

Management for Professionals

Čedomir Nestorović

Islamic Marketing

Understanding the Socio-Economic,
Cultural, and Politico-Legal Environment



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Foreword

Islamic Marketing, Some Thoughts

‘Businessmen have learned to originate and initiate in the marketplaces of the world. They are committed to overcoming new problems, as they attempt to bring consumers everywhere the goods and services they need or demand. This commitment of international business, of world traders headquartered on all the continents, calls for an open interchange of goods, services, communications and ideas. *Increasingly this will mean a dynamic force toward world peace*’. [This quote is taken from *Austin*, *Journal of Marketing* 30 (1)]. I like to start my classes on International Marketing with this quote because it demonstrates that marketing can be perceived as a much broader discipline than just providing advice on facilitating business and may even contribute to world peace because much less militant potential emanates from people whose (most important) needs and demands are satisfied than from those who experience shortage of goods or material restrictions. Notably, this quote is taken from a short article on ‘World marketing as a new force for peace’ by *Paul Austin* published in 1966 already (*Austin*, 1966). Given the current political turbulences worldwide, this comment is still very relevant because it indicates the potential of marketing to contribute not only to a wealthier but also to a more peaceful world. (Unfortunately, there also exist exceptions, as we recently experienced terrorist attacks in France, the USA and other Western countries conducted by people having their most important needs and demands satisfied but nevertheless commit atrocities.)

Successful marketing starts by understanding necessities, desires, peculiarities, habits, values, environments, etc., of the target population. This requirement imposes less pressure on managers putting efforts into their home markets than in going international. The intensity, fierceness and diversity of discussions conducted in public media and elsewhere about state of affairs in the Muslim World indicate that an extensive comprehension of Islamic culture is missing widely. Thus, the conjecture is obvious that quite some marketers might also be lacking of such knowledge.

This is where Čedomir Nestorović’s book on ‘Islamic Marketing’ comes into play. Being a leading expert in this field for many years, he provides extensive

knowledge and insights into the diversity of Islamic culture when it comes to marketing issues. This book is the first amongst a series of publications on the topic and concentrates on strategic issues of the marketing environment. In particular, Professor Nestorović elaborates on the economic, social and cultural environment. When reading this book it becomes very obvious that the single expression ‘Islamic consumer’ falls short in describing the inherent diversity. What is frequently overlooked is that it does not suffice in approaching this term from merely a geographic, religious or demographic point of view. Islamic consumers are concentrated worldwide, spanning considerable parts of Africa, Turkey, the Arabian Peninsula, the Middle East, South Asia and Indonesia with different languages and local traditions; Islam is by no means a homogeneous religion but rather faces a fierce competition between different religious currents; whereas disposable income of the majority of Islamic consumers is clearly below average (when compared to industrialised economies), there are also extremely wealthy people living in these areas, and moreover, there is a constantly growing Islamic population in Western countries.

Three parts are included in this volume. Chapter 1 details on the economic environment and provides amongst others economic and demographic indicators. Chapter 2 turns towards the social and cultural environment and explains the consequences which result from the different religious currents on consumer behavior. Chapter 3 is slightly compact and provides information about the political and the legal environment. The book is neither a textbook nor a typical ‘Marketing’ book because it refrains from colored pictures or photographs. It does contain, however, interesting illustration providing recent facts and real-world marketing cases offering more intuitive insights. From my perspective, the typical reader of ‘Islamic Marketing’ should be a manager preparing business activities with Islamic customers, academics who want to get further insights for teaching classes on, e.g., International Marketing or a general audience who just want to learn more and gain understanding about approximately 1.6 billion people on our planet. I affirm for my case that I definitively learned a lot when studying the manuscript and I am eager to see future publications stemming from this work. In the spirit of my introductory comment, all readers might thereby make a small step towards a more peaceful world.

Vienna, Austria
Spring 2016

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Reference

Austin, J. P. (1966). World marketing as a new force for peace. *Journal of Marketing*, 30(1), 1–3.

Preface

Marketers today routinely scrutinise, analyse and consider elements of culture when they want to establish a physical presence in another country or launch a concept or a product overseas. However, this is a relatively new phenomenon because Western companies used to enjoy superiority not only in products but also in managerial techniques. Due to this superiority, they tended to adopt an imperialistic attitude and impose their practices in all other countries where they sought to do business. In terms of marketing concepts, it was the reign of standardisation as opposed to adaptation.¹ The Barbie doll, for instance, was supposed to be the global standard of beauty while McDonald's symbolised the American way of life everyone should adopt the world over, Muslim countries included.² Only recently have Muslim entrepreneurs and institutions started to challenge the domination of the Barbie doll in a Muslim world, but a fast-food giant that rivals McDonald's is still very much in limbo.³

In today's multipolar world, many countries are very assertive when it comes to defending their cultural foundations. Where Western domination in marketing was acceptable a few decades ago, this is no longer the case today, especially with soft skills such as understanding the cultural environment becoming more and more important.

Religion is traditionally considered to be an immutable element of the cultural environment. As such, companies are forced to adapt their offer and marketing practices to religious characteristics in a given country, especially if the products are sensitive to the religious environment. As a result, religion is sometimes viewed as a limiting factor as it restricts the use of some products and services. But it can also be viewed positively as indicated by the Religious Freedom and Business Foundation. The foundation states that 'there is a positive relationship between

¹ C.K. Prahalad and Kenneth Lieberthal, 'The End of Corporate Imperialism' in *Harvard Business Review*, Aug. 2003, pp. 109–117.

² Seth Sieghel, "Sell the West as a Brand" in *Brandweek*, 6 October 2002.

³ See A. Budiyo, "Playing with Piety: The phenomenon of Indonesia Muslim Doll" in *Explorations, a graduate student journal of southeast asian studies*, Vol. 9, (Spr. 2009) pp. 3–14; and Anne Meneley, 'Fashions and Fundamentalisms in Fin-de-Siècle Yemen: Chador Barbie and Islamic Socs' in *Cultural Anthropology*, Vol. 22, N°2, (2007), pp. 214–243.

religious freedom and 10 of the 12 pillars of global competitiveness, as measured by the World Economic Forum's Global Competitiveness Index'.⁴ This means that religion is not necessarily a constraint in business; it can be an opportunity too.

There is very little literature that centres on the relationship between international management and religion. Existing literature mostly deals with religion and economics, beginning with the classical works from Weber⁵ up to more recent studies by Attali⁶ or Barro and McCleary⁷ and Cristobal Young.⁸ The link between Max Weber and religion has long been a fertile ground for sociologists who sought to demonstrate similarities between protestant and Islamic ethics. However, these works either do not refer to international management and marketing or, if they do, put emphasis mainly on Christian denominations and economic performance. Cases in point include the book by Bruno Dyck, *Management and the Gospel*,⁹ and the article by Gary Hamel titled 'Organized Religion's Management Problem'.¹⁰

Alternatively, there are works on specific elements of business such as risk management and religion by Read and Taleb,¹¹ environmental management by Gene Anderson,¹² entrepreneurship and religion¹³ and corporate governance in Islam.¹⁴ In the case of entrepreneurship, a study of Saudi entrepreneurs shows

⁴ See: <http://religiousfreedomandbusiness.org> and 'The faith factor in emerging markets', *The Straits Times*, 24th January, 2015.

⁵ Max Weber, *The Protestant Ethic and the Spirit of Capitalism* (revised 1920 edition), Oxford University Press, 2010, 448 pages. See also: Toby Huff and Wolfgang Schluchter ed., *Max Weber and Islam*, Transaction, New Brunswick, 1999, 332 pages.

⁶ Jacques Attali, *The Economic History of the Jewish People*, ESKA publishing, 2010, 500 pages.

⁷ Robert Barro and Rachel McCleary, "Religion and Economic Growth across Countries." *American Sociological Review* Vol. 68, N°5, (2003), pp. 760–781 and 'Religion and Economy' in *The Journal of Economic Perspectives*, Vol. 20, N° 2 (Spr., 2006), pp. 49–72.

⁸ Cristobal Young, 'Model Uncertainty in Sociological Research: An Application to Religion and Economic Growth' in *American Sociological Review*, Vol. 74, N°3, (Jun. 2009), pp: 380–397.

⁹ Bruno Dyck, *Management and the Gospel: Luke's Radical Message for the First and Twenty-First Centuries*, Palgrave Macmillan, 2013, 320 pages.

¹⁰ Gary Hamel, 'Organized Religions' Management Problem' in *The Wall Street Journal*, August 21st, 2009.

¹¹ Rupert Read and Nassim Taleb, "Religion, Heuristics and Intergenerational Risk Management" in *Econ Journal Watch*, Vol. 11, N°2, (May 2014), pp. 219–226.

¹² Gene N. Anderson, "Religion in Conservation and Management: A Durkheimian View" in *Journal for the Study of Religion, Nature and Culture*, Vol. 6, No 4 (Dec. 2012), pp. 398–420 and Rania Kamla, Sonja Gallhofer and Jim Haslam, 'Islam, Nature and accounting: Islamic principles and the notion of accounting for the environment' *Accounting Forum*, Vol. 30, N° 3 (Sep. 2006), pp. 245–265.

¹³ Léo-Paul Dana (editor), *Entrepreneurship and Religion*, Edward Elgar Publishing, 2010, 311 pages and Filippo Osella and Caroline Osella, 'Muslim Entrepreneurs and Public Life between India and the Gulf: Making Good and doing Good' *The Journal of the Royal Anthropological Institute*, Vol. 15, Issue supplement: Islam, Politics, Anthropology (May 2009), pp. 202–221.

¹⁴ Abdussalam Mahmoud Abu-Tapanjeh 'Corporate governance from the Islamic perspective: A Comparative Analysis with OECD principles', *Critical Perspectives on Accounting*, Vol. 20, N°5 (Jul. 2009), pp. 556–567.

that this demographic perceives themselves to be committed Muslims who consider entrepreneurship a religious and economic duty intended to generate *halal* (lawful) income to meet their financial obligations and to contribute to the *falah* (well-being) of the Muslim *Ummah* (nation) in this life and hereafter.¹⁵ Islam is also analysed differently from the Western point of view in Human Resources, either as a separate field of study or as part of a broader analysis in Africa, as illustrated in the article on *Ubuntu* (harmony) and *Ummah* (Muslim community).¹⁶ There is abundant literature on how to manage religious organisations, especially Christian churches. These books, including Malcolm Torry's two volumes on managing religions,¹⁷ usually come from the UK and the USA, where the number of Christian denominations is the greatest.

Academic journals or interest groups try to fill the gap with research papers such as the Management, Spirituality and Religion Interest Group of the *Academy of Management*¹⁸ or the *Journal of Management, Spirituality and Religion*, edited by Taylor and Francis.¹⁹ Some universities also offer dual degrees on religion and management such as Yale Divinity School's Joint Degree in Religion and Management²⁰ or the Boston College's Dual Degree in Business Administration/Pastoral Ministry.²¹

On the other hand, writers who are clearly engaged in intercultural or cross-cultural management, such as E.T. Hall,²² Hofstede et al.²³ or Usunier and Lee,²⁴ do not specifically address religion. And when they do, they adopt a conventional assumption that religion as part of an international cultural environment is static and has a low propensity to change. Consequently, they consider that companies cannot change the religion in one country and have to adapt their offer and marketing practices to religious conditions. Only recently have religion and marketing been researched, with Usunier and Stolz editing a book about religions and

¹⁵ Rasem Kayed and Kabir Hassan, 'Islamic Entrepreneurship: The Case of Saudi Arabia' in *Journal of Development Entrepreneurship*, Vol. 15, N°4, (Dec. 2010), pp. 379–413.

¹⁶ David Weir, Mzamo Mangaliso, Nomazengele Mangaliso, 'Some Implications of the Inter-Cultural Approach to International Human Resource Management: Ubuntu and Ummah', *Academy of Management Annual Meeting Proceedings* (2010), pp.1–6.

¹⁷ Malcolm Torry, *Managing Religion: The Management of Christian religious and Faith Based Organizations*, Volume 1 *Internal Relationships*, 304 pages and Volume 2 *External relationships*, 294 pages published by Pelgrave MacMillan in 2014, London.

¹⁸ <http://group.aomonline.org/msr>

¹⁹ <http://www.tandfonline.com/toc/rmsr20/current#.VJz82sCA>

²⁰ <http://divinity.yale.edu/admissions/joint-degree-religion-management>

²¹ <http://www.bc.edu/schools/stm/acadprog/academicprograms/stmdegree/dual/ma-mba.html>

²² Edward T. Hall, *Beyond Culture*, Anchor Books, 1976, 320 pages and *The Hidden Dimension*, Anchor Books, 1990, 240 pages.

²³ Geert Hofstede, Gert Jan Hofstede and Michael Minkov, *Cultures and Organizations: The Software of Mind*, 3rd edition, Mc-Graw Hill, 2010, 576 pages.

²⁴ Jean-Claude Usunier and Julie Ann Lee, *Marketing across cultures* (6th edition), Prentice Hall, 2013, 496 pages.

brands in 2014.²⁵ A litmus test for propensity or resistance to change is the introduction of an alien element in a given culture. An indicative example is the situation in Northern Pakistan and Kashmir following the devastating earthquake in October 2005. As foreign aid poured into the region, foreign NGOs sent their own staff to help the local population. The biggest challenge they faced was to abide by their own organisational culture and protect their staff and gender equality in a region where the local population had a different concept of gender roles and asked for more sensitivity towards their own culture. In fact, the most resistance from the local population was against locals working for international NGOs because they were supposed to be the interpreters of local culture.²⁶ In this case, the usual dichotomy between ‘locals’ and ‘foreigners’ or ‘nationals’ and ‘internationals’ is not relevant as the misunderstanding is between ‘locals’ and ‘locals’. This is a useful insight for marketers operating in a foreign country. While it is often believed that ‘local’ staff will automatically receive better reception, this case demonstrates that foreign staff might be better accepted than the local population.

Authors working on international marketing or global marketing such as Marieke de Mooij,²⁷ Keegan and Green,²⁸ Svend Hollensen,²⁹ Kotabe and Helsen,³⁰ Ghauri and Cateora,³¹ Czinkota and Ronkainen,³² Terpstra, Foley and Sarathy³³ adopt the same cautious and conventional view as authors dealing with intercultural or cross-cultural management.

Having explored how authors treat generic subjects (religion as a global phenomenon, international and global marketing covering the world), we will now narrow the analysis to Islam and examine the relationship between Islam and economics on one end and Islam and marketing on the other.

The relationship between Islam and economics is a controversial subject because it very often leads to the concept of Islamic Economy, which has more to do with a political agenda than with economic realities. In his book *Islam and Mammon: the*

²⁵ Jean-Claude Usunier and Jorg Stolz, ed., *Religions as Brands, New Perspectives on the Marketization of Religion and Spirituality*, Ashgate, 2014, 281 pages.

²⁶ Andrew Wilder and Tim Morris, ‘Locals within Locals’: Cultural Sensitivity in Disaster Aid’ in *Anthropology Today*, Vol. 24, No. 3 (Jun., 2008), pp. 1–3.

²⁷ Marieke de Mooij, *Global Marketing and Advertising: Understanding Cultural Paradoxes*, Sage, 2013, 416 pages.

²⁸ Warren J. Keegan and Mark C. Green, *Global Marketing* (8th edition), Prentice Hall, 2014, 608 pages.

²⁹ Svend Hollensen *Global Marketing* (6th edition), Prentice Hall, 2013, 840 pages.

³⁰ Masaaki Kotabe and Kristiaan Helsen, *Global Marketing Management* (6th edition), Wiley, 2014, 696 pages.

³¹ Pervez Ghauri and Philip Cateora, *International Marketing* (4th edition), McGraw-Hill, 2014, 682 pages.

³² Michael R. Czinkota and Ilkka A. Ronkainen *International Marketing* (10th edition), Cengage Learning, 2012, 720 pages.

³³ Vern Terpstra, James Foley and Ravi Sarathy, *International Marketing* (10th edition), Naper Publishing Group, 2012, 518 pages.

Economic Predicaments of Islamism,³⁴ Timur Kuran emphasises the use of economic rhetoric to build an Islamic state, while Abbas Ali's book *Islamic Perspectives on Management and Organizations*³⁵ discusses how Islam influences management practices and organisations. Finally, Patrick Haenni's book *Islam de marche, l'autre révolution conservatrice* (French edition only)³⁶ explores the new trends of Islamic consumerism in Western countries. But again, there is no relationship between religion and marketing as the emphasis is being put on either economics or organisational behaviour. The closest to discussing Islam and marketing is the book by Patrick Haenni.

In fact, the only specific references to Islam and marketing were in an article from the 1980s by Luqmani, Quraeshi and Delene, which was published by the Michigan State University's *MSU Business Topics*.³⁷ It was only two decades later that similar articles by Gillian Rice and Saeed, Ahmed and Mukhtar were published by Springer in the *Journal of Business Ethics*.³⁸ A few articles followed these early publications, such as the article by Rice and Al-Mossawi³⁹ in 2002 and a remarkable special issue of the *Revue Française de Gestion* in 2007 on the same subject.⁴⁰ The latest article linking Islamic ethics and marketing, with an emphasis on the challenges ahead, was published by Abbas Ali and Abdulrahman Al-Aali in 2015.⁴¹

The real boom, as far as the corporate world is concerned, started in the first decade of the twentieth century with the inception of the World Halal Forum in Kuala Lumpur in 2006. This event was the biggest gathering of *halal* specialists worldwide. It was an eye-opener for many companies, including those in consulting, which started to see the Muslim market as a very promising one. AT Kearney

³⁴ Timur Kuran, *Islam and Mammon, the Economic Predicaments of Islamism*, Princeton University Press, 2005, 224 pages. The rhetoric on Islamic economy is very often viewed by observers in Western countries as a utopia which cannot be achieved, especially because the conditions today do not match the conditions of the Islamic Golden Age. See also Sohrab Behdad, 'A Disputed Utopia: Islamic Economics in Revolutionary Iran' in *Comparative Studies in Society and History*, Vol. 36, No. 4 (Oct., 1994), pp. 775–813.

³⁵ Abbas Ali, *Islamic Perspectives on Management and Organizations*, Edward Elgar Publishing, 2005, 260 pages.

³⁶ Patrick Haenni, *Islam de marche, l'autre révolution conservatrice*, Seuil, 2005, 110 pages.

³⁷ Mushtaq Luqmani, Zahir A. Qurqeshi and Linda Delene 'Marketing in Islamic Countries: A Viewpoint' *MSU Business Topics* (Sum. 1980), pp. 20–21.

³⁸ Gillian Rice 'Islamic Ethics and the Implications for Business', *Journal of Business Ethics*, Vol. 18 N°4 (Feb. 1999), pp. 345–358; and Mohammad Saeed, Zafar Ahmed and Syeda-Masooda Mukhtar, 'International marketing ethics from an Islamic perspective: a value-maximization approach. *Journal of Business Ethics*, Vol. 32, N°2, (Jul. 2001), pp. 127–142.

³⁹ Gillian Rice and Mohammed Al-Mossawi 'The Implications of Islam for Advertising Messages: The Middle Eastern Context' in *Journal of Euromarketing*, Vol. 11, N°3, (2002), pp. 71–97.

