muslim, Abu Daud, IbnMajahand Darimi, as follows: "What is *Halal* is clear. And what is *Haram* is also clear. And in between those two is a dubious area in which many people do not know about. So whoever distanced himself from it, he has acquitted himself (from blame). And those who fall into it, he has fallen into a state of *Haram*." This shows Islamic brands as distinct and identified brands. Thus, *Shari'a* compliance poses unique set of real and/or perceived distinctions attached to a brand by customers. According to another [Hadith](#) in [Sahih Bukhari](#), *Ashura* was already known as a commemorative day during which some *Meccans* used to observe customary fasting. In [hijrah](#) event when Muhammad led his followers to Medina, he found the Jews of that area likewise observing fasts on the day of *Ashura*. At this, Muhammad(sm) affirmed the Islamic claim to the fast, and from then the Muslims have fasted on combinations of two or three consecutive days including the 10th of Muharram (e.g. 9th and 10th or 10th and 11th).

Since Islam is a complete religion, it doesn't require taking anything from others. It should be identified and unique in every aspect. In sura Al- Maidah, Allah says "This day I have perfected your religion for you, completed My favor upon you, and have chosen for you Islam as your religion." [5:3] with this principle, it can be deduced that Islamic brands which are in full *Shari'a* compliance can pose them as identified brands. This provides opportunity for the Muslim marketers to portray their products in a distinctive Islamic branding and uphold their values.

Another major element that identifies brands is **Logo**. For Islamic branding "Halal Logo" is of great significance. Islamic Food and Nutrition Council of America (IFANCA) use the crescent symbol, which signifies "good for Muslims." The *Halal* logo is an authoritative, independent and reliable testimony to support *halal* food claims. It is also found from the study that *Halal* certification has become as popular for domestic products as it has been for exported products which make Islamic brands identifiable. Foods and beverages bearing *halal* certification are

readily accepted by Muslim consumers, as well as customers from other religions, provided it is from a reputable certification organization.

Since Islam has identified code of conducts which is obligatory for all Muslims to follow and so no one can avoid such guideline as long as he/ she is on the right path. Allah says:

“Allah makes clear (His commandments) to you, lest you go astray. And Allah is Knower of every thing.” (4:176)

An effective branding process will create a unique identity that can differentiate the marketer from competition. That is why it's often deemed as the heart of a competitive strategy (Lake, 2010). Thus the *Shari'a*-compliant attribute leads the way of Islamic brands to become distinct and identifiable.

3.3.2 Islamic branding towards increasing image and reputation

According to encyclopedia of Small Business, "Corporate image" was once advertising jargon but is today a common phrase referring to a company's reputation. Management, however, may actively attempt to shape the image by communications, brand selection and promotion, use of symbols, and by publicizing its actions. (Encyclopedia of Small Business, 2007). The major elements of Image are: 1) the core business and financial performance of the company, 2) the reputation and performance of its brands ("brand equity", 3) its reputation for innovation, and so on. (Encyclopedia of Small Business, 2007) Islamic brands are found to be in synergy of these elements. Thus Brand image influences the perception of quality of the products and the additional services, whereas corporate reputation actions beyond brand image, estimating the customer value and customer loyalty. (Woodside, 2010)

However, various studies and observations show that, Islamic Branding has been able to created positive image in the Financial sectors with its interest free banking i.e. Halal banking got great popularity and success for their long built image and reputation. Nowadays, Food safety has become a significant factor in producing food and other consumable products. More than 200 food-borne diseases have been detected and this figure is very alarming if producers and manufacturers are not aware of the rising numbers. Guidelines and requirements on the food safety are developed around the world to accommodate to this issue. The food safety aspect is the number one priority (HDC-Global Halal Support Centre, 2010). This shows the increasing drift of image and reputation of Islamic brands.

As Muslim countries develop, there is an expressed need to develop and market their own brands to the rest of the world enhancing their image. Additionally, there is massive interest amongst non-Muslim companies how to enter and penetrate this global market, which spans many industries- including finance, food and beverage, cosmetics, healthcare, pharmaceuticals, logistics, tourism, fashion, and others (Nestorovic, 2007).

4. Islamic Brands for Welfare of Society

Today the advanced world with diverse choices of goods and services, Muslims in the 21st century face a host of modern-day Halal issues. The Muslim Marketers / the Marketers targeting Muslims must consider a role to play in quelling the Muslim consumer's confusion when it comes to purchasing Shariah-compliant foods/services as well as increasing awareness and distinguishing between Halal, Haram. Islamic branding can create a new move to this issue. From the brand equity model of Brandt and Johnson, it is clear that if the awareness of *Halal* and *Haram* increases, the equity of Islamic brands will also be influenced. In a society where people's religious belief is stronger, the Islamic brand equity also gets stronger. Brand awareness could be synonymously termed as Shariah awareness i.e. knowledge of *halal* and *haram*. From our study it has been found that the more the Shari'a awareness in a certain market, the more will be its compliance identifiable.

Since the Islamic perspective incorporates moral and transcendental elements within the production decision-making process in product development of Islamic brands, and is guided by the principles of Islamic business ethics, it has an increased image worldwide. Due to the highest importance given to the actualization of the optimum welfare of a human being and society, the Islamic approach emphasizes production process to be guided by the criteria of value and the impact of the product upon the whole society. Several study suggests that, not only the Muslims, Islamic Brands like *Halal* products are of increasing demand to Non- Muslims as well because of its safety and proven benefit.

5. Summing Up

Strong brands are invaluable as the competition intensifies day by day, making it the ultimate source of promise to the consumer. Islamic brands place their appeal strictly on *Shari'a* principles. There are many brands created by Islamic-rooted organizations well-versed by Islamic belief. The specific boundaries of Islamic regulations create unique positioning thereby helping them to build strong image and reputation to stand out in the competitive market. The universal values promoted by *Shari'a* principles namely trustworthiness, honesty, certainty, fairness and transparency leverages the essence of Islamic brands. Thus *Shari'a*-compliant attribute is unique for Islamic brands which positively influence customers' perceptions on the credibility and benevolence of the brand upholding its identity.

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