⁴⁰ Bernard Pras and Catherine Vaudour-Lagrâce 'Marketing et Islam, des principes forts et un environnement complexe' in *Revue Française de Gestion*, N°171/2007 pp: 195–223.

⁴¹ Abbas Ali and Abdulrahman Al-Aali, 'Marketing and Ethics: What Islamic Ethics Have Contributed and the Challenges Ahead', *Journal of Business Ethics*. Vol. 129 N° 4 (Jul. 2015), pp. 833–845.

was the first to open the market with a report titled ‘Addressing the Muslim Market, Can You Afford Not To?’. Released in 2007, it addressed not only the main advantages (growing number of consumers and purchasing power) but also some *Shariah* issues.⁴² This first report was followed by a short article by JWT (one of the leading advertising agencies under WPP) titled ‘Understanding the Muslim Consumer’ in 2009. In this report, JWT introduced the segmentation of Muslim consumers into several groups (the Religious Conservatives, the New Age Muslims, the Societal Conformists, the Pragmatic Strivers and the Liberals).⁴³ Ogilvy and Mather (another subsidiary of WPP) launched a specific branch, *Ogilvynoor*, to cater to Muslim consumers and published a report titled ‘Brands, Islam and the New Muslim Consumer’ in 2010.⁴⁴ In the same year, the agency also signed an agreement with the University of Oxford’s Said Business School to help promote the concept of Islamic Branding in the UK and globally. *Ogilvynoor* also developed its own Muslim Consumer Segmentation, dividing the population into six groups: the Synthesisers, the Movers and the Identifiers (part of a bigger group called the Futurists) and the Connected, the Grounded and the Immaculate (part of the Traditionalists). Other reports followed, with one of the most recent coming from the USA where the American Muslim Consumer Consortium teamed up with DinarStandard to launch the American Muslim Market Study 2014/2015, highlighting the US\$98 billion in disposable income Muslims enjoy in the USA.⁴⁵

My first book *Marketing in an Islamic Environment* (Nestorović, 2007)⁴⁶ was followed by three more books on the subject, all of which are considered leading literature today. In 2011, Paul Temporal penned his book⁴⁷ and was instrumental in organising the first Islamic Marketing and Branding Forum at the University of Oxford’s Said Business School. The second book was authored by Baker Ahmed Alserhan in 2011.⁴⁸ Alserhan was the organiser of the First Global Islamic Marketing Conference (GIMC), held in Abu Dhabi in 2009. Every year, a new conference is conducted and, so far, conferences have been held in the UAE, Turkey, Qatar and Malaysia. The third book, a collection of 24 authored chapters from scholars from all over the world, was edited by Ozlem Sindikci and Gillian Rice in 2013.⁴⁹

⁴² The report is not available on AT Kearney’s site any more but it can be downloaded from <http://imaratconsultants.com/wp-content/uploads/2012/10/Addressing-Muslim-Market.pdf>

⁴³ <http://www.wpp.com/wpp/marketing/marketing/understanding-the-islamic-consumer/>

⁴⁴ www.ogilvynoor.com and ‘Winning over the Muslim consumer’, *The Business Times*, 13–14th April, 2013.

⁴⁵ http://www.dinarstandard.com/wp-content/uploads/2015/03/Amercan_Muslim_Executive-Summary-2014_DinarStandard.pdf

⁴⁶ Čedomir Nestorović, *Marketing in an Islamic Environment*, CEMM Editions, Paris, 2007, 235 pages.

⁴⁷ Paul Temporal, *Islamic Branding and Marketing*, Wiley, 2011, 256 pages.

⁴⁸ Baker Ahmed Alserhan, *The Principles of Islamic Marketing*, Gower, 2011, 220 pages.

⁴⁹ Ozlem Sindikci and Gillian Rice (editors), *Handbook of Islamic Marketing*, Edward Elgar Publishing, 2013, 544 pages.

As far as academic conferences are concerned, numbers have increased since the first GMIC organised in 2009 in Abu Dhabi. The University of Malaya initiated two Islamic Marketing and Branding Conferences (IMBC), the first of which was held in Malaysia in 2010 and the second in the UK in 2012. There are also countless colloquia and conferences on Islamic Finance (mainly professional), but the number of meetings devoted to Islamic Marketing is relatively small.

An empirical study on publications in 46 top journals in management and marketing over the past 23 years (1990–2013) covering Iran, Israel and Turkey has shown that the Arab world and Islamic business have not received much attention in the top business journals. This is evidenced by the limited number of articles. According to authors, no papers were published in many of the top management journals such as the *Academy of Management Review* and *Strategic Management Journal* and only a few appeared in the *Academy of Management Journal*, the *Administrative Science Quarterly*, the *Journal of Management* and the *Journal of Management Studies*. There were also no papers published in some of the top marketing journals such as the *Journal of Marketing Research*, *Journal of Consumer Psychology and Marketing Science*. Only one paper has been published in the *Journal of Marketing* and one in the *Journal of Retailing*.⁵⁰

Two academic journals deal directly with this topic, the first one being the *Journal of Islamic Marketing*,⁵¹ which was launched by Emerald in 2010, and the second being the *International Journal of Islamic Marketing and Branding*, launched in 2015 by Inderscience Publishers.⁵² While there are several other reports, scholars interested in this topic have also explored the possibility of publishing their work in other journals such as the *Journal of Islamic Accounting and Business Research*⁵³; the *Journal of King Abdul Aziz University* from Riyadh, which specialises in Islamic Economics⁵⁴; the *Islamic Economies Studies Journal*⁵⁵ published by the Islamic Research and Training Institute, a unit of the Islamic Development Bank in Jeddah; or the *Journal of Islamic Economics, Banking and Finance*,⁵⁶ published by the Islamic Bank Training and Research Academy in Bangladesh, among others. Though the number of scholars interested in Islamic Marketing was very low a decade ago, today, a great number of universities and business schools, not just in the Muslim world but also in Western countries, run

⁵⁰ Morris Kalliny and Mamoun Benmamoun, 'Arab and Middle Eastern business research: a review of the empirical literature (1990–2013)', *Multinational Business Review*, Vol. 22, N° 4 (2014), pp. 442–459.

⁵¹ www.emeraldinsight.com/journal/jima

⁵² <http://www.emeraldinsight.com/journal/jima> and <http://www.inderscience.com/jhome.php?jcode=ijimb#issue>

⁵³ <http://www.emeraldgroupublishing.com/products/journals/journals.htm?id=jiabr>

⁵⁴ <http://iei.kau.edu.sa/Pages-E-JKAU-IEHome.aspx>

⁵⁵ <http://www.irti.org/English/Pages/Publications.aspx>

⁵⁶ http://ibtra.com/journal_index.html

programmes on Islamic Finance, Islamic Marketing and Management as well as *halal* food management.

The main reason why there was no prolific literature about Islamic marketing just a decade ago is that the Muslim world was considered to be lagging behind the West and, to some extent, did not fully enter the globalised market that we know today. Many economists believe that if Islam represents about 23 % of the world's population and accounts for only 8.6 % of the world's GDP as stated by the Islamic Development Bank,⁵⁷ it means that Islam as a religion has a problem with economics. After building the most promising civilisation in the tenth century (The Golden Age of Islam from the eighth to thirteenth centuries), Islam missed out on modern economic development and therefore lags behind Western countries.⁵⁸ This golden age of Islam, spanning from India to Spain, is a common cornerstone for all Muslims worldwide. Even if very few Muslims from Asia have been to Spain, the image of Cordova and Andalus is something they all have in mind and to such an extent that companies focusing on Islamic teaching use the name of Cordova and Andalus. The reference is made even clearer on websites such as www.cordova.com.sg and www.andalus.sg.

It is, however, difficult to differentiate Muslim countries from other countries, according to Daniel Cohen, a French economist. It makes more sense to him to compare Islamic countries with their neighbours (non-Islamic countries in Africa and Asia) sharing the same environment than to compare them to Western countries. Within this context, the performance of Islamic countries is roughly the same as that of their neighbours and there is no gap between Islamic countries and other countries with a similar environment.⁵⁹

According to some American writers, the main reason why Islamic countries do not perform economically is the lack of political and economic liberalisation and democracy. As long as Islamic countries do not have economic liberalisation and democracy, they will always be behind Western countries' economic accomplishments.⁶⁰ But other explanations exist as well. According to Timur Kuran, the main problem is the family law in Islam, which tends to distribute wealth to all members of the family while other religions can clearly have a discriminated allocation of resources and concentration of capital necessary for large investments.⁶¹ On another note, sociologist Peter Berger points out that,

⁵⁷ 'Key Socio-Economic Indicators on IDB member countries 2013' in *Statistical Monograph, IDB 33*, May 2013.

⁵⁸ In an interview with *Daily Express* in London, the Prime Minister of Pakistan, Nawaz Sharif, uses data from the Islamic Development Bank to complain about the low economic performance of Muslim countries. 'Muslim Economies are falling behind the rest of the World', *Daily Express*, Oct 29, 2013.

⁵⁹ Daniel Cohen, 'Y-a-t-il une malédiction économique islamique?', *Le Monde*, 6th November, 2001.

⁶⁰ David Hale 'Bring the Muslim World into the Global Economy' in *The Wall Street Journal* 5 September 2006.

⁶¹ Timur Kuran, *The Long Divergence: How Islamic Law Held Back the Middle East*, Princeton University Press, 2010, 424 pages.

historically, the subservient role of women in Muslim nations is a source of economic drag. According to him, isolating half of the population's talent from productive activity is bad enough. What makes matters worse is leaving women uneducated when mothers play an instrumental role in the intellectual development of children.⁶² While this used to be the case in the past, it certainly is not the case today as the majority of students in a large number of Islamic countries are female. Finally, part of the explanation can be attributed to religious practices, such as Ramadan as a longer Ramadan fasting period has a negative effect on output in Islamic countries.⁶³

'Calvinist Islam' and *Islam Hadhari*

Faced with the negative outlook about economies in the Muslim world, a certain number of initiatives have arisen with the aim of proving that Islam does not necessarily imply poor economic performance. To achieve this, the reason for insufficient economic performance has to be identified first. During the sixth Congress of Indonesian Muslims in 2015, members of the Council of *Shariah* Scholars observed that out of 100 poor Indonesians, 90 of them are Muslim, and out of 100 wealthy people, only 10–12 are Muslim. According to participants, this is due to the lack of Muslims' spirit in economic matters, and clerics are to blame for the imbalance because they do not emphasise the persistence of the Prophet Muhammad and his companions in doing business.⁶⁴ This is exactly what preachers in the Muslim world try to achieve today. They highlight the merchant past of the Prophet and the fact that Islam has nothing against profits and prosperity as long as they are from licit sources. According to the apologetics of Islamic ethics, Islam and Puritanism (in the sense of Protestant puritanism) produce the same set of norms: asceticism, activism and responsibility.⁶⁵ They go on to explain that there is no reason to lag behind Western countries and it is possible for Islam to shine again as

⁶² Refer to his interview in *Forbes* 29 May 2013 'Is Religion an Essential Driver of Economic Growth?'

⁶³ See Felipe Campante and David Yanagizawa-Drott, 'Does Religion Affect Economic Growth and Happiness? Evidence from Ramadan', *Harvard Kennedy School Paper*, September 2013. The paper can be accessed on: <http://www.hks.harvard.edu/fs/fcampan/Papers/Ramadan.pdf>

⁶⁴ 'Congress discusses Islam's role in Indonesian development', *The Jakarta Post*, October 10th, 2015.

⁶⁵ Bryan Turner, 'Islam, Capitalism and the Weber Theses', *The British Journal of Sociology*, Vol. 25, N°2 (Jun. 1974), pp. 230–243. Traditionally some Muslim groups have been called the Protestants of Islam such as the Mozabites (Ibadi branch of Islam) in Algeria or Memons (Sunni branch of Islam) in Pakistan. On Mozabites see H.J.B. Atkins, 'The French North African Background: I. Islam', *African Affairs*, Vol. 46, No. 182 (Jan., 1947), pp. 21–29; and for Memons, see Hanna Papanek, 'Pakistan's Big Businessmen: Muslim Separatism, Entrepreneurship, and Partial Modernization', *Economic Development and Cultural Change*, Vol. 21, No. 1 (Oct., 1972), pp. 1–32.

it used to in the past. Two initiatives are worth mentioning: Anatolian Tigers in Turkey and *Islam Hadhari* in Malaysia.

The Anatolian Tigers from Kayseri, Turkey, were in the process of inventing something specialists qualified as ‘Calvinist Islam’ that mixed hardworking attitudes and devout Islamic practices in a secular Turkey.⁶⁶ Kayseri is a town in central Anatolia and is the fourth largest economic zone in Turkey, with more than 3500 companies and 40,000 workers specialising mainly in manufacturing furniture and denim. In 2005, the *European Stability Initiative* from Germany published a landmark report titled ‘Islamic Calvinists—Change and Conservatism in Central Anatolia’, which depicted in detail how the hinterland transformed itself into the most dynamic region in Turkey thanks to a strict respect for Islamic principles. According to the report, many Kayseri businessmen attribute their economic success to their ‘protestant work ethic’.⁶⁷ In a comparative study of British Protestants, Irish Catholics and Muslim Turkish managers, Muslim Turkish managers showed the highest PWE (Protestant Work Ethic), followed by the British Protestants and Catholic Irish.⁶⁸ Following the example in Anatolia, *Musiad* (an Independent Industrialists’ and Businessmen’s Association based in Istanbul), an Islam-oriented business association founded in 1990, actively promotes cooperation with other businessmen in the Muslim world. They regularly proclaim that the prophet Muhammad was a rich businessman and Muslims the world over should follow his example.⁶⁹ After a series of initial enthusiastic meetings, *Musiad* switched gears and is now more oriented towards integration with European markets rather than with the Muslim world.⁷⁰ This is, however, very dependent on the success of Turkish negotiations with the European Union. If Turkey assesses that the European Union is not a viable project in the near future, it would be easy for *Musiad* to revert to the Muslim world.

The second initiative is *Islam Hadhari*, which means ‘Civilisational Islam’. It is a theory of government based on principles from the *Qur’an*. Launched by the first Prime Minister of Malaysia, Tunku Abdul Rahman, it has been actively and widely promoted by the former Prime Ministers of Malaysia Mohatir Mohammed and Ahmed Badawi. This concept states that Islam has nothing against modern businesses and markets and that economic success can be proof of Islam’s superiority over other religions. Mohatir–Badawi’s actions led to an unprecedented move

⁶⁶ Vali Nasr, ‘Turkey’s Supreme Irony: Kayseri’s Business Globalists’, *The Globalist*, June 8, 2010.

⁶⁷ The report is accessible on www.esiweb.org

⁶⁸ M. Arslan, ‘The Work Ethic Values of Protestant British, Catholic Irish and Muslim Turkish Managers’, *Journal of Business Ethics*, Vol. 31, No. 4 (Jun., 2001), pp. 321–339.

⁶⁹ www.musiad.org

⁷⁰ Dilek Yankaya, ‘The Europeanization of MÜSIAD: Political opportunism, Economic Europeanization, Islamic Eurocepticism’, *European Journal of Turkish Studies* [Online], 9 | 2009 and Selçuk Uygur, ‘The Islamic Work Ethic and the Emergence of Turkish SME Owner-Managers’, in *Journal of Business Ethics*, Vol. 88, No. 1, Professional Ethics in Business and Social Life - The Eben 21st Annual Conference in Antalya (Aug., 2009), pp. 211–22.

towards the Islamisation of the economy in Malaysia, especially in Islamic Finance and *Halal* Food. This was met with such great success that Malaysia was often quoted by other countries as an example to follow.⁷¹ This policy, however, polarised the political situation in Malaysia, and today's Prime Minister Najib Razak believes that the country has to focus on inclusiveness and not on polarisation. As such, he promoted the 'One Malaysia' policy, incorporating all communities (Chinese, Indian and Malay) rather than promoting just one.⁷² Through this, Malaysia has marketed itself as the most modern and most innovative country in the Muslim world and continues to do so at every occasion, such as the OIC meeting or the Commonwealth Games.⁷³

But the linking of Muslim religious practices and capitalist ethics has spread to the largest Muslim country, Indonesia, as well. Taking its cue from Malaysia, Indonesia's state-owned companies, government offices and private companies started to explore a pragmatic way of merging Western influences in corporate behaviour and Islamic values into something called 'Market Islam', a similar concept to that of *Islam Hadhari* and Kayseri Tigers.⁷⁴ In other countries, a specific path to Islam linked to national considerations and not to the school of thought has also been taken. For example, Morocco conducted an analysis of Islam and *Moroccan Islam* on management practices in the nation⁷⁵ and Egypt explored the emergence of the Egyptian Business Development Association (EBDA) with links to Muslim Brotherhood.⁷⁶

This book appears 9 years after my first book on Islamic Marketing. During this time, the discipline has transformed tremendously. Islamic marketing is today a vibrant discipline even if some years ago it was only burgeoning. Not only academic production is today shifting from the overall domination of Islamic Finance to other issues such as *halal* food management or *Hajj* and *Ramadan* marketing, it is also involving a much higher number of countries. Malaysia used to be on the forefront of everything associated with Islamic business, but today

⁷¹ Ahmad Fauzi Abdul Hamid and Muhamad Takiyuddin Ismail, *Islamist Conservatism and the demise of Islam Hadhari in Malaysia*, a paper presented at The Eighth International Malaysian Studies Conference (MSC8). Universiti Kebangsaan Malaysia (UKM), 9–11 July 2012.

⁷² Even if the concept of *1 Malaysia* is practically the official doctrine of Malaysia today, the Mohatir-Badawi influence is still felt in the country and the Institute of Islam Hadhari at the Universiti Kebangsaan Malaysia still publishes *Journal Hadhari*, an academic journal on all issues pertaining to Islam Hadhari: <http://www.ukm.my/jhadhari/index.php/en>

⁷³ Janis Van Der Westhuizen, 'Marketing Malaysia as a model modern Muslim state: the significance of the 16th Commonwealth Games' in *Third World Quarterly*, Vol. 25, N°7 (Oct. 2004), pp. 1277–1291.

⁷⁴ Daromir Rudnycky, 'Market Islam in Indonesia' in *The Journal of the Royal Anthropological Institute*, Vol. 15, Islam, Politics, Anthropology (2009), pp. 183–201; James Peacock, *Muslim Puritans: Reformist Psychology in Southeast Asia Islam*, University of California Press, 1978, 288 pages.

⁷⁵ Gillian Forster and John Fenwick, 'The Influence of Islamic Values on Management Practices in Morocco' in *European Management Journal*, Vol. 33, N°2 (Apr. 2015), pp. 143–156.

⁷⁶ 'New voice for Egyptian business', *The Financial Times*, 4th December 2012.

Indonesia is waking up and Thailand has the ambition to become the *halal* kitchen of the World while Dubai is moving from its strategy from logistics and entertainment centre to become the hub of Islamic Economy.

In this book, I will quote many sources and the footnotes may appear heavy from time to time. This is because while there are very few books devoted specifically to Islamic Marketing, only two academic journals relating to the topic and not many articles, many authors refer to Islam when discussing economy, politics, finance, CSR, product management, communication strategy and so on. As such, we are forced to dive into a much larger pool of sources. This is why the number of sources and their eclecticism will be great. But this is not just unique to Islamic Marketing. In an article summarising half a century of marketing ethics, Schlegelmilch and Oberseder analysed up to 58 pertinent academic journals in order to gain a comprehensive view of academic production in the field.⁷⁷ If this occurs in marketing ethics, we can expect an even higher number of journals to deal with all aspects of Islamic Marketing.

Another reason is the diversity of the Muslim world. As Muslims are present all over the world, so our sources come from all parts of the globe. It would be impossible to limit our research only to sources from Arab countries, Iran or Turkey. We cannot ignore Africa, a region representing more than 15 % of the total Muslim population or other countries such as Indonesia or Bangladesh. Thankfully, everything notable is published in English as a result of the globalisation of the academic community. While there is no language barrier, the number of articles and books is tremendous. Twenty years ago, there were no articles on Islamic marketing from Sub-Saharan Africa or Bangladesh. Today, there are vast intellectual literary resources on this subject.

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⁷⁷ Bodo Schlegelmilch and Magdalena Oberseder, 'Half a Century of Marketing Ethics: Shifting Perspectives and Emerging Trends', *Journal of Business Ethics*, Vol. 93, No. 1 (Apr. 2010), pp. 1–19.

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Religion is the core element in all concepts of culture. Some elements of culture are visible and immediately recognised such as art in all of its forms (music, literature, sculpture), dress codes or languages.¹ Religion and beliefs, on the other hand, are hidden elements of culture that pertain to all expressions of culture because religions define antinomies, what is good vs. what is evil, what is decent vs. indecent or moral vs. immoral.² Marketing authors used to borrow very much from the works of sociology and anthropology when it comes to culture and religion.³ This is how some concepts such as the *iceberg principle* and the *onion manifestation of cultural differences* have been heavily used in marketing. Authors such as Hofstede, Usunier or E.T. Hall referred to the hidden elements of culture, of which religion is the most important element. Religion is considered to be a *static element of culture* while art and fashion are considered to be dynamic. *Dynamic elements of culture*⁴ not only change constantly but have consumers actively seeking something new all the time. This is especially true in literature, where consumers snap up the newest novel by Dan Brown, or in fashion, where consumers eagerly purchase a new collection by Karl Lagerfeld. Fashion and art are the elements of culture most open to change.⁵

Religion is considered to be static in the sense that one novel, one movie or one fast-food company cannot change the dominant religion in a given country. This dichotomy between static elements and dynamic elements of culture is especially

¹ Jane Sparrow, 'Demystifying Culture', *Trading Journal*, March 2014, pp 23–26

² Ira Howerth, 'What is religion?', *The International Journal of Ethics*, Vol 13, N°2 (Jan. 1903) pp 185–206 and Frank Sargent Hoffman, 'What is religion?', *The North American Review*, Vol 187, N 627 (Feb. 1908), pp 231–239

³ Leon Goldstein, 'On Defining Culture', *American Anthropologist*, New series, Vol 59, N°6 (Dec. 1957), pp 1075–1081 and Margaret S. Archer, 'The Myth of Cultural Integration', *The British Journal of Sociology*, Vol 36, N°3 (Sep. 1985), pp 333–353

⁴ Ben Halpern, 'The Dynamic Elements of Culture', *Ethics*, Vol 65 N°4 (Jul. 1955), pp 235–49

⁵ Caroline A. Foley, 'Fashion', *The Economic Journal*, Vol 3, N°11 (Sep. 1893), pp 458–474

strong in conservative Muslim countries such as Saudi Arabia, and it is impossible to imagine a Western company trying to change consumer habits, especially if these habits are associated with religion. For instance, a shop cannot be open during prayer time in Riyadh or have male sales associates selling lingerie products to female customers. All companies have adapted to the situation, even if it means having to change their marketing mix, particularly their advertising strategy. However, even in Saudi Arabia, fast-food companies are disrupting the usual concept of meal-sharing and time devoted to lunch or dinner. The availability of American soap operas such as *Grey's Anatomy*, which is miles away from the Saudi concept of male-female relationships in a workplace; the acceptance of Western TV formats such as *American Idol*, coupled with the emergence of the Internet, will have an influence on the religiousness of consumers in these countries.⁶ But while one single drama or talk show cannot change the religion in a country, the accumulation of foreign influences may lead to cultural alteration (intentional or unintentional changes of the prevailing religious environment).

There is much confusion about religions in general and Islam in particular. Words like Islam, Arab, Muslims, Mohammedans and Islamists are often employed inaccurately, which has led to much misunderstanding of Islam. This is also true when it comes to adjectives: Muslim country, Islamic country, Islamic Republic, Islamic state or the main characteristics of Islam such as *Shariah*, *Jihad*, the pillars of Islam, *Fatwa* and so on. If Western countries sometimes show an amazing lack of knowledge about Islam, the same can be said for Muslim countries where misconceptions about secularism, religious tolerance and human rights in the West are the subject of numerous phantasms.⁷

Islam is a religion and the people practising it are called Muslims. The term Arab refers to the population living in the Arabic world (mainly the Middle East and North Africa), even if it also includes countries such as Comoros, Djibouti or Somalia, which are not part of the Middle East or North Africa. Meanwhile, the Middle East encompasses Turkey and Iran, which are not inhabited by Arabs in the majority. In short, the term Arab refers to the population regardless of the religion they profess. Even if the language of the revelation is Arabic, it does not mean that all Arabs are Muslims or that all Muslims are Arabs. A significant number of Arabs practise other religions, especially Christianity in its multiple denominations, because the Middle East is the birth place of Christianity. So we have Copts in Egypt, Chaldo-Assyrians in Iraq, Arab Christians from the Greek Orthodox Church in Israel, Christians in Jordan who make one of the oldest Christian communities in the world, and the various Christian denominations in Lebanon and Syria. Christians in the Middle East used to represent an important part of the intellectual

⁶ Marwan Kraidy, 'Reality Television, Gender, and Authenticity in Saudi Arabia', *Journal of Communication*, Vol. 59, N° 2 (Jun. 2009), pp 345–366

⁷ See the report published by the World Economic Forum '*Islam and the West*' 2008, 156 pages and Hamid Fahmy Zarkasyi *Understanding Islam and the West (reflection for future relationship)* published in 2009 on <http://i-epistemology.net/politics-a-government/844-understanding-islam-and-the-west-reflection-for-future-relationship-.html>

and business life in the region, but recent developments in the area have given rise to an increasing number of emigrants.⁸ This is especially so given the events following the Arab Spring.

The majority of Muslim believers can be found in Asia and this clashes with a certain number of misconceptions fuelled by the fact that Westerners tend to identify Islam with the lands where immigrants come from. In other words, in France, the land of Islam would be North Africa (Algeria precisely), while, in Germany, the land of Islam is either Turkey or Bosnia and, in Sweden, it would be Iran or Somalia. If the majority of Muslims live in Asia, it means that Arabic is not the main language of Islam as it is not the mother tongue of its believers. Chances are, there are more Muslims speaking Bahasa Melayu/*Indonesian* or Bengali than Muslims speaking Arabic. So using Arabic to address the entire Muslim population does not make sense and should not be used by marketers. Even sending congratulations for Ramadan, which is one of the five pillars of Islam, has seen marketers using local languages and not Arabic.⁹

Islam is a relatively young religion as it is the last of the three monotheistic religions of the same origin (after Judaism and Christianity). This is why Islam teaches that the Qur'an is the Final Revelation to Mankind and there will be no other revelations in the future. Islam is a monotheistic religion because it believes in one God called Allah as revealed by a prophet named Mahomet or Muhammad. This is why, in ancient times, Muslims were called Mohammedans or Mahommetans, i.e. the followers of the prophet. Allah has 99 names, all considered by Muslims to be the most beautiful names. These include The All-Compassionate, The All-Merciful or The All-Powerful. Depending on the circumstances, authors will refer to a specific name of Allah for a specific occasion. However, there is ongoing controversy if Christians can use the name Allah as a generic term in books as a synonym for God. According to Mark Beaumont, in the Coptic Church in Egypt as well as churches in Syria, Jordan, Iraq and even Iran, it has always been the practice to call God 'Allah' using the Arabic form. Although the Arabic Bible wasn't fully translated before Islam, it is obvious that people were reading the Gospels using 'Allah'.¹⁰ Despite this, there was a huge row in Malaysia when Christians used the name 'Allah' and, in June 2014, the Federal Court prohibited Christians from using 'Allah'.¹¹

All the principles and beliefs in Islam are based on the *Qur'an*, the summary of Allah's speech as revealed to Muhammad. The *Qur'an* represents one of the two

⁸ See Kenneth Cragg, *Angle of Vision: Christians and the Middle East*, Friendship Press, 1992, New York, 118 pages and Hilal Khashan, 'Arab Christians as Symbol, Disappearing Christians in the Middle East' in *Middle East Quarterly*, Vol. 8, N° 1, (Winter 2001), pp 5–12

⁹ *Selamat Berpuasa* in Bahasa Malay/Indonesia, *Hosgeldin ya sehri ramazan* in Turkey, *Happy Chaand Raat* in Urdu for the Eid celebration and so on.

¹⁰ Interview of Mark Beaumont with Carey Lodge in 'Can We Call God 'Allah'?', *Comment*, 26th June, 2014

¹¹ 'Malaysia's highest court backs the ban on Allah in Christian bibles', *The Guardian*, 23 June 2014

sources of Islam, the other being the *Sunna*, which is the summary of the prophet's acts, behaviour and prescriptions. These two sources form the *Sharia*, the sacred law that Muslims are supposed to observe whatever the secular law of the country. We will discuss the details and consequences of *Sharia* on marketing in the political-legal section of this book.

Islam also represents a culture and a way of life because many prescriptions found in the *Qur'an* or the *Sunna* have a direct impact on behaviour, whether in daily practices such as prayers or lifelong events such as the pilgrimage to Mecca. In that respect, the impact on marketing is extremely strong as some products, services or behaviours are forbidden, compulsory, highly recommended or authorized. However, the dichotomy between *haram* (forbidden) and *halal* (authorised) is not as firm as it may appear, particularly in the food sector, as a grey area called *mushbooh* (doubtful, suspect) exists, and many companies use this opportunity to sell products that are not clearly forbidden.¹²

As for other religions and Churches, Islam is also the scene of fierce competition between different religious currents. The two main branches of Islam are the *Sunni* and the *Shi'a*. But there are also many other sects and movements such as the *Kharaidjites*, *Bektashis*, *Ahmadiyya* and *Ibadis*. *Sunni* believers form the largest group (70%). While the *Shi'a* are the minority, there is a significant sect that represents the majority in countries such as Iran, Iraq, Bahrain and Azerbaijan. They also represent a significant part of the population in countries such as Kuwait, Saudi Arabia, Lebanon, Yemen and Syria. The difference between the two relies on, among other things, the recognition of Muhammad's successor. The *Shi'a* recognise Ali, a family member of the Prophet Muhammad, whereas the *Sunni* consider that any member of the *Ummah* possessing certain qualities and being accepted by the community can endorse the role of the spiritual leader.¹³ Nevertheless, even if divisions are deep within Islam, just as the Christians in the past with the war between Catholics and Protestants and the Orthodoxes and Catholics, there are also large areas of commonality. In short, *Ummah* is a strong concept, in spite of all divisions that may exist.

In this book, we aim to challenge the conventional view that Islam will at any time and at any place have a direct and invariable influence on marketing choices. On the contrary, we will explore the possibilities that marketing and Islam may influence each other.

The first book deals with the environment and is divided into three parts: economic environment, socio-cultural environment and political-legal environment. These are the classic elements for any study of environment, and they are always used in the same sequence. The first (economic environment) addresses the

¹² Nurrulhidayah Fadzilillah, Yaakob Che Man, Mohammad Aizat Jamaludin, Suhaimi Ab. Rahman and Hassan A. Al-Kahtani, *Halal Food Issues from Islamic and Modern Science Perspectives*, 2011, 2nd International Conference on Humanities, Historical and Social Sciences, IPEDR vol.17 (2011)

¹³ Mohammad-Ali Amir-Moezzi and Christian Jamber, *Qu'est que le shi'isme?* Fayard, 2004, 387 pages

presence of a market – whether we have a market – and the second (socio-cultural environment) seeks to explore if potential consumers want to buy products and services from a given company. The last (political-legal environment) answers the question: are there political and legal barriers to launch the products and services of a given company in a given country?

The next book deals with business and marketing principles. This book will be organised around the biggest business sectors and ordered according to their estimated annual turnover. There will be four sections: (1) Marketing *halal* products and services; (2) Islamic finance marketing (including *zakat*); (3) Ramadan marketing; and (4) *Hajj* and *Umrah* marketing. These are the biggest business sectors we have so far, and research is prominent in all of them.

Islam dictates what correct behaviour is to Muslims but consumer behaviour does not depend solely on religious injunctions. It is also influenced by the economic, political and legal environment. Marketers will not use the same marketing plans in the Comoros Islands, which has a 98 % Muslim population, and France, where Muslims represent only 7.5 % of the total population. However, when we look at absolute numbers, there are 4.7 million Muslims in France while the Comoros Islands house only 679,000 Muslims.¹ Furthermore, as the purchasing power of Muslims living in France is much higher than that of Muslims living in the Comoros, it makes more sense to target Muslims in France rather than those in Comoros (according to the International Monetary Fund, the GDP per capita in the Comoros is only US\$1.610 compared to US\$39.813 in France).²

Various legal systems in the Muslim world will also force marketers to use different approaches. Diversity is the norm in Islam and secular countries will definitely not have the same influence on marketing choices. This is in contrast to theocracies, which will be more interested in intervening in marketing plans. The selling of alcohol or using nudity in advertising will not be accepted in all Muslim countries.³

¹ The figures about the number of Muslims living in Western countries are subject to controversies. The quoted figures come from the Pew Research Forum and its report *The Future of Global Muslim Population*, released in January 2011.

² Source: *International Monetary Fund* 2013. We do not have the breakdown of the GDP per capita according to religious affiliation of inhabitants in France, so we will take the average GDP taking into account the whole population even if it may not represent exactly the real situation.

³ See Irshad Abdal-Haqq, 'Islamic Law: An Overview of Its Origin and Elements', *The Journal of Islamic Law and Culture*, Vol. 7, (Spr.-Sum. 2002), pp: 27–81 and Marilyn Johnson Raisch, *Religious Legal Systems in Comparative Law: A Guide to Introductory Research* published by New York University Law School, 2013, http://www.nyuawglobal.org/globalex/religious_legal_systems.htm

Finally, Muslims who are born and raised in Canada or Australia will definitely have a Western cultural background, contrary to Muslims in Yemen or Afghanistan. While the cultural mindset will permit marketers in Western countries to use a corpus of references in terms of language, history, politics or education, which would be common to people of all faiths living in a Western country, these references cannot be used in Pakistan. A Muslim born in Sweden may have more in common with other people living there than with a Muslim living in Turkmenistan. This is also true for second- or third-generation Germans of Turkish origin who may have very little in common with people living in Anatolia. The identity of second- and third-generation Muslims living in Western countries is a complex issue, especially after the September 11 attacks in the USA.⁴

The first environment to be analysed is the economic environment because the potential size of a given market has to be assessed before rolling out marketing plans. Even if consumers want to buy some products and services and there is no political or legal barrier, we still have to consider purchasing power. The second environment is the socio-cultural one, where behaviour is the most important. Finally, the political and legal environment will determine if a company can enter a certain country or not.

2.1 Economic Indicators

Islam is perceived as a unique religion, with rituals and principles influencing consumer behaviour deeply and differently from other religions. As such, companies should have a unique global Islamic marketing policy covering all Muslim markets in the world, and this policy should be different from the policies they apply to other markets.

But, in reality, companies willing to do business in Islamic countries use the same marketing methods and tools they use for other countries. They do not invent a fifth 'P' in marketing that is devoted to Muslim markets only. They do not develop a new indicator for assessing the economic potential of a country. They use the same ways to identify potential markets and prioritise them. Once prioritisation is done, companies adapt their policies and tools to Islamic countries like they do for Hindus and Jews.

Choosing between global or local marketing strategies depends very much on the countries where the company is present. For some companies, the Islamic world consists of only 5–6 countries because they are only interested in a specific number of countries, while for others like Coca-Cola or McDonald's, it might be 50 countries or more. It is clear that their decision to adopt a global or local policy

⁴Sundas Ali, *Second and Third Generation Muslims in Britain: A Socially Excluded Group*, a paper published in 2008 and accessed on <http://www.wjh.harvard.edu/~hos/papers/Sundas%20Ali.pdf> and Naika Foroutan, *Identity and (Muslim) Integration in Germany*, Migration Policy Institute, 2013, Washington, 18 pages and Jenny Berglund 'Islamic identity and its role in the lives of young Swedish Muslims', in *Contemporary Islam*, Vol. 7, N° 2, (Jul. 2013), pp 207–227.

will depend, among other things, on the number and localisation of the countries they target. And this is why the identification of target countries is of primary importance in deciding between global and local marketing strategies, and the study of economic environment is the first step in this analysis. In this chapter, we will focus on the economic environment of Islamic countries and determine if this environment has a significant impact on marketing policy.

The study of economic environment is the starting point for any marketing study because it answers a primary question: do we have a market? The more precise question is: do we have a big and sustainable market that justifies the commitment of time and money in order to conquer it? Companies do not have infinite resources and cannot address all countries in the same way. At one point, they will have to prioritise different markets and the ways they address them.⁵

From the *Foreign Market Entry Modes* theory's point of view, a company does not need to open a subsidiary in all countries where it operates, so it does not need to commit time and money in order to analyse it.⁶ Even the biggest companies in the world such as Coca-Cola or Apple do not open manufacturing or bottling units in all the countries where they sell their products.⁷ The company can use an importer-distributor, and it is the task of this middleman to cope with the local environment and to analyse it. This is what a number of small companies do as they do not have the means to have a physical presence everywhere. It happens also that the company does not want to adapt to the local market, so there is no need for the analysis of local conditions. This is especially the case for well-established luxury and fashion brands whose creators or designers decide what fashion is and expect that all their customers will follow them. They design and produce for the global customer even if they might have a range of specific products such as a cosmetics whitening range for the Asian/African markets. The products are considered to be global ones and not made for one ethnic or religious group only. If a designer organises a catwalk in a country, it does not mean that he/she will design a specific collection for this given country. When Chanel organises its Cruise collection catwalk in Dubai, it does not mean that Karl Lagerfeld creates a completely new collection for Dubai or a hypothetical global Muslim consumer.

⁵ Among criteria for the prioritization of countries for investment, US companies usually quote geography, culture, trade and investment based schemes. See Ricardo Flores, Ruth V Aguilera, Arash Mahdian and Paul M Vaaler, 'How well do supranational regional grouping schemes fit international business research models?', *Journal of International Business Studies*, Vol. 44, No. 5, The Multinational in Geographic Space (June/July 2013) pp. 451–474.

⁶ Franklin R. Root, *Entry Strategies for International Markets (2nd edition)*, Jossey-Bass, 1998, 288 pages, and Keith D. Brouthers, 'Institutional, cultural and transaction cost influences on entry mode choice and performance', *Journal of International Business Studies*, Issue 44 (Jan. 2013) pp. 1–13.

⁷ The question of entry order is always a delicate question because companies can be motivated by extra-economic reasons. However, the usual indicator influencing the entry order is the economic development of a country. See: Peter Magnusson, Stanford Westjohn and David Boggs, 'Order-of-Entry Effects for Service Firms in Developing Markets: An Examination of Multinational Advertising Agencies' in *Journal of International Marketing*, Vol. 17, No. 2 (Jun. 2009), pp. 23–41.

Even if the company does not use a middleman, it can still opt for the franchise system, which is very popular in the fast-food business. In this case, the franchisee is the one dealing with the local environment. The franchiser does not need to study the environment or invest its own money. All the risk is supported by the franchisee. Franchising is popular in Islamic countries, and the proliferation of malls is offering tremendous opportunities to companies willing to expand in the Islamic world at a low cost.⁸

In both cases, whether through an importer/distributor or a franchisee, the company deals with an intermediary and never the final consumer. The intermediary also settles problems with logistics, customs, distribution networks, invoicing, tax declarations and so on. The *Foreign Market Entry Modes* is a generic model that fits all countries, even new countries such as China, which want to set foot in Islamic countries. Companies like Haier have huge ambitions in the Middle East and Africa. The Chinese company will first follow an accelerated and early internationalisation before embarking on a dual entry-mode (simultaneously entering developed and developing countries) and, finally, increasing commitment and localisation.⁹ Apart from China, which is quite aggressive in its willingness to establish its presence abroad, many companies from the Muslim world are also looking to expand abroad. These companies are not necessarily from the Gulf, but from countries like Egypt.¹⁰ While entry modes receive due attention, as companies have scarce resources and have to use them wisely, it is just as important to develop an exit strategy, especially for companies engaged in the Muslim world. This is because these countries have a very high propensity to volatility (open wars, Arab Springs, continuous conflicts). Unfortunately, not many companies spend their resources on developing exit strategies. The example of Swedish companies exiting Iran is a case in point.¹¹

When a company wants to set up physical operations in a country (a manufacturing, selling and/or marketing unit), it has to address the final consumer. And this is why it is important for companies to understand the economic environment in which they are operating, so as to assess the potential value of the market in order to build a business plan. In this book, we focus mainly on fast-

⁸ Bachir Mihoubi, 'Expanding your brand in the Middle East: A fresh Perspective', in *Franchising World*, Vol. 44, N° 1, (Jan. 2012), pp. 61–62; Joycia Young, 'Recent Developments in Franchising in the Middle East and North Africa', in *International Journal of Franchising Law*, Vol. 9, N° 6, (Nov.-Dec. 2011), pp. 9–14, and Graeme Payne and Gordon Drakes, 'New Franchise regulations in Indonesia: A Fine Line Between Stimulating the Local Market and Protectionism' in *International Journal of Franchising Law*, Vol. 11, N° 1, (Jan.-Feb. 2013), pp. 27–30.

⁹ Amine Bouyoucef and Sulin Chung, 'The Internationalization of Chinese Multinationals in the Middle East and Africa: The Case of Haier' in *The Review of Business and Finance Studies*, Vol. 6, No 2, (2015), pp. 59–74.

¹⁰ Marina Apaydin, Perihan Koura, Nada El Gabaly, Nour Mahnmoud and Fatma El Noury, 'El Sewedy Cables: expansion in Russia and Kazakhstan', in *International Journal of Commerce and Management*, Vol. 22, N°3 (2012), pp. 235–246.

¹¹ Amjad Hadjikhani and Jan Johanson, 'Facing Foreign Market Turbulence: Three Swedish Multinationals in Iran', in *Journal of International Marketing*, Vol. 4, No. 4 (1996), pp. 53–74.

moving consumer goods and not on industrial marketing or B2B marketing. As such, we will focus on the final consumer and try to assess the value of the market we target.

Searching for relevant information and knowledge about economic environments is not easy in general, particularly for Islamic countries. The very fact that a large number of Islamic countries are relatively poor means that the quantity and quality of relevant information for marketers is reduced as the infrastructure for the collection and dissemination of knowledge has yet to be developed.¹² The potential value of the market is determined by two factors: the purchasing power of potential consumers on one end and the number of potential customers on the other.¹³ As such, companies need to consider the critical number of potential consumers and the minimal purchasing power. This combination of consumers and purchasing power will enable companies to determine whether or not to invest. If, for instance, Qatar has the highest GDP per capita but a small population, it would be difficult for a company such as Coca-Cola to have a bottling unit for the Qatari market alone. Coca-Cola would rather ship its cans and bottles from Saudi Arabia where the market is bigger rather than the opposite. The only bottler of Coca Cola in the GCC is located in Saudi Arabia, so there is a high probability that Coca-Cola sold in Dubai, Doha or Manama comes from Saudi Arabia as the next nearest bottlers are located in Jordan and Egypt.

Within the area of pure Islamic businesses, it is rather easy to assess the Islamic Finance market size because the players are established institutions in the banking and insurance sector, and figures are easily available. Professional journals and consultancies regularly publish reports about the size of Islamic Finance.¹⁴ *The World Islamic Banking Competitiveness Report* released by Ernst & Young puts Islamic banking assets in 2013 at US\$1.7 trillion with an annual growth of 17.6 % per year. Other sources quote similar figures.¹⁵

However, Islamic marketing does not only deal with Islamic Finance, and this is where the problem starts as many transactions in a large number of countries, especially for food, transportation or health services, are not recorded and do not involve big companies that disclose their figures. While figures for the Islamic Finance market exist and come from the industry itself or from regulators, this is not

¹² Companies need knowledge when they want to enter foreign markets and the basic questions are surveyed by Margaret Fletcher, Simon Harris and Robert Glenn Richey Jr., 'Internationalization Knowledge: What, Why, Where, and When?', in *Journal of International Marketing*, Vol. 21, No. 3 (2013), pp. 47–71.

¹³ Jack Z. Sissors, 'What is a Market' *Journal of Marketing*, Vol. 30 N°3 (Jul. 1966), pp. 17–21.

¹⁴ Websites such as www.islamicfinancenews.com, or Islamic Finance Gateway on www.thomsonreuters.com publish daily news about the developments in the industry while PriceWaterhouseCoopers, Ernst & Young and Standard & Poor's publish reports regularly about the development of Islamic Finance.

¹⁵ The report is available on <http://www.mifc.com/index.php?cj=28&pg=72&ac=58&bb=uploadpdf>

the case for other businesses as these industries are extremely fragmented, and the companies do not publish figures and the state usually does not regulate the market.

According to a report prepared by MIFC (Malaysia International Islamic Finance Centre), the total *Halal* (Islamic) market, including everything from Islamic finance to *halal* food and pilgrimages to Mecca, was worth US\$3.2 trillion in 2014. This figure is forecast to reach US\$6.4 trillion by the end of 2018, doubling the value of the market in just four years.¹⁶

In the absence of undisputed figures, the value of a potential market will be based on the purchasing power and demographics given per country and not per a religious group. If we take into account Malaysia for instance, the country is without any doubt an Islamic country, but only 61.4 % of its population is Muslim (around 17 million people). On the other hand, China will definitely not be an Islamic country as Muslims represent only 1.8 % of the population. However, in absolute figures, the number of Muslims in China is higher than that of Malaysia because it stands at 23.3 million versus 17 million in Malaysia. In order to assess the Muslim market in these two countries, we should single out the Muslim groups from Malaysia and China and provide figures on them only. In some countries, it is possible to have data on the number of Muslims but not their purchasing power as income figures are not collected according to religious groups and demographic data per religious affiliation may only exist in the country. The only alternative is to refer to surveys and the voluntary participation of respondents to provide information about themselves. Finally, in some countries, such as France, no data on religious affiliation can be collected, so marketers can only have assessments.

For the purpose of this book, the Islamic market encompasses Islamic countries defined as members of the OIC, even if the entire population in these countries may not be Muslim; and Western countries where there are significant Muslim populations and where information is available.

Islamic countries, or members of the OIC, present a very diverse picture when it comes to economic performance. From a marketing point of view, two basic indicators on top of demographic elements are taken into account when it comes to measuring the potential size of a given market. These two indicators are the same whatever the country: overall GDP and GDP per capita. Overall GDP (Gross Domestic Product) is the total value created in one year by the economic entities of a given country. OECD provides a rather comprehensive definition: It is “*an aggregate measure of production equal to the sum of the gross values added of all resident, institutional units engaged in production (plus any taxes, and minus any subsidies, on products not included in the value of their outputs)*.”¹⁷ GDP is calculated at current exchange rates but the problem is that, very often, currencies in the Muslim world are either non-convertible or their value is fixed by the state so the value of the GDP at the current exchange rate is questioned. This is why the use

¹⁶ MIFC ‘The Halal Economy, Huge Potential for Islamic Finance’ Sept 2014, 15 pages. It is available on <http://www.mifc.com/index.php?ch=28&pg=72&ac=90&bb=uploadpdf>

¹⁷ See the definition on <http://stats.oecd.org/glossary/detail.asp?ID=1163>

of GDP in PPP (Purchasing Power Parity) is more effective as it tends to circumvent problems with inflation and exchange rates.¹⁸ However, this is not an ideal indicator as many pitfalls exist for the PPP, and some authors have proposed a composite index that takes into account other parameters.¹⁹ Unfortunately, it is the only one available for all countries on which we can make comparisons. While there is an ongoing debate about the pertinence of the use of the PPP, the very fact that it has existed for more than 100 years shows the resilience of the indicator.

OIC countries witnessed a growth in their economic activity from \$7.7 trillion in 2009 to \$9.8 trillion in 2013. They produced only 11.2 % of the world's GDP and 22.3 % of developing countries' total output in 2013. The average GDP per capita in OIC countries also increased from \$5110 in 2009 to \$6076 in 2013.²⁰ These figures show that there is no balance between what OIC countries represent from a demographic point of view and what they represent from an economic point of view.

Here is the list of member countries of the OIC ranked from the highest to the lowest GDP at PPP according to the figures provided by the International Monetary Fund's 'World Economic Outlook Database', which can be accessed on <http://www.imf.org/external/pubs/ft/weo/2015/02/weodata/index.aspx>, and a survey on growth rates by Standard Chartered in Global Focus Economic Outlook 2016. More information about Islamic countries can be found at the SESRIC website (Table 2.1).²¹

According to this list, the disparity between the highest and the lowest GDP is tremendous and will be even higher in the future as Indonesia is expected to add another US\$ 700 billion to its GDP between 2014 and 2017 while Comoros, at the bottom of the list, will stay at US\$ 1 billion dollars. In between these two extremes, some clusters exist. The first cluster puts together five countries ranging from US\$ 2554 billion to US\$ 1000 billion in 2014. These countries are Indonesia, Turkey, Saudi Arabia, Iran and Nigeria. This group will be joined by Egypt and Pakistan by 2017. Saudi Arabia's position has fluctuated according to the price of oil, which is the country's main export commodity, as it experienced a big drop in prices in 2014 and 2015. The first four countries have been dominating the Muslim world for a

¹⁸ For a discussion about the purchasing power measurement and purchasing power parity see the classical work of Edward E. Lewis 'The Measurement of Purchasing Power' in *Journal of the American Statistical Association*, Vol. 32, N°198 (Jun.1937), pp. 337–343 or more contemporary see Alan M. Taylor 'A Century of Purchasing Power Parity', *The Review of Economics and Statistics*, Vol. 84, N° 1 (Feb. 2002), pp. 139–150.

¹⁹ Marc Fleurbaey and Guillaume Gaulier proposed a living standards approach but this attempt covered only OECD countries and not the Muslim world. See their paper 'International Comparisons of Living Standards by Equivalent Incomes' in *Scandinavian Journal of Economics*, Vol. 111, N°3 (Sep. 2009), pp. 597–624.

²⁰ *OIC Economic Outlook 2014*, SESRIC, OIC 2014.

²¹ Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRIC), a subsidiary organ of the OIC producing socio-economic information about the member countries. It can be reached at <http://www.sesric.org/>

Table 2.1 Economic indicators, GDP in billions of US dollars at PPP

Country	GDP 2014	GDP 2016	GDP 2017	Standard Chartered forecasted growth rate 2016/2017
Indonesia	2554	3018	3240	5.2–5.4
Saudi Arabia	1609	1738	1819	2.7–3.2
Turkey	1514	1641	1713	3.8–4.5
Iran	1357	1459	1543	
Nigeria	1052	1166	1240	5.0–5.5
Egypt	946	1050	1116	4.5–3.5
Pakistan	884	984	1046	4.4–5.0
Malaysia	746	860	918	4.7–4.9
United Arab Emirates	617	669	703	2.9–3.6
Algeria	548	599	634	2.0–2.7
Bangladesh	535	623	678	6.6–6.8
Iraq	526	575	633	5.0–6.5
Kazakhstan	420	445	470	
Qatar	306	344	364	5.0–5.5
Kuwait	282	299	313	3.8–3.5
Morocco	259	287	307	4.0–4.2
Uzbekistan	172	201	218	
Azerbaijan	165	180	189	
Oman	162	178	185	2.9–3.3
Sudan	160	176	185	
Tunisia	124	132	140	2.9–3.5
Syria	107	n/a	n/a	
Yemen	104	85	93	
Libya	97	95	103	
Turkmenistan	82	99	110	
Lebanon	81	86	91	2.3–3.2
Jordan	79	87	92	3.7–3.9
Cote d'Ivoire	71	85	93	7.0–7.0
Cameroon	67	76	82	5.0–5.3
Uganda	75	85	91	5.5–6.0
Afghanistan	60	65	69	
Bahrain	62	67	70	3.5–3.5
Gabon	32	36	39	4.0–5.0
Albania	34	38	42	
Senegal	34	38	42	5.5–6.0
Brunei	32	34	36	
Mozambique	31	33	36	7.0–7.0
Burkina Faso	29	33	36	
Chad	29	33	37	
Mali	27	30	33	
Tajikistan	22	24	25	

(continued)

Table 2.1 (continued)

Country	GDP 2014	GDP 2016	GDP 2017	Standard Chartered forecasted growth rate 2016/2017
Benin	19	22	24	
Kyrgyzstan	19	20	22	
Niger	18	20	22	
Guinea	15	16	17	
Sierra Leone	12	10	12	8.0–9.5
Mauritania	15	17	19	
Togo	10	11	12	
Suriname	9	9	10	
Guyana	5	5	6	
Somalia	5	n/a	n/a	
Maldives	4	5	5	
Gambia	3	3	4	5.0–5.5
Djibouti	2	2	3	
Guinea Bissau	2	3	3	
Comoros	1	1	1	

long time. Iran's position is interesting as it is in fourth place despite the country being embargoed by a series of western countries, including the USA. There is certainly potential for growth for Iran and, if the economic embargo disappears, there is a real possibility that it could challenge Saudi Arabia in becoming the second-most important Islamic country in terms of overall GDP (Indonesia is out of reach for the moment). Many countries welcome future business with Iran, especially ASEAN countries, with Thailand, Malaysia and Singapore topping the list of countries looking to conduct business with Iran.²² Turkey can also profit from the drop in oil prices and jump to second place if Saudi Arabia goes down, and Iran does benefit from the thawing relationship with Western countries. Egypt will enter this exclusive club in 2016 while Pakistan is expected to make its debut in the club in 2017. In terms of growth rates, all the countries will experience a steady and significant growth of about 5 % per year, which is unheard of in Western countries, showing that these countries are not only attractive today, but will remain so in the future. The only country with a rather moderate growth is Saudi Arabia at around 2 % per year.

The second group was represented by seven countries in 2014: Egypt, Pakistan, Malaysia, United Arab Emirates, Algeria, Bangladesh and Iraq. They are in the range of US\$ 500–1000 billion. Volatility plays a huge role here, driven by differences in oil prices between Malaysia, United Arab Emirates, Algeria and Iraq, while the political situation in Egypt and Pakistan could impede the economic success of these countries. All countries in this cluster are expected to see their GDP grow at a high rate, permitting Malaysia to enter the first cluster after 2017. All

²² 'Now's the time for Asean-Iranian partnerships', *The Straits Times*, 26th November 2015.

other countries are far behind and they are unlikely to climb. The growth rates in this group are higher than those of the first as Bangladesh and Iraq are expected to reach 6–7 % per year while other countries such as United Arab Emirates and Algeria will have a growth of 2–3 %.

The third group is larger and composed of 11 countries in the range of US\$ 100–500 billion per year. The countries are Kazakhstan, Qatar, Kuwait, Morocco, Uzbekistan, Azerbaijan, Oman, Sudan, Tunisia, Syria and Yemen. The majority of them are heavily influenced by the price of oil and gas. The political and military situation in Syria and Yemen are such that it is difficult to make any forecasts. This is why the IMF does not have forecasts for Syria, while the situation in Yemen is expected to worsen in 2016 before bouncing back in 2017. The only country expected to join this club is Turkmenistan and the situation in Libya is also very uncertain. All countries in this group will also experience a growth in their GDP except for the three abovementioned countries due to the war situation. Growth rates are not available for all countries in this group, but the available forecasts are close to the performance of the first group at about 5 % per year.

At the end of the list, countries such as Somalia, Guyana, Gambia, the Maldives, Djibouti, Guinea Bissau and Comoros are in the range of US\$ 1–5 billion, which represents a serious challenge for marketers and raises some ethical questions.²³ Two countries from this group—Guyana and the Maldives—will move upward in 2016 and 2017, while the other countries will remain the least developed Islamic countries in the world. The situation in Somalia is unpredictable, although in times of peace, the country would certainly climb the ladder and move out of the last group.

Reversing some of the stereotypes, the biggest Muslim powerhouses are not found in oil- and gas-rich areas but in countries with a high population and diversified economy. If we are only looking at the overall GDP, the first three clusters of 14 countries would likely be the most interesting to target from a marketing point of view. However, the list of 14 countries does not include Kuwait, Oman, Morocco or Tunisia, countries that companies will spontaneously go to. And even if we cannot find some Gulf countries among the biggest powerhouses in the Muslim world except Saudi Arabia, we will definitely find Egypt. That's because, despite the country's low ranking by GDP per capita, it has a respectable amount of resources and funds that are especially attractive to nearby companies from Italy.²⁴

²³ Poor population is considered to be vulnerable population. Even if many companies are doing their best to address the Bottom of the Pyramid (a concept we will look at later on), question of ethical responsibility in targeting vulnerable population still exists as shown in the debate by George Brenkert, 'Marketing and the Vulnerable', *Business Ethics Quarterly*, Special Issue, Ruffin Series: New Approaches to Business Ethics, (1988), pp. 7–20; and David Palmer and Trevor Hedberg, 'The ethics of Marketing to Vulnerable Populations', in *Journal of Business Ethics*, Vol. 116, N°2 (Aug. 2013), pp. 403–414.

²⁴ Rosa Caiazza, 'Identifying international market opportunities: the case of Italian companies in Egypt', in *Benchmarking: An International Journal*. Vol. 21, N°4 (2014), pp. 665–674.

Marketers prefer to use GDP per capita as it provides the average amount of money people theoretically dispose of in the country. In fact, it is simply a country's overall GDP divided by its population. This is useful for marketers as they target individual consumers rather than the sum of all the inhabitants in a country. While it is certainly a good approach, we should not neglect the overall GDP as, in some countries, money is not distributed to the population but kept in state and/or private hands so the average per capita can be misleading. If there are large state-owned companies or public entities employing a large number of people in a given country, there might be a scenario where the company or public institution does not give its employees high salaries because of political and social reasons, but, instead, buy them items for such as cars, computers, cellular phones, food and even clothes or supply them with food at preferential prices. In that case, the buyer (the state-owned company) is not the consumer, and it would be helpful for the marketer to target the buyer rather than the end user of the product. It would be useful to revisit the prescriber-buyer-user trilogy and focus on the buyer rather than the prescriber or the user.²⁵

GDP per capita is definitely a very important indicator for marketers as the list of countries is not the same as that of overall GDP. Here is a list of member countries of the OIC ranked from the highest to the lowest GDP per capita at PPP according to the estimates given by the IMF World Economic Database in US dollars (Table 2.2):

The multiplier between the first and last country on the list is 228 for 2014 and will be 113 in 2017 (Somalia excluded). This is much lower than the multiplier for overall GDP (2554 in 2014 and 3240 in 2017). It is, however, significant as we will not be able to find this kind of difference in any group of countries in the world, whether it's the EU, NAFTA, ASEAN or even the Organisation of African Unity. Here again, some clusters exist. The first one is represented by Qatar alone. In second place is the Sultanate of Brunei, but it represents only half of Qatar's GDP per capita. Under the present circumstances, there is virtually no chance that any country from the list could rival Qatar in the near future. The second cluster is represented by six countries that are in the range of US\$40,000–78,000 per capita. These countries are Brunei, Kuwait, United Arab Emirates, Saudi Arabia, Bahrain and Oman, all oil- and gas-exporting countries and, with the exception of Brunei, all coming from the GCC.²⁶ The third group comprises of 18 countries in the range of US\$10,000–40,000 per capita, and includes Malaysia, Turkey, Iran, Kazakhstan

²⁵ The prescriber being the person who decides about what to buy, the buyer the person who actually goes to the shop to buy the product and the user is the final consumer of the product. In some cases, the three functions are melted in one person but it happens frequently that several persons participate in the buying process.

²⁶ The GCC countries as a group outperforms the Arab non-GCC countries on a number of variables, and tends to vary less among themselves than do the non-GCC countries. This is why this group is usually targeted first. See: Edward Nissan and Farhang Niroomand 'Economic, welfare, demographic and gender inequalities among selected Arab countries' in *Journal of Economics and Finance*, Vol. 39, N°2 (Apr. 2015), pp. 396–411.

Table 2.2 Purchasing power estimates

Country	GDP per capita 2014	GDP per capita 2016	GDP per capita 2017
Qatar	137,161	132,037	133,914
Brunei	77,900	80,614	83,742
Kuwait	70,685	70,907	72,096
United Arab Emirates	66,346	67,965	69,408
Saudi Arabia	52,310	54,313	55,734
Bahrain	49,020	51,371	52,695
Oman	43,847	45,168	45,480
Malaysia	24,500	27,180	28,551
Kazakhstan	24,108	24,843	25,849
Gabon	20,756	22,400	23,624
Turkey	19,698	20,888	21,813
Lebanon	18,051	18,919	19,638
Azerbaijan	17,760	19,053	19,718
Suriname	16,260	16,637	17,744
Libya	15,878	15,131	16,081
Iran	17,442	18,359	19,219
Algeria	13,888	14,610	15,186
Turkmenistan	14,216	16,626	18,183
Iraq	15,347	15,112	15,959
Maldives	13,311	13,604	13,954
Jordan	11,970	12,490	12,990
Tunisia	11,343	11,813	12,373
Albania	11,390	12,484	12,276
Egypt	10,918	11,648	12,139
Indonesia	10,200	11,664	12,359
Morocco	7813	8512	8990
Guyana	6920	7615	8039
Nigeria	6053	6351	6574
Uzbekistan	5629	6419	6885
Syria	5100	n/a	n/a
Pakistan	4749	5084	5304
Sudan	4295	4450	4592
Yemen	3787	2927	3135
Kyrgystan	3261	3427	3598
Mauritania	4313	4661	4879
Bangladesh	3390	3859	4494
Djibouti	3061	3373	3575
Cameroon	3006	3246	33,999
Cote d'Ivoire	3101	3506	3773
Tajikistan	2698	2816	2922
Chad	2600	2847	3047
Senegal	2352	2525	2660
Sierra Leone	2053	1534	1814

(continued)

Table 2.2 (continued)

Country	GDP per capita 2014	GDP per capita 2016	GDP per capita 2017
Afghanistan	1944	1944	2063
Benin	1875	2025	2124
Uganda	1928	2071	2164
Gambia	1604	1715	1817
Burkina Faso	1687	1738	1811
Comoros	1532	1523	1527
Mali	1741	1842	1907
Togo	1452	1567	1641
Guinea-Bissau	1456	1561	1630
Guinea	1256	1281	1347
Mozambique	1178	1327	1422
Niger	1051	1111	1185
Somalia	600	n/a	n/a

Source: CIA World Fact Book, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2001rank.html>

and Indonesia. What is interesting is that the bigger countries such as Bangladesh, Pakistan and Nigeria are in the US\$3000–6000 per cluster, which does not represent an attractive market from a business point of view. Comparing results from 2014 with forecasts for 2017 shows an amazing uniformity as there are no changes between and within clusters and the probability that one country could pass to an upper group is very low. The two lists are completely different because the powerhouses for overall GDP (Indonesia and Nigeria) are far below the first places for GDP per capita (25th and 28th respectively). Although Saudi Arabia (5th), Turkey (11th) and, to a certain extent, Iran (16th) are attractive from both indicators' point of view.

In the USA, Muslims—or at least some Muslims—fare relatively well compared to the average American. They tend to be highly educated, with above-average incomes and high levels of participation in professional careers. This is especially the case for Iranian-born Americans who left Iran after the Islamic Revolution and now make up some of the wealthiest communities in Los Angeles (the Beverly Hills area for instance). A study by Mohammad Chaichian shows that there were two different periods of brain drain from Iran to the USA, one under the *Shah* regime and the second after the Islamic Revolution. And in both cases, the brain drain comprised highly skilled individuals emigrating to the USA and not those with little or no education at all.²⁷ This is why Iranian-born Americans tend to be wealthier than other groups of Muslims, especially the Afro-American Muslims. Divisions of

²⁷ Mohammad Chaichian, 'The new phase of globalization and brain drain: Migration of educated and skilled Iranians to the United States', in *International Journal of Social Economics*, Vol. 39 Issue 1/2, (Jan. 2012) pp. 18–38 and Mohammad Chaichian, 'First Generation Iranian Immigrants and the Question of Cultural Identity: The Case of Iowa' in *International Migration Review*, Vol. 31, No. 3 (Aut. 1997), pp. 612–627.

wealth and status, and a lack of social mixing, prevail among different Muslim ethnicities in the USA. This is particularly pronounced between high-income Arab-American and Iranian-American Muslim populations and the lower-income “indigenous” Muslim populations, which are comprised primarily of African-Americans. According to the Pew Research Center, Muslims reported incomes in 2011 that were slightly lower than the national average, a dip from 2007 when the situation was better for them.²⁸

In contrast, French Muslims tend to be poorer on average than the nation as a whole (15 % lower).²⁹ As in much of Europe, the French-Muslim community was established largely by waves of immigrant labourers in the 1960s through the mid-1970s, and has continued under family reunification provisions since. Family reunification (family reunion or family grouping) is a European Union policy that enables immigrants to invite members of their families to join them and live together under certain conditions. The conditions are legal presence on one side and income/housing conditions on the other. These populations have grown, but remain, by and large, below average in income and social status. Recent studies—which focus on “immigrants” but refer to Muslim-related issues—describe the nearly two million residents of increasingly “ghettoised” suburbs, forming a culturally distinct, socially and economically “excluded” population. At the same time, Muslims make up a disproportionately high fraction of the prison population, and have virtually no political representation.³⁰

The World Bank usually classifies all countries into four groups: low income, lower-middle income, upper-middle income and high income countries. Here is a list of OIC countries according to the classification by the World Bank for 2016 using GNI (Gross National Income) per capita as a reference (Table 2.3):

The GDP per capita is an average figure that does not take into account the equal or unequal distribution of income in the country. It does not tell us if there is an important middle class in the country or if the country is split in only two categories, the super-rich and the super poor. In order to have an idea about the distribution of income, the Gini index is very useful. A Gini coefficient of zero expresses perfect equality, for example, where everyone has the same income. A Gini coefficient of one (or 100 %) expresses maximal inequality, for example, where only one person has all the income or consumption, and all others have none. While there is no country at zero or 100, some countries are closer to zero and others to 100. Typically, Scandinavian countries tend to have the lowest Gini index

²⁸ ‘Muslim American Survey 2011’, *Pew Research Center*, Aug. 2011, 137 pages.

²⁹ ‘La discrimination pénalise de 15 % le revenu des musulmans français’, *Le Monde*, 21 November 2011.

³⁰ According to Farhad Khorsokhavar, Muslims make up as much as 70–80 % of inmates in prisons located in urban peripheries, even though they usually constitute 15 % of urban population. See his book: ‘*L’Islam dans les prisons*’, Paris, Balland, 2004, 285 pages and the MP Guillaume Larrivé published a report on Islam in French prisons in 2014 where he estimates that 60 % of inmates are Muslims. See the report : ‘Un rapport explosif sur l’Islam radical dans les prisons françaises’, *Le Figaro*, 23 October, 2014.

Table 2.3 World Bank classification of OIC countries

Categories	Countries	Number of countries
OIC—Low income group US\$ 1045 or less	Afghanistan, Benin, Burkina Faso, Chad, Comoros, The Gambia, Guinea, Guinea Bissau, Mali, Mozambique, Niger, Sierra Leone, Somalia, Togo, Uganda	16
OIC—Low middle income group US\$ 1046 to US\$ 4125	Bangladesh, Cameroon, Cote d'Ivoire, Djibouti, Egypt, Guyana, Indonesia, Kyrgyz Republic, Mauritania, Morocco, Nigeria, Pakistan, Senegal, Sudan, Syria, Tajikistan, Uzbekistan, Yemen	18
OIC—Upper middle income group US\$ 4126 to US\$ 12,735	Albania, Algeria, Azerbaijan, Gabon, Iran, Iraq, Jordan, Kazakhstan, Lebanon, Libya, Malaysia, Maldives, Suriname, Tunisia, Turkey, Turkmenistan	16
OIC—High income group US\$ 12,736 and above	Bahrain, Brunei, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates	7

Source: <http://data.worldbank.org/about>

while Latin American countries have some of the highest. As far as OIC countries are concerned, their Gini index is somewhere between 29 and 46, which is close to that of Western countries. All things being equal, it means that what is valid in terms of the marketing approach in a country such as Philippines, with a Gini index of 36, would be similar to Tunisia, with a Gini index of 35.9. Indonesia has a relatively low Gini index of 38, as measured in 2011. But the gap between the rich and the poor in the country is widening. Over the past few years,³¹ 100 million poor Indonesians have seen their incomes rise by just 1 % while the Boston Consulting Group predicts that the nascent middle-class in Indonesia will double to 140 million people by 2020 (Table 2.4).

For 12 countries out of the 57 in the OIC, there are no figures in the Gini index. This is either because the country is at war, such as in the case of Afghanistan, or because the country does not want to publish its results. It is worth mentioning that no GCC country publishes data on the Gini index. Another pitfall is the year of reference. In some cases like Kazakhstan and Iran, we have very recent figures (from 2013), but in the case of Turkmenistan and Guyana, the latest data dates back to 1998, which is 18 years ago, so the information might not be relevant any more. While the figures for the Gini index come from official sources, in many cases, there are serious doubts about the reliability of the figures because not all income is declared and, even if it is, it might not necessarily reflect the country's full income. In that respect, the data has been the subject of debate, as is also the case for data on GDP.

³¹ 'Tales from two Indonesias', *The Straits Times*, 23rd January, 2015.

Table 2.4 Gini index in OIC countries

Country	Gini Index	Year
Afghanistan	n/a	
Albania	30	2008
Algeria	16.6	2005
Azerbaijan	33	2008
Bahrain	n/a	
Bangladesh	32	2010
Benin	43.4	2011
Brunei	n/a	
Burkina Faso	39.8	2009
Cameroon	42.8	2007
Chad	43.3	2011
Comoros	55.9	2004
Cote d'Ivoire	43.2	2008
Djibouti	45.1	2012
Egypt	30.8	2008
Gabon	42.2	2005
Gambia	47.3	2003
Guinea	33.7	2012
Guinea Bissau	50.7	2010
Guyana	44.6	1998
Indonesia	38	2011
Iran	37.4	2013
Iraq	29.5	2012
Jordan	33.7	2010
Kazakhstan	26.4	2013
Kuwait	n/a	
Kyrgyzstan	27.4	2012
Lebanon	n/a	
Libya	n/a	
Malaysia	46.3	2009
Maldives	36.8	2009
Mali	33	2009
Mauritania	37.5	2008
Morocco	40.7	2007
Mozambique	45.6	2008
Niger	31.5	2011
Nigeria	43	2009
Oman	n/a	
Pakistan	29.6	2010
Qatar	n/a	
Saudi Arabia	n/a	
Senegal	40.3	2011
Sierra Leone	34	2011

(continued)

Table 2.4 (continued)

Country	Gini Index	Year
Somalia	n/a	
Sudan	n/a	
Suriname	57.6	1999
Syria	35.8	2004
Tadjikistan	30.8	2009
Togo	46	2011
Tunisia	35.8	2010
Turkey	40	2012
Turkmenistan	40.8	1998
Uganda	42.4	2012
United Arab Emirates	n/a	
Uzbekistan	35.3	2003
Yemen	35.9	2005

Source: Gini Index (World Bank estimate) at <http://data.worldbank.org/indicator/SI.POV.GINI>

Data on GDP is often the subject of debate because important elements are missing, such as parallel or informal economy, which represents a large share of the GDP. An informal economy is hard to measure in its essence. Multilateral organisations such as the IMF try to measure informal economies in various parts of the world, and the latest working paper in 2013 put these informal economies between 28–35 % of GDP in Caucasus and Central Asia, namely Kyrgyzstan, Azerbaijan, Tajikistan and Kazakhstan.³² The World Bank, on its end, is also interested in informal economies, particularly pointing out some positive aspects of informal activity.³³

According to the International Labour Organization (ILO), an informal economy is composed of two parts: informal sector, which means informal enterprises (non-registered enterprises in illegal activities such as drug trafficking, and non-declared legal businesses such as cigarette-smuggling), and informal employment both inside and outside the informal sector, such as non-declared accountancy consulting performed by a public officer on top of his/her official job. The ILO report *‘Women and Men in the Informal Economy: A Statistical Picture’* gives a very detailed situation of informal activity around the world.³⁴ A certain number of OIC countries are covered in the report, and the percentage of people employed in the informal sector ranges from 30.6 % in Turkey to 73 % in Pakistan. Even if these

³² Yasser Abdih and Leandro Medina: ‘Measuring the Informal Economy in the Caucasus and central Asia’, *IMF Working Paper*, May 2013 and Simon Johnson, Daniel Kaufmann, Andrei Shleifer, Marshall I. Goldman and Martin L. Weitzman, ‘The Unofficial Economy in Transition’, *Brookings Papers on Economic Activity*, Vol. 1997, No. 2 (1997), pp. 159–239 for the situation in Former Soviet Union countries.

³³ Nancy Benjamin, Kathleen Beegle, Francesca Recanatini and Massimiliano Santini: ‘Informal Economy and the World Bank’, *Policy Research Working Paper*, *The World Bank*, May 2014.

³⁴ http://www.ilo.org/wcmsp5/groups/public/—dgreports/—stat/documents/publication/wcms_234413.pdf

Table 2.5 Persons employed in informal sector as percentage of non-agricultural employment in percentage

Country	Informal sector
Pakistan	73
Mali	71.4
Cote d'Ivoire	69.7
Indonesia	60.2
Uganda	59.8
Kyrgystan	59.2
Egypt	51.2
Turkey	30.6

Source: Women and Men in the Informal Economy: A Statistical Picture (ILO), 2014

figures seem to be very high, they are in the same range as other countries in the region, for example, the Philippines stands at 72.2 % while South Africa boasts a very low figure of 17.8 % (Table 2.5).

The poorer the country, the greater the chances of finding an informal economy. This is due to a variety of reasons. One of them being the attempt to avoid complicated bureaucratic procedures and the necessary corollary of giving bribes to public officials to open a business. Another very important motivation is tax evasion. But it can also be due to the political breakdown of the country, such as open war in Iraq and Syria, revolt in Yemen and a very unstable situation in Afghanistan, Mali and parts of Nigeria, that push people towards an informal economy because the formal economy has collapsed. After the Arab Spring in North Africa and the Middle East, the informal economy or black market significantly increased in importance especially in the oil trade. There are currently at least three grey areas in the oil business: oil from Syria and Iraq, oil from Iraqi Kurdistan and oil controlled by the rebels in Libya. No one can say what the exact amount of trade is, but all this money is used for buying products and services. Even if a sizeable portion is used for weapons, there is still a part that is spent on buying fast-moving consumer goods and this money is not recorded.³⁵ The war in Iraq and Syria has caused massive emigration from these two countries. According to IRIN Middle East, 750,000 Iraqis have found refuge in Jordan, while only 25,000 of them are registered in the country.³⁶ As for the refugees coming from Syria, more than one million of them are in Lebanon (representing 22.7 % of the population) and more than 500,000 of them are in Jordan.³⁷ If we add up all the refugees from Iraq and Syria who now live in Jordan, they represent more than 20 % of the total population in Jordan. While the number of Syrian refugees in Turkey is higher

³⁵ According to Iraq Oil Report, ISIS controls 60 % of Syria's oil production and its revenues from oil smuggling amount for 1 million dollars a day. <http://english.alarabiya.net/en/perspective/analysis/2014/07/29/-Rogue-oil-sales-of-illicit-cut-price-crude-in-Mideast-surge.html>

³⁶ <http://www.irinnews.org/report/71004/iraq-jordan-iraqis-cause-black-market-for-jobs>

³⁷ *Regional Economic Outlook*, IMF, May 2014.

(about two million people) than in Jordan, Turkey's overall population is much higher so the refugee burden is not the same.

All refugees want to earn money, so if only a fraction of refugees is duly registered and the vast majority is not, all the money that they earn and spend is not declared as well. The unstable situation in Iraq has created a surprisingly stable Iraqi Kurdistan where real estate promoters have come up with huge plans. One of them called Empire World plans to build dozens of towers and 300 villas worth US\$2.3 billion mainly in the city of Erbil. The towers will host shopping malls, so international brands will have the opportunity to open their own shops or franchises.³⁸ Going to Erbil is interesting for marketers, but going to Baghdad can be just as interesting. The *Gulf Marketing Review* published a report on Iraq in which it debunked several myths about the country, making it attractive even today. Four myths have been presented: 'the majority of Iraqis struggle to make ends meet', 'Iraq's infrastructure is in ruins', 'Iraq's population is severely depressed due to permanent chaos and violence' and 'Iraqi consumers are quite uniform and predominantly conservative'. All these four myths have been proved wrong according to the magazine.³⁹

As a way to compensate for their low incomes in the country, a significant number of people living in other countries contribute to the standard of living of those who stay at home. The amount of remittances represents a huge income for poor countries. For instance, Egyptian workers from the Middle East send about \$10 billion home. This significantly increases the purchasing power of poor families in Egypt. For many countries such as Pakistan, Bangladesh or Indonesia, remittances are an important part of GDP and international institutions such as The World Bank and the International Monetary Fund scrutinise money transfers closely. Overseas Pakistani workers remitted over \$12 billion in 2012, almost an 8% increase over the previous year, and all banks and companies are looking for a slice of this money. Companies like Western Union are definitely present in this market, as are other players such as MoneyGram, Euro Net Worldwide or UAE Exchange (combining remittances and currency exchange).⁴⁰ The best source of information on remittances can be found on World Bank's 'Migration and Remittances Factbook 2016', which can be accessed on <http://siteresources.worldbank.org/INTPROSPECTS/Resources/334934-1199807908806/4549025-1450455807487/Factbookpart1.pdf> (Table 2.6).

Looking at the figures for remittances and the existing fluxes between Islamic countries it seems that it is a zero sum game. Islamic countries, among them Saudi Arabia, the United Arab Emirates, Kuwait, Qatar and Oman are most prominent ones give as much as other Islamic countries, among them Bangladesh, Egypt, Indonesia, Nigeria and Pakistan receive in terms of remittances. Islamic countries

³⁸ 'Kurdish city in Iraq heaven for business', *The Straits Times*, 16th October 2013.

³⁹ 'Land of legends, A new survey dispels myths surrounding Iraqi consumers', *Gulf Marketing Review*, January 2013, pp. 24–25.

⁴⁰ 'Pakistan Remittances, Transferring hopes' Special report, *Khaleej Times*, 19th January 2013.

Table 2.6 Remittances and outward flows in OIC countries in US dollars

Country	Emigrants 2013	Remittances 2015	Outward flows 2015
Afghanistan	5,632,200	272,000,000	
Albania	1,264,200	1,102,000,000	
Algeria	1,784,500	2,000,000,000	
Azerbaijan	1,287,400	1,538,000,000	2,031,000,000
Bahrain	61,000	0	2,364,000,000
Bangladesh	7,572,100	15,771,000,000	
Benin	486,800	249,000,000	
Brunei	43,100	0	0
Burkina Faso	1,642,600	120,000,000	112,000,000
Cameroon	360,600	244,000,000	
Chad	403,900	0	
Comoros	111,200	134,000,000	
Cote d'Ivoire	1,020,400	385,000,000	736,000,000
Djibouti	14,900	36,000,000	
Egypt	3,386,100	20,391,000,000	
Gabon	48,900	0	
Gambia	71,000	181,000,000	
Guinea	398,500	93,000,000	
Guinea Bissau	91,200	64,000,000	
Guyana	462,600	337,000,000	
Indonesia	4,116,600	10,487,000,000	4,119,000,000
Iran	1,604,800	1,342,000,000	
Iraq	2,370,200	277,000,000	548,000,000
Jordan	782,000	3,776,000,000	457,000,000
Kazakhstan	3,827,000	182,000,000	3,558,000,000
Kuwait	322,800	4,000,000	18,129,000,000
Kyrgyzstan	738,300	1,740,000,000	
Lebanon	810,900	7,456,000,000	5,604,000,000
Libya	146,800	0	
Malaysia	1,683,100	1,678,000,000	8,074,000,000
Maldives	1300	4,000,000	324,000,000
Mali	895,700	895,000,000	
Mauritania	136,300	0	
Morocco	3,040,030	6,679,000,000	
Mozambique	727,400	156,000,000	194,000,000
Niger	290,300	146,000,000	
Nigeria	1,117,900	20,771,000,000	
Oman	24,000	39,000,000	10,301,000,000
Pakistan	6,170,400	19,609,000,000	
Qatar	19,900	503,000,000	11,230,000,000
Saudi Arabia	291,700	274,000,000	36,924,000,000
Senegal	504,400	1,614,000,000	
Sierra Leone	336,000	72,000,000	

(continued)

Table 2.6 (continued)

Country	Emigrants 2013	Remittances 2015	Outward flows 2015
Somalia	1,920,900	0	
Sudan	1,508,300	513,000,000	
Suriname	263,300	9,000,000	21,000,000
Syria	3,971,500	0	
Tadjikistan	607,800	2,962,000,000	
Togo	461,100	397,000,000	
Tunisia	670,900	2,347,000,000	
Turkey	3,110,100	1,085,000,000	918,000,000
Turkmenistan	249,500	15,000,000	
Uganda	406,200	908,000,000	
United Arab Emirates	153,700	0	19,280,000,000
Uzbekistan	1,912,000	2,525,000,000	
Yemen	1,268,900	3,435,000,000	

give and receive about US\$ 125–130bn annually. The biggest receiver is Nigeria with more than US\$ 20bn annually with only a little bit more than 1 m emigrants. This is mainly due to the fact many people of Nigerian origin live in Western countries with a different nationality or a permanent residence, so they are not counted as emigrants any more. The second receiver is Egypt with also more than US\$ 20bn in 2015 and 3 m emigrants mainly in the GCC countries. Pakistan is close to them with close to US\$ 20bn and Bangladesh is the fourth one with more than US\$ 15bn. These figures are significant, especially for a country like Egypt which has the lowest population in the top four countries, so the average remittance per person (US\$ 268 per person living in Egypt) would be much higher than in Pakistan (US\$ 116) or in Bangladesh (US\$ 116).

The Lebanese diaspora is very famous in this respect. No accurate numbers are available, so estimates on the total size of the diaspora vary wildly, from conservative estimates of 4–5 million to a maximum and, probably inflated, figure of 15 million. While under Syrian influence, Beirut passed legislation that prevented second-generation Lebanese of the diaspora from automatically obtaining Lebanese citizenship. This has reinforced the émigré status of many diaspora Lebanese. Before every election, there is a campaign by Lebanese of the diaspora who already have Lebanese citizenship to vote from abroad. If suffrage were to be extended to these 1.2 million Lebanese émigré citizens, it would have a significant political effect since as many as 80 % of them are believed to be Christians. The diaspora actively participates in sustaining families living at home, especially for war-torn countries such as Somalia, or those facing instability like Pakistan,⁴¹ or countries

⁴¹ Jorgen Carling, Marta Bivand Erdal and Cindy Horst, 'How does Conflict in Migrants' Country of Origin Affect Remittance-Sending? Financial Priorities and Transnational Obligations Among Somalis and Pakistanis in Norway' in *International Migration Review*, Vol. 46, N° 2 (Sum. 2012), pp. 283–309.

stricken by poverty as is the case in Kyrgyzstan. In this last case, the objective of remittances not only serves an economic purpose but also a religious one as the institution of marriage and ritual gifting puts pressure on young men to emigrate and earn money abroad or ‘in town’.⁴²

What Is Your Bride Price?

The pressure to give brides a gift, similar to ‘buying’ a bride in the past, is still present in many countries. Social media even transformed it into an app in Nigeria to help people calculate the bride’s price. It is a humorous app that ‘broke’ Twitter in Nigeria as millions of people wanted to participate. The app not only allows you to compute your bride price but also the price of your friend and/or enemy with real questions such as height, weight, education, job, etc. and funny answers such as ‘Mama Ronke’s’ weight, ‘sexy bow leg (Beyoncé)’, ‘Ronaldinho’ teeth gap, ‘confusing Americana’ accent and so on. When it comes to religion, only one answer exists—‘prayer warrior’—and it brings a bonus of N\$20,000 without indicating what religion it refers to. At the same time, being ‘Ada’ (a noble girl with decent behaviour) in the morning and ‘Caro’ (a bad, naughty, hot girl) at night gives a bonus of N\$100,000. At the end of the questionnaire, a council of elders representing the three biggest groups in Nigeria (Yoruba, Hausa and Igbo) declares the bride price. As Yoruba and Hausa are dominantly Christians and animists while Igbo are Muslim, it means that there are no bid differences among ethnic and religious groups in Nigeria when it comes to the bride price.

Sources: ‘The man behind the Brideprice app’, *Techcabal*, 8 June 2014 available on <http://techcabal.com/2014/06/06/man-behind-brideprice-app/>; ‘Nigeria’s Bride Price app: Cause of controversy, but is it just a sly social commentary on the past?’, *The Independent*, 29 May 2014 and www.brideprice.com.ng

For the Shia population in Lebanon, almost every family has a member working abroad, and their remittances help lift living standards. Some facilities have been largely financed by these remittances (16 bank branches, five hospitals and more than 15 schools in the Shia-populated region of Nabatiye).⁴³ An interesting comparison has been made in Algeria between two regions, the first receiving money from remittances and the other not. According to this survey, foreign transfers, especially foreign pensions, have a strong positive impact on very poor families in one region and help reduce poverty by 40%. On the other hand, poor families in the other region suffer from a ‘double loss’—their migrants do not provide local

⁴² Madeleine Reeves, ‘Black Work, Green Money: Remittances, Ritual, and Domestic Economies in Southern Kyrgyzstan’, *Slavic Review*, Vol. 71, No. 1 (Spr. 2012), pp. 108–134.

⁴³ Roula Khalaf “Shia of Lebanon emerge from poverty to face charges of overstepping their powers” in *The Financial Times*, 5 May 2006.

income and do not send much money home.⁴⁴ There is an ongoing discussion about the real benefit of remittance money. It definitely increases the purchasing power of those living in the country of origin of people working abroad but this money does not help improve the overall economic situation of the country. Evidence from Senegal shows that Senegalese migrant remittances help cover day-to-day expenses, especially in terms of food and basic need products, but rarely help in buying durable products and real estate.⁴⁵

Western Union and other money transfer companies of course profit from this flow of money coming from abroad. The official money transfer institutions suffer from an unfair competitor—the *hawala system*. This system permits individuals to send money to their country of origin, but instead of a contractual transfer, it consists of trust and informal transfers by people known by both the sender and receiver practicing “My word is my bond”. The transfer is cheaper than conventional money transfer practices, with a favourable exchange rate and operates everywhere banks or post offices do not exist or are not reliable. However, the practice is sometimes accused of giving money to terrorist organisations.⁴⁶

The discrepancies among Muslim countries are so great that it is difficult to capture all these countries with a single strategy. As there is no Islamic Common Market, Islamic Common Currency or an Islamic Free-Trade Association, it is hard to talk about an Islamic economy from a regional point of view. The European Union and Eurozone are unique examples on their own, and no other zone has achieved this level of integration. Some attempts are currently being carried out in ASEAN (Association of Southeast Asian Nations),⁴⁷ but they vastly differ from the objectives and ambitions of the EU, and group Islamic countries such as Indonesia, Malaysia and Brunei, with non-Islamic countries such as Thailand, the Philippines and Vietnam.⁴⁸ So even if the economic union of ASEAN succeeds, it is not a group of Islamic countries but a heterogeneous association of countries.

Another group is the GCC (Gulf Cooperation Council).⁴⁹ It puts together six states with various size, demographics and/or economic strength such as the

⁴⁴ David Margolis, Luis Miotti, El Mohoub Mouhoud and Joel Oudinet, ‘To Have and Have Not’: International Migration, Poverty, and Inequality in Algeria’ in *Scandinavian Journal of Economics*, Vol. 117 N° 2, (Apr. 2015), pp. 650–685.

⁴⁵ David Lessault, Cris Beauchemin, Papa Sakho and Catriona Dutreuilh, ‘International Migration and Housing Conditions of Households in Dakar’, *Population*, Vol. 66, No. 1 (Jan – Mar 2011), pp. 195–225.

⁴⁶ “Les transactions “hawala”, vieille pratique financière fondée sur la confiance et la discrétion” in *Le Monde* 12 September 2002; Dulce M. Redín, Reyes Calderón and Ignacio Ferrero, ‘Exploring the Ethical Dimension of “Hawala” in *Journal of Business Ethics*, Vol. 124, No. 2 (Oct. 2014), pp. 327–337.

⁴⁷ Asean is composed of Myanmar, Thailand, Cambodia, Laos, Viet-Nam, Philippines, Malaysia, Singapore, Brunei and Indonesia.

⁴⁸ Hiro Katsumata, David Martin Jones and Michael L. R. Smith, ‘ASEAN, Regional Integration and State Sovereignty’, *International Security*, Vol. 33, No. 2 (Fall, 2008), pp. 182–188 and Nicholas Bloy ‘Soapbox: Turning the Asean economic dream into reality’, *FinanceAsia*, Dec 2014.

⁴⁹ GCC is composed of Kuwait, Saudi Arabia, Bahrain, Qatar, United Arab Emirates and Oman.

Kingdom of Saudi Arabia on one end and Qatar on the other. The advantage of this group is that it only includes Islamic countries, with some of them even claiming that their entire population is Muslim. The second advantage is that this region has some of the fastest-growing economies in the world because of oil and gas revenues and the GCC set up ambitious goals when it was established in 1981. All the GCC countries use the same language and share the same cultural mindset (the *khaleeji* culture). These conditions make it ideal to establish an integrated union, and one of the goals from 1981 was to establish a monetary union with a single currency before 2010.⁵⁰ Unfortunately, due to the rivalry between some member states, the economic union is still far away and the monetary union has yet to be developed either.

There is, therefore, no economic union between OIC countries and the union is unlikely to happen in the near future. For marketers, this poses a problem as they have to develop a country-per-country approach and cannot capitalise and pool resources to address several countries at the same time. However, many OIC countries deal with the International Monetary Fund because they need help and even rescue from the IMF.⁵¹ One of the main conditions IMF poses for intervention is that countries must introduce free-trade policies, so if OIC countries cannot build an economic union by themselves, they will become more and more integrated on the world level, facilitating the action of companies.

On a global level, the Islamic Development Bank, as its name indicates, is a development bank (whose goals are to alleviate poverty and promote human development), and not an institution that aims to build an Islamic Economic Union. It was set up 40 years ago with the aim of helping the poorest Muslim countries.⁵² A fund worth US\$2 billion has been set up in 2014 with the aim of linking the Middle East and Asia. Unfortunately, it is far too small to represent a trigger for a high economic integration between the two areas.⁵³

Finally, the Organisation of Islamic Cooperation (OIC) is an organisation seeking the political cooperation and coordination of Islamic countries. The latest resolution on Economic Affairs of the OIC from June 2014 does not mention the economic integration of Islamic countries.⁵⁴ This means that there is no multilateral organisation grouping Islamic countries with the aim of building an Economic Union today. What we have is a series of private initiatives launched by

⁵⁰ Atif A. Kubursi, *Oil, Industrialisation and Development in the Arab Gulf States*, Croom Helm, 1984, 144 pp.

⁵¹ Thomas Richter, 'When do autocracies start to liberalize foreign trade? Evidence from four cases in the Middle East and North Africa', *Review of International Political Economy*, Vol. 20, No. 4 (Aug. 2013), pp. 760–787.

⁵² www.idb.org and Masudul Alan Choudhury, '*Islamic Economic Co-Operation*', Basingstoke: Macmillan, 1989, 447 pages.

⁵³ Rebecca Spong, 'Islamic Development Banks targets Asia-Gulf Deals', *Middle East Economic Digest*, 4 July 2014.

⁵⁴ The resolution talks about cooperation, private sector development and entrepreneurship but not about economic integration of the 57 member states. See the resolution: <http://www.oic-oci.org/oi cv2/subweb/cfm/41/cfm/en/docs/final/RES-ECO.pdf>

organisations and individuals with the aim of promoting an Islamic economy worldwide and the use of an Islamic currency. One of these organisations is the *World Islamic Economic Forum Foundation*, which has held more than 10 forums in various parts of the world.⁵⁵ Another initiative trying to link Islamic countries is the promotion of the modern Islamic golden *dinar* and silver *dirham*. The rulers of Malaysia and Libya advocated the use of Islamic currency in transactions between Islamic countries at least, but this initiative has never really materialised.⁵⁶ An independent agency called World Islamic Mint, which was set up in Malaysia in 1993, propagates the establishment of *dinar* and *dirham* coins as the Islamic currency within the OIC. So far, only a few territories such as Kelantan in Malaysia have accepted it, but not as a legal currency in the state. Its main selling argument is its reference in the *Qur'an* where *dinars* and *dirhams* in gold and silver are mentioned as well as a reference to *zakat*, which can be paid in *dinars* and *dirhams*.

2.1.1 Purchasing Power Estimates

As mentioned above, the market for Islamic products and services combines Islamic member countries of the OIC and countries where Muslims represent a significant part of the market (whether in economic or demographic terms). As figures are listed by country and not by race, the non-Muslim population such as the Chinese and Indians will be included as well. In Malaysia and/or Indonesia, for instance, the figures are an aggregate and not indicative because the Chinese population in these two countries enjoys a much higher purchasing power than the Malay or non-Chinese Indonesian population. The *Forbes* list of the 10 richest persons in Malaysia in 2014 states that eight of them are ethnic Chinese, just one of them is ethnic Malay and the other is Indian; while the list from Indonesia is even more striking as nine of the ten richest billionaires in the country are ethnic Chinese and only one is Indian. Though this does not mean that all Chinese are billionaires, they do, without any doubt, make up the wealthiest community in both countries.⁵⁷

As figures that split purchasing power according to religious groups exist, we will use them. Otherwise, we will be forced to use overall figures. While some information about the Muslim population is available in Western countries, it is only based on surveys and not on official statistics. In Anglo-Saxon countries, there is no taboo about asking questions concerning religion so data can be found in these countries. According to *Dinar Standard*, the American-Muslim market represented \$2 trillion

⁵⁵ www.wief.org

⁵⁶ Imran N. Hosein 'The Gold Dinar and Silver Dirham: Islam and the Future of Money', Published by Masjid Jami'ah in 2007, 49 pages and available on <http://www.imranhosein.org/media/books/dinarbook.pdf>; and Grace Lee, 'Gold Dinar for the Islamic Countries?', *Economic Modelling*, Vol. 28, N° 4 (Jul. 2011), pp. 1573–1586.

⁵⁷ See the list on: <http://www.forbes.com/malaysia-billionaires> and <http://www.forbes.com/indonesia-billionaires>

in consumption in 2013,⁵⁸ and the household income distribution for Muslim-Americans is roughly the same as the average US-household income distribution. Thirty five per cent of Muslim-American households are in the lower bracket, earning less than \$30,000 a year compared to 33 % for all households in the USA, while 10 % of American-Muslim households are in the highest bracket, earning more than \$100,000 a year compared to 11 % for all households in the USA.⁵⁹

Originally, the OIC countries did not represent a very attractive group of countries as they all went through the (sometimes painful) process of decolonisation and exploitation by developed countries. Even the discovery of oil and gas did not change the situation much. In fact, the game-changer was the appropriation of oil and gas incomes and distribution (even if not a perfect one) of these incomes to the population. If Qatar has a huge income from oil and gas and all profits are channelled to Western countries, this would not increase the purchasing power of the local population. The decolonisation and nationalisation of natural resources provided the boost of purchasing power in all these countries. According to Sevket Pamuk and Tarik Yousef, the Middle East only started to experience modern economic growth in the nineteenth century, and is still lagging behind Western countries.⁶⁰ The average GDP per capita in OIC countries is US\$3.019 per annum, which is still very low. These are gloomy figures and marketers could easily believe that Islamic countries do not represent a good opportunity for them.

However, this is far from the truth.

The combined GDP of Islamic countries passed from 6.8 % of world GDP to 8.3 % in just one year from 2012 to 2013. This is a remarkable increase and it means that, for many consumers, there is now enough purchasing power and disposable income to buy branded products. Islamic countries have already moved up Maslow's pyramid, passing from physiological needs to safety and other needs. So the question is not whether marketers should pay more attention to these countries but when they will serve these markets. Do they want to wait until these markets mature before they invest there or do they believe that if they wait it will be too late? Many companies look intensively at the Bottom of the Pyramid (BOP) concept to experiment with low-cost products.⁶¹ These low-cost products

⁵⁸ Dinar Standar, 'The Muslim Green: American Muslim Market Study 2014–15' available on <http://www.dinarstandard.com/american-market-2014/>

⁵⁹ K. Miller and Kelli Washington: *Consumer Behaviour*, 7th edition, Richard K. Miller Associates publisher 2011 pp. 177–179 and Carla Power and Shadiah Abdullah: 'Buying Muslim', *Time International*, 25 May 2009, pp. 37–40.

⁶⁰ Sevket Pamuk, 'Estimating Economic Growth in the Middle East since 1820', *The Journal of Economic History*, Vol. 66, N°3 (Sep. 2006), pp. 809–828, Tarik M. Yousef, 'Development, Growth and Policy Reform in the Middle East and North Africa since 1950', *The Journal of Economic Perspectives*, Vol. 18, N°3 (Sum. 2004), pp. 91–115.

⁶¹ C.K. Prahalad was among the first to emphasize the importance of addressing the bottom of the pyramid in his article to *Fortune International*: 'Why selling to the poor makes good business', 15 Nov. 2004 followed by Alan Mitchell: 'The Bottom of the Pyramid is where the real gold is hidden', *Marketing Week*, 8 Feb. 2007, pp. 18–19 and Kasturi Rangan, Michael Chu and Djordjija Petkoski: 'Segmenting the base of the pyramid', *Harvard Business Review*, Vol. 89, Issue 6 (Jun. 2011), pp. 113–117.

can not only find much wider markets because of their lower price, but can also be the source of innovation for mature markets as well. Ritu Sinha gives some examples of products that have been first developed for the bottom of the pyramid, such as the Tata's Nano car, Nokia's sturdy mobile phones in Africa or the Chotukool refrigerator from Godrej in India, which can be found in some mature markets now.⁶²

The Bottom of the Pyramid is not the exclusive domain of physical products. Service companies are also interested in targeting the poor as illustrated in the case of the profitability and sustainability of a micro-insurance programme in Pakistan or the selection of a loan provider for a microloan in Indonesia.⁶³ These reports show that it is possible to innovate with new product and distribution techniques in order to serve this atypical market. However, the limiting factor is that banks and insurance companies do not have enough data (credit history) for micro-entrepreneurs, so they can be reluctant to extend credit facilities to them.⁶⁴ Research analyses secondary data on income, population and expenditure at the BOP from different countries, and applies the buying power index (BPI) methodology to assess the purchasing power of low-income consumers. On average, the greatest BPI is in the lowest-income tier, and consumption is focussed mainly on food, housing and household goods.⁶⁵ In low-income countries, the traditional product and technology lifecycle is not observed with people jumping from black-and-white TV sets to plasma screens, and often having mobile phones as their first telephones. The same thing happens in retailing. In the Middle East and North African countries, the bazaar is still considered a synonym of retailing. However, new shopping malls are proliferating. The best example comes from Turkey, where the first modern shopping mall opened in 1998 near Istanbul's airport. Today, there are 129 malls, 68 under construction and 80 in the planning stages. Malls such as the Kanyon mall, which costed \$220 million, are revolutionising the retail landscape in Turkey.⁶⁶ The other giant in the region, Iran, is experiencing a rather similar revolution, launching 400 new shopping malls with Western-sounding names like Rose or Atlas Plaza in 2015 and 65 new

⁶² Ritu Sinha: 'Reverse Innovation: A Gift from Developing Economy to Developed Economy', *Business Perspectives and Research*, Vol 2, N° 1 (Jul.-Dec. 2013), pp. 69–78.

⁶³ Yi Yao: 'Development and Sustainability of Emerging Health Insurance Markets: Evidence from Microinsurance in Pakistan', *Geneva Papers on Risk and Insurance—Issues and Practice*, Vol. 38, N° 1 (Jan. 2013), pp. 160–180 and Dave Webb, Nunik Kristiani and Doina Olaru: 'Investigating the Key Criteria for Micro Loan Provider Selection: The Case of the Poor in Kedungjati, Indonesia', *IUP Journal of Bank Management*, Vol. 8 Issue 3/4 (2009), pp. 14–21.

⁶⁴ Bailey Klinger, Asim Khwaja and Carlos del Carpio, *Enterprising Psychometrics and Poverty Reduction (SpringerBriefs in Psychology)*, 2013th Edition, Springer, 2013.

⁶⁵ Rodrigo Guesalago and Pablo Marshall, 'Purchasing power at the bottom of the pyramid: differences across geographic regions and income tiers', *Journal of Consumer Marketing*, Vol. 25, N° 7 (2008) pp. 413–418.

⁶⁶ William Echikson "Turkish shopping moves beyond the bazaar", in *The Wall Street Journal*, 17 January 2007.

malls of various sizes in Teheran alone.⁶⁷ The website www.realiran.org lists the 10 most luxurious shopping malls in Iran, and some of them look like any other Western shopping malls with exclusive shops such as Chanel, Versace, Tag Heuer and so on.

In the absence of reliable and complete information about the purchasing power of the Muslim population, some institutes and consultancies provide recommendations on where to go first. Among them, Globaleddge (a division of Michigan State University) publishes a series of indicators for emerging countries. The Market Potential Indicators (MPI) for Emerging Countries lists market size, market growth rate, market intensity, market consumption capacity, commercial infrastructure, economic freedom, market receptivity and country risk.

The advantage of Globaleddge is that it computes the overall market potential of 87 countries by using an equalisation method. The purpose of the study created by the International Business Centre of MSU is to find, with a focus on the USA, the market potential of identified countries to provide guidance to US companies that plan to expand their markets internationally. Among the 87 countries, the most interesting for US investors is that 20 of them are members of the OIC. By looking at the list, it is possible to note that Gulf countries are well placed and that all the leading Islamic countries are listed, including Nigeria, even if it is on the bottom of the list. In terms of clusters, they practically do not exist because the overall score is close between one country to the next except in the case of the UAE, which is far ahead, and Pakistan and Algeria, where there is a significant gap. Only one big country is missing on the list, probably due to its risky environment. That country is Iran (Table 2.7).

As far as private consultancies are concerned, it is interesting to see the ranking developed by AT Kearney for retail development in emerging countries. Instead of using a comprehensive set of data for the Market Potential Index, AT Kearney uses only four dimensions, all relating to the dynamism of the retail sector. As retailing (physical distribution) is often at the heart and the principal concern of any marketing effort, it is worth understanding retail development in the most prominent Islamic countries. The Global Retail Development Index (GRDI) annual report covers the 30 most promising countries in the world where global retailers can explore opportunities in investing and setting up brick-and-mortar shops. The score takes into account 30 different indicators grouped in four categories: country attractiveness, country risk, market saturation and time pressure. The last one is interesting because it indicates if global retailers should invest quickly in the country or adopt a 'wait and see' approach. Among the 30 developing countries in the world, 12 of them are members of the OIC, which is a good score. According to AT Kearney, three of them (Qatar, UAE and Malaysia) are ranked among the top ten and are on the radar of global retailers. The following four countries (Turkey, Indonesia, Kazakhstan and Saudi Arabia) are in the second tier and they are on hold in being considered by global retailers. Finally, five countries (Azerbaijan, Nigeria, Jordan, Oman and Kuwait) have a low priority status. Again, the most important

⁶⁷ 'A consumer revolution taking place in Iran', *The New York Times*, 24th January, 2015.

Table 2.7 Market potential index (MPI): 2014

Rank	Country	Overall score	Market size	Market intensity	Market growth rate	Market consumption capacity	Commercial infrastructure	Market receptivity	Economic freedom	Country risk
13	United Arab Emirates	38	2	66	91	37	88	43	43	74
27	Qatar	31	1	59	79	30	73	31	45	80
35	Malaysia	29	4	34	80	30	66	26	52	85
36	Turkey	29	7	68	65	47	52	10	50	54
37	Saudi Arabia	28	5	20	90	37	84	17	29	75
39	Indonesia	27	11	32	82	42	28	8	47	64
41	Kuwait	27	2	39	87	31	70	18	40	85
49	Oman	24	1	33	79	31	68	16	42	80
53	Bangladesh	22	4	58	87	40	15	8	40	33
55	Bahrain	22	1	22	68	30	80	23	46	59
57	Tunisia	22	2	60	67	41	38	16	45	43
61	Morocco	21	2	37	81	32	44	13	39	64
62	Egypt	21	5	69	71	44	43	7	28	22
63	Kazakhstan	21	2	28	65	46	72	12	38	4
66	Pakistan	20	6	68	67	43	34	5	36	12
79	Algeria	15	3	1	69	41	38	10	27	64
81	Iraq	14	3	13	90	44	27	12	26	7
82	Azerbaijan	13	1	12	54	40	57	12	34	38
83	Uzbekistan	12	2	30	73	37	44	9	15	17
85	Nigeria	9	7	15	55	26	5	12	35	27

Source: Globaleadge at MSU on <http://globaleadge.msu.edu/mpi/data/2014>

Table 2.8 Global retailer development index: 2015

2015 Rank	Country	Market attractiveness	Country risk	Market saturation	Time pressure	GRDI score
4	Qatar	100	89.4	34.3	12.8	59.1
7	UAE	97.6	84	16.5	33.9	58
9	Malaysia	76.6	68.8	29.3	52.7	56.6
11	Turkey	83.1	48.1	40.2	44.8	54.1
12	Indonesia	50.6	35.5	55.1	65.9	51.8
13	Kazakhstan	49.6	34.2	72.5	50.7	51.8
17	Saudi Arabia	78.6	64.4	30.4	27	50.1
22	Azerbaijan	33.9	26.9	82.4	46.8	47.5
23	Nigeria	19.6	8.3	94	66.5	47.1
25	Jordan	51.1	35.5	64.2	36.8	46.9
26	Oman	75	77.3	24.9	9.8	46.7
27	Kuwait	81	68.1	33.2	0	45.6

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Islamic countries are on the list with the notable exceptions of Pakistan and Iran. As African countries suffer from comparison with the rest of the world, AT Kearney developed a specific ranking for the African countries. And in that list, four countries, which are members of the OIC, are present in the top 10: Nigeria, Gabon, Ghana and Mozambique (Table 2.8).

EPRG Scheme and Islam

The concept of EPRG was proposed in 1969 by Howard Perlmutter from the Wharton School of Business who identified the distinctive management orientations of international companies.⁶⁸ By definition, an international company is a company with an international presence, whether it's a production facility, procurement office or physical distribution network. It was not uncommon to have an integrated unit abroad taking care of all the functions of a company, duplicating or cloning the original organisation. Over time, globalisation introduced a certain division of labour so it was possible to have procurement in one country, manufacturing in another, design in a third and sales in a fourth country. R&D was especially decentralised in order to profit from the best minds in the world, as analysed by Ambos and Schlegelmilch.⁶⁹

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⁶⁸ Howard V. Perlmutter : 'The Tortuous Evolution of the Multinational Corporation' in *Columbia Journal of World Business*, Vol. IV (Jan-Feb 1969), pp. 9–18.

⁶⁹ Björn Ambos and Bodo Schlegelmilch, 'Innovation and Control in the Multinational Firm: A Comparison of Political and Contingency Approaches', *Strategic Management Journal*, Vol. 28, No. 5 (May, 2007), pp. 473–486.

Perlmutter identified four possibilities—EPRG—for management orientation in foreign markets:

- *Ethnocentrism* (E) is in essence a home-country management orientation where overseas operations are secondary. It is similar to experimental internationalisation as the firm is an intermittent exporter and usually exports to a few markets with similar geographical and cultural patterns.⁷⁰ The management structure is complex in the home country but simple in other countries as they simply reproduce the structure from the home country. A person who assumes that his or her country is superior to the rest of the world is said to have an ethnocentric orientation. Some would also say that the company demonstrates an imperialistic attitude. Company personnel assume that the products and practices that have succeeded in the home country will, due to their demonstrated superiority, be successful anywhere else. As a result, valuable managerial knowledge and experience in local markets may go unnoticed. In marketing terms, ethnocentric and geocentric approaches are close to the globalisation concept.

This concept definitely draws its reference from Western countries, namely the USA. From the perspective of Islam, the Kingdom of Saudi Arabia could be a natural candidate as an ethnocentric imperialistic country. Not only is it the home of Mecca and Medina, the Prophet Muhammed was from Mecca and this was where the revelation was revealed to mankind. The Kingdom would be tempted to consider that it is the centre of Islam and that all other countries adopt the rules and customs practised in Saudi Arabia. There might be the mentality that success for a company in Saudi Arabia would guarantee success in all other Muslim countries. However, this will not work because other countries also claim to be the centres of Islam. Egypt, for instance, could tout *Al-Azhar* as the most prized *Sunni* Islamic University while Iran could do the same thing with Qom University for the *Shia* Muslims. Turkey, as the home of the long-lasting Islamic Empire, could also claim precedence in the Muslim world. Members of different sects of Islam will definitely show a higher affinity for some countries rather than the others.⁷¹ For instance, the country

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⁷⁰ The reason why so many companies hesitate to have a proactive internationalization approach is that they perceive the cost of internationalization knowledge too high, so they prefer to concentrate on markets they know. See : Kent Eriksson, Jan Johanson, Anders Majkgard and D. Deo Sharma, 'Experiential Knowledge and Cost in the Internationalization Process' in *Journal of International Business Studies*, Vol. 28, No. 2 (2nd Qtr., 1997), pp. 337–360.

⁷¹ Eva M. Oberecker, Petra Riefler and Adamantios Diamantopoulos, 'The Consumer Affinity Construct: Conceptualization, Qualitative Investigation, and Research Agenda', *Journal of International Marketing*, Vol. 16, No. 3 (Sep. 2008), pp. 23–56.

of origin effect will push the worldwide *Shia* population to favour products and initiatives from Iran regardless of the superiority or quality of these products.

Companies can also single out countries as countries of reference for their business and they will not necessarily look at sectarian preferences. Nestlé, for instance, identified Malaysia as its Centre for Excellence for its *halal* products. Even if in Malaysia there are only 7 out of 50 Nestlé plants producing *halal* products worldwide, Nestlé Malaysia is identified as the *halal* hub for the company.⁷²

Given the superiority of Western (American) products and marketing techniques, it is expected that many Muslim countries adopt concepts, products and services from the West. In the past, there was definitely a preference for Western products. In fact, when the product was available and consumers had the purchasing power, they would opt for a Western product, especially in Africa.⁷³ Today, surveys show a more balanced approach as consumers, at least those in Malaysia and Kuwait, show a much more ethnocentric approach and preference for local products.⁷⁴ Even in Nigeria, which used to be an El Dorado for Western marketers, there is a tendency to switch to local brands that promote patriotism such as Star beer ('I am Nigeria...and Star is my beer') or Air Nigeria ('Passionately African').⁷⁵

- *Polycentrism* (P) starts with the assumption that each country in which a company does business is unique. This assumption lays the groundwork for each subsidiary to develop its own unique business and marketing strategy in order to succeed. Local conditions are the determinants for success in this case. Contrary to the ethnocentric approach, polycentrism gives international business priority. If French *boulangerie* chain *Paul* goes to Malaysia, it will not offer its best-selling product in France, *jambon-beurre*, because it is pork ham. Instead, it will offer only *halal*

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⁷² See Nestlé Halal Commitment at http://www.nestle.com.my/asset-library/documents/pdf/2013_halal_brochure.pdf

⁷³ Chike Okechuku and Vincent Onyemah, 'Nigerian Consumer Attitudes toward Foreign and Domestic Products' in *Journal of International Business Studies*, Vol. 30, No. 3 (3rd Qtr., 1999), pp. 611–622.

⁷⁴ Zafar Ahmed, Rosdin Anang, Nor Ohman and Murali Sambasivan, 'To purchase or not to purchase US products: role of religiosity, animosity and ethno-centrism among Malaysian consumers', in *Journal of Services Marketing*, Vol. 27, N°7 (2013), pp. 551–563 and Victor Bahhouht, Christopher Ziemnowicz and Yusef Zgheib, 'Effect of Culture and Traditions on Consumer Behavior in Kuwait', in *International Journal of Business, Marketing and Decision Science*, Vol. 5, N°2 (Fall 2012), pp. 1–11.

⁷⁵ 'Nigeria's Mad Men' in *The Economist*, 28th April, 2011.

products. If the biggest French bank BNP Paribas goes to Bahrain, it will offer Islamic finance products and services, all of which are not offered in France. The same exists in the Islamic world. A bank from Malaysia (RHB or CIMB) will sell only conventional products and services (interest-rate based products) in a country like Singapore while in its home country it will offer both conventional and Islamic finance products. A polycentric approach puts the consumer at the centre of its discussion and the company does not hesitate to adapt its offer if necessary. This is a typical example of the adaptation theory for a multinational company as opposed to the globalisation theory. This type of strategy might be necessary in countries such as Malaysia, which is split in two parts (continental Malaysia on one side and Sabah and Sarawak on the Borneo Island on the other). Since the Western part (continental) is richer than Sabah and Sarawak, companies like Nestlé may decide to be present only in the Western side as they do it with some brands such as ice-cream Sourz.

- *Regiocentrism* (R) occurs when a firm is focussed on a particular region, for example, North America, Asia-Pacific or the European Union. The firm researches the markets, understands consumers and competition in the region and evolves competitive strategies. This strategy is especially useful in the case of tariff and non-tariff barriers. Being inside the trade block will give the company an advantage when it comes to quotas and tariffs. Muslim countries have yet to develop trade blocks and we can find Islamic countries on all continents. Indonesia, Malaysia and Brunei are part of ASEAN where the majority of countries are not Islamic. While liberalisation within ASEAN is on its way, some sectors that are crucial to their national economies are not going to be liberalised soon. This is the case in the logistics sector, especially in the biggest of the ASEAN countries—Indonesia. Having a regional presence for a logistics firm in Singapore would not bring too much advantage in setting up operations in Indonesia. There would still be a need for investment in the country (Table 2.9).⁷⁶

Logistics play an important role in marketing and 21 Islamic countries feature in the 45 most attractive emerging countries from the logistics point of view. The Agility Emerging Markets Logistics Index uses three metrics to

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⁷⁶ Jose Tongzon, 'The Challenge of Globalization for the Logistics Industry: Evidence from Indonesia', *Transportation Journal*, Vol. 51, N°1 (Win. 2012), pp. 5–32.

Table 2.9 Agility emerging markets logistics index 2016

Rank	Country	Index 2016	Index 2015	Change
2	UAE	7.01	6.63	up 4
4	Malaysia	6.66	6.36	up 4
5	Saudi Arabia	6.62	6.76	down 3
7	Indonesia	6.63	6.71	down 3
10	Turkey	5.95	6.06	–
12	Qatar	5.83	5.87	–
14	Oman	5.48	5.71	down 1
17	Nigeria	5.28	4.56	up 10
18	Kazakhstan	5.28	5.08	–
20	Morocco	5.05	5.11	down 3
21	Kuwait	5.02	4.91	–
22	Egypt	4.99	4.38	up 10
23	Pakistan	4.99	4.77	up 2
26	Bahrain	4.91	4.78	down 2
27	Bangladesh	4.73	4.56	up 1
30	Algeria	4.46	4.11	up 4
33	Jordan	4.28	4.54	down 4
36	Tunisia	3.69	3.87	down 1
41	Libya	3.52	3.58	down 1
42	Lebanon	3.43	3.56	–
45	Uganda	3.33	3.31	–

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assess and rank 45 emerging markets countries. Size and Growth Attractiveness make up 50 % of overall Index score. Compatibility and Connectedness each account for 25 % of overall score. The latest edition from 2016 shows that UAE and especially Dubai is the most interesting place to be for logistics companies while the position of Indonesia is sliding from one year to the other. Some powerhouses such as Saudi Arabia and Turkey are well placed while Pakistan and Nigeria are in the middle of the ranking. Malaysia enjoys a better place than Indonesia which has more to do with the openness of the economy than with the potential of the country.

Sometimes, stereotypes play a huge role and, from the western point of view, some companies might be tempted to view the Arab countries as a homogenous group of countries, even putting Iran inside the Arab group. There are numerous misrepresentations about Muslims, especially in the Arab lands, which have given rise to a fair list of fantasies. Burger King

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has played on that stereotype in a TV advertisement in Saudi Arabia, which shows two Saudi men talking to two American girls, who fantasise about deserts, camels, tents and so on in an ad full of self-derision (the ad can be retrieved on <http://danoday.com/blog/2010/04/burger-king-saudi-arabia/>). Finally, a country's colonial past also plays a role, as evidenced in the division of African countries in two parts: Francophone Africa and Anglophone Africa. France is more familiar with Francophone Africa and French companies have been present there for decades. They have a good knowledge of the situation and consumer behaviour and this gives them an edge over other countries. Islamic countries invest in Western countries as well. When, for instance, Qatar invests in France, it enjoys the same intra-European preference as any other investment made in a country from the European Union.

As far as Arabic countries are concerned, there is a trend for Western brands to consider them as a single entity and this is why they have regional branches. They either opt for a wider region and include some African countries in a group called MENA (Middle East North Africa), as is the case for KFC,⁷⁷ reduce their presence to only Arabic countries like Burger King⁷⁸ or limit it to GCC countries as is the case for McDonald's.⁷⁹ The regiocentric approach is very convenient for companies using a franchise method as they can apply for a Master Franchise, which will cover a certain region, and, through it, recruit other local franchisees.

Geocentrism (G) considers the whole world as its home market. It is different from the ethnocentric strategy because the company does not design an offer from the home market's point of view. It designs a global product that might not be sold in the home country of the company. The company either becomes global gradually due to the demand from the outside world or is set up as a 'born-global' company.⁸⁰ When Apple designs the new phone, it is highly likely that 80% of its revenue will come from abroad and the company from Cupertino does not necessarily take the environment in the USA as a model for

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⁷⁷ Through its franchise Americana, KFC is present in 12 MENA countries and 74 cities in the region, operating 450 restaurants. See: http://www.kfc-arabia.com/kfc_mena.html

⁷⁸ Burger King is present in the Middle East through its franchise Olayan Group in Saudi Arabia. It currently operates restaurants in Saudi Arabia, Oman, Egypt, Kuwait, Lebanon, Qatar, Bahrain and Jordan. See the website of Olayan at: <http://www.olayan.com/product/17>

⁷⁹ McDonald's Arabia is present in the 6 countries of the GCC. It would be proper to call it McDonalds GCC and not Arabia because in other countries like Jordan they have independent operation from McDonald's Arabia. See: www.mcdonaldsarabia.com

⁸⁰ Sylvie Chetty and Colin Campbell-Hunt, 'A Strategic Approach to Internationalization: A Traditional versus a "Born-Global" Approach', in *Journal of International Marketing*, Vol. 12, No. 1 (2004), pp. 57–81.

its global product. The firm is not interested in the market share of just one market but keenly pursues goals of global market leadership. This is why it seeks to develop a global competitive advantage and not just an advantage in one or a few markets. Instrumental to this is the coordination of its international business on a global level. The company can even shift some of its main functions to a foreign country such as global R&D or global training. Geocentrism can be seen from a company's standpoint but also from the consumer point of view.⁸¹ Because Islam is a universal religion, it is possible to use this approach. It also fits perfectly with the emergence of global Internet websites catering to the Muslim community worldwide and proposing services such as translations of the *Qur'an*, books, apparel and postcards. An example is the Al-Jazeera news channel that is broadcast to the world. Despite being based in Qatar, it is presented as a global news provider for the Muslim community, and is now targeting more and more of the world's population with its English language edition. These companies can be referred to as Muslim Globalists, Muslim Cosmopolitans or Muslims without Borders as they believe that they are part of a unique *Ummah* (community).⁸²

2.2 Demographic Indicators

Besides considering the purchasing power and the economy, marketers have to consider the people (potential consumers). This is where demographic indicators come in. Monetary indicators are set aside because, for some products (basic stationery, one-blade razors, locally made soft-drinks, etc.), population is of the utmost importance as the price of these goods is not extremely high. If the price is high, as in the case of pharmaceuticals, buyers might come from foreign countries, humanitarian organisations and the World Health Organization (WHO), which can compensate for the lack of money in a given country. In that case, lobbying efforts and marketing are primarily directed at these generous donors⁸³ rather than the final

⁸¹ Marc Cleveland, Michael Laroche and Nicolas Papadopoulos: 'Cosmopolitanism, Consumer Ethnocentrism and Materialism: An Eight-Country Study of Antecedents and outcomes' in *Journal of International Marketing*, Vol.17, N°1 (2009), pp. 116–146.

⁸² Magnus Marsden, 'Muslim Cosmopolitans? Transnational Life in Northern Pakistan' in *The Journal of Asian Studies*, Vol. 67, No. 1 (Feb., 2008), pp. 213–247.

⁸³ Private companies also invest in social expenditures through their corporate social responsibility actions. An interesting case is provided by Heineken in Sub-Saharan Africa. This is an alcoholic beverages company that sells in Islamic countries. At the same time it caters for the population's health needs, raising some ethical issues. See Catinka C. Van Cranenburgh and Daniel Arenas, 'Strategic and Moral Dilemmas of Corporate Philanthropy in Developing Countries: Heineken in Sub-Saharan Africa' in *Journal of Business Ethics*, Vol. 122, N°3 (Jul. 2014), pp. 523–536.

consumers. Even if the donors are private companies, they usually go through the Direct Corporate Humanitarian Investment (DCHI).⁸⁴ Counting the number of potential consumers (or users in the last case) is of paramount importance, and marketers are naturally interested in counting the number of people and assessing the importance of population growth.⁸⁵ But counting is one thing, making sense of the numbers is another. What population censuses and demographic surveys provide is an arithmetic result of counting. There is usually no causal relationship between the demographic elements analysed as there is no theoretical framework for that. This is especially true for developing countries, and the majority of Islamic countries are in this group.⁸⁶ As such, marketers face a hard task in first finding information that is relevant and complete and, later, in conducting a proper analysis.

Before counting the number of potential customers, we have to first identify them. So, who are the consumers in Islamic marketing? The obvious answer would be Muslims. However, this is not necessarily accurate as many consumers of Islamic products are not Muslims and many Muslims do not consume Islamic products. As an example, all food in Saudi Arabia, except for some, is *halal*, so all those living in Saudi Arabia, including foreign workers and expatriates coming from Western countries who may not be Muslims, are forced to consume *halal* products. This is understandable because Saudi Arabia enforces strict measures when it comes to food. If all food (especially meat) is *halal* in Saudi Arabia, it means that the Filipino community there also consumes *halal* meat. This population of Filipinos in Saudi Arabia was estimated to be 1,267,660 people in 2014, according to the Commission on Filipinos Overseas.⁸⁷ The great majority of Filipinos in Saudi Arabia are not Muslim, yet they consume *halal* food and contribute to the total sales of *halal* food in the country.

In other Muslim countries, it is possible to find non-halal items such as pork or alcohol, but the outlets and people buying them must be authorised and given permission to do so. In Dubai, it is possible to purchase pork items in supermarkets but the section is clearly labelled to be for non-Muslims. As far as alcohol is concerned, except for hotels and some restaurants and bars that have a license to sell alcohol, it is only possible to purchase alcohol from liquor stores under a license scheme where the company authorises a non-Muslim employee to buy it.⁸⁸

⁸⁴ For the concept of DCHI see Thomas W. Danfee and David Hess, 'The Legitimacy of Direct Corporate Humanitarian Investment' in *Business Ethics Quarterly*, Vol 10, N°1, (2000), pp. 95–109.

⁸⁵ See John Farley and Harold Leavitt 'Marketing and Population Problems' in *Journal of Marketing*, Vol. 35, N°3 (Jul, 1971), pp. 28–33.

⁸⁶ Yves Charbit and Véronique Petit, 'Toward a Comprehensive Demography: Rethinking the Research Agenda on Change and Response', *Population and Development Review*, Vol. 37, No. 2 (Jun. 2011), pp. 219–239.

⁸⁷ See Global Mapping of Overseas Filipinos on the website of the Commission for Overseas Filipinos at: http://www.cfo.gov.ph/index.php?option=com_content&view=category&id=134&Itemid=814

⁸⁸ 'Drinking in the UAE, what you need to know, *The Telegraph*, May 9th, 2013.

Christians or members of other faiths often consume *halal* food in Muslim-minority countries as well because there is no other choice. For instance, virtually all fast-food restaurant chains in Singapore are *halal* even though the Muslim population in Singapore was only 13.3 % of total population in 2014. Many food chains in Singapore such as McDonald's, Pizza Hut, Domino's and the like have chosen to switch to all-*halal* products a few years ago, so all consumers regardless of their faith consume *halal* products. It's the same for Nestlé cereals or Coca-Cola soft drinks in Singapore. As such, the sale of *halal* products in Singapore is disproportionate when compared to the share of the country's Muslim population. Consequently, multinational companies in Singapore do not just target Muslims with *halal* products, they target everyone.

But the situation in Singapore is a typically inclusive one, contrary to the practices the same companies might have in other Muslim-minority countries.⁸⁹ Inclusive Markets are defined by the United Nations Development Programme (UNDP) as markets that extend choices and opportunities to the poor (and other excluded groups) as producers, consumers and wage earners.⁹⁰ It is, however, possible to extend the definition to include all excluded populations, among them religiously excluded populations. In countries such as France or Belgium, where the Muslim population represents around 6–7 % of the total population, fast-food chains do not offer *halal* products, a practice perceived by some Muslims as discriminatory. McDonald's is a case in point as the company has different practices according to the political situation in each country. In a country such as India, where Muslims represent 13.4 % of the population (the same proportion as in Singapore), McDonald's operates 300 restaurants, and none of them serves pork or beef. Though the restaurants are not certified *halal*, as the slaughterhouses are usually *halal*, there is a transfer of '*halalness*' from a slaughterhouse to the restaurant and McDonald's can state that it sells *halal* meat even if the chain itself is not certified. This is contrary to the situation in Singapore where the restaurants are certified. On the other hand, the situation in Israel and Bulgaria is totally different. There are 13.4 % of Muslims in Bulgaria (same as in Singapore and India), yet none of the 42 restaurants in the country serves *halal* food. As far as Israel is concerned, there are 16.9 % of Muslims living in the country, yet no McDonald's restaurant sells *halal* food. However, it does not serve pork either and serves kosher food in 40 out of its 160 restaurants in the country.

The problem of Muslims not buying Islamic products is so widespread simply because of ignorance.⁹¹ As a matter of fact, Islamic finance with fully fledged Islamic banks or Islamic windows in conventional banks has appeared only

⁸⁹ Inclusive marketing is used when a company combines target audiences that usually have different consumer patterns. It can combine rural and city dwellers, men and women, poor and rich. . . It can also combine people of different faiths.

⁹⁰ http://www.undp.org/content/undp/en/home/ourwork/funding/partners/private_sector/IMD.html

⁹¹ See Timur Kuran: 'Islamic Economics and Islamic Subeconomy', in *Journal of Economic Perspectives*, Vol 9, N°4 (Aut. 1995), pp. 155–173.

recently. So many Muslims are not aware about the available banking and *takaful* (insurance) products and do not actively demand them. At the same time, only a few countries have ‘Islamicised’ their financial system, so conventional products (interest-bearing products) are offered with Islamic products in all countries of the GCC, including Saudi Arabia. The Sultanate of Oman even prohibited the use of Islamic finance in the country until the protests in 2011, so it was impossible for consumers in Oman to have access to Islamic finance products. Some Muslims feel uncomfortable when they discover that they are targeted specifically because they are Muslims. They resent being reduced to religious dimensions only and want to be treated as any other consumer in the world.⁹²

In fact, *halal* products and Islamic finance are for everyone, Muslims or not. The only difference is that, for Muslims, these products are the only authorised products while for other consumers, it is just another offer on the market. And this is what makes the assessment of the potential market extremely difficult. It’s not the same thing when a company considers a market of 1.6 billion people and 6.6 billion people. In this chapter, we will focus on the Muslim population and also touch on consumers from other faiths.

2.2.1 Muslims in Numbers

With more than 1.6 billion Muslims, Islam is the first- or second-largest religion in the world. While it is the second-largest religion after Christianity, if we single out the Catholic Church from other Christian churches, Muslims number more than Catholics.⁹³ It is also the fastest-growing religious group today and, all things being equal, will probably be the fastest-growing group in the future as well. Over the years, Islam has grown rapidly, with particular success in Africa and Asia. According to the Pew Research Center, the world’s population is 31.4 % Christian, 23.2 % Muslim, 15 % Hindu, 7 % Buddhist, 0.2 % Jewish and 16.4 % unaffiliated.⁹⁴

While official statistics do not exist for a series of countries, various estimates flourish. Some of the estimates voluntarily decrease the number of Muslims living in one country, while Muslim leaders in that country usually inflate figures of Muslims. The number of Muslims living in China, for instance, ranges from 18,000,000 people, according to official statistics (*Beijing Review* 1–7 September 1997), to 23,308,000, as provided by the Pew Research Center. Other sources such

⁹² Ahmet Suederm, ‘Yes, my name is Ahmet, but please do not target me. Islamic Marketing: Marketing islam TM?’ in *Marketing Theory*, Vol. 13, N°2 (Dec. 2013), pp. 485–495.

⁹³ Vatican acknowledged in 2008 that for the first time in history, Catholics are no more on the top and that Muslim overtook them while there were 20 % more Catholics than Muslims worldwide by the end of 19th century. See ‘Muslims more numerous than Catholics: Vatican’, *Reuters*, 30 March, 2008.

⁹⁴ ‘The Global Religious Landscape’ *Pew Research Center’s Forum on Religion and Public Life*, 2012 and ‘7 key changes in the global religious landscape’, 2nd April 2015 on www.pewresearch.org

as the Institute of Islamic Information and Education (www.iiie.net) quote figures as high as 52,558,000 Muslims in China. When a tour operator wants to bring Chinese Muslims to Mecca for pilgrimage or publish Islamic books in Mandarin, it has to have in mind the number of Muslims in that country.⁹⁵

It is worth noting that 100 years ago the three countries with the largest Muslim population were European countries: the British Empire (including modern countries such as India, Pakistan, Bangladesh, Nigeria, Sudan, Iraq and Kuwait, among others), France (including Northern, Western and Equatorial Africa), and the Dutch Colonial Empire (including Indonesia). Today, the largest Muslim countries are Indonesia, India, Pakistan, Bangladesh and Turkey. While India is home to the second-largest Muslim community in the world (more than 140 million), this community still represents a minority in the country.⁹⁶ Asia as a whole has more than 50 % of the world's total Muslim population. As such, if a company is interested in the Muslim population, it would definitely go to Asia first, rather than to Africa or the Middle East.

Compared to the situation in 2010, the world's Muslim population is expected to increase by about 35 % in the next 20 years, rising from 1.6 billion in 2010 to 2.2 billion by 2030, according to projections by the Pew Research Center. This is a very significant increase, and no other faith shows similar growth. In annual terms, this is an average annual growth rate of 1.5 % of Muslims, compared with 0.7 % of non-Muslims. If current trends continue, Muslims will make up 26.4 % of the world's total projected population of 8.3 billion in 2030, up from 23.4 % of the estimated 2010 world population of 6.9 billion.

Projections for 2050 will show a dramatic increase in the Muslim population as it is expected to reach 2.79 billion (29.7 % of the world's population), compared to 2.92 billion for the Christian population (31.4 %). According to Pew Research Center, all other religions are expected to see their growth stagnate or even

⁹⁵ The largest Chinese Muslim population is the Hui (more than 10 million people). They have largely been assimilated into the cultures of the other Chinese people among whom they live, reflecting Chinese clothing, family life, education, work, sports, entertainment, folk art and even their social problems. However, some Hui continue to hold to their Arab-Persian ancestry, avoiding Chinese customs. According to the 2010 census, the other nine Muslim populations, in descending order of size, are Uighurs (10 million), Kazakhs (1.46 million), Dongxiang (624,000), Kirghiz (186,000), Salar (130,000), Tajiks (51,000), Bonan (20,000), Uzbek (10,600), and Tatar (3,500). There are some 40,000 mosques officially reported in China, among them The Great Mosque of Xi'an is the most famous one.

⁹⁶ In spite of the huge migration happening after the partition of India in 1947, more than 100 million Muslims did not go to the new state of Pakistan/Bangladesh. It is estimated that more than 15 million people were involved in the migrations with more than 3mn people 'missing'. Prashant Bharadwaj, Asim Khwaja and Atif Mian, 'The Big March: Migratory Flows after the Partition of India', *Economic and Political Weekly*, Vol. 43, No. 35 (Aug. 30–Sep. 5, 2008), pp. 39–49.

decrease, except for Islam.⁹⁷ The number of Christians is, for instance, expected to increase by 35 % from 2010 to 2050, which corresponds to the increase in the world's population for the same period. At the same time, the Muslim population will increase by 73 %. Marketers would comment that 2030 and 2050 is still far away and that they prefer to focus on immediate situations. This is true because only 10 years ago, nobody was talking about the biggest companies today such as Facebook or Alibaba. On the other hand, when Nestlé commits CHF 87 million for a new factory manufacturing Maggi products in Nigeria, invests a total of CHF 1 billion in Africa or opens a new confectionary plant in Egypt, the company definitely does it according to expected population growths. Besides the Pew Research Center, the United Nations Department of Economic and Social Affairs' Population Division also gathers demographic information for the whole world. It provides very valuable information about the demographic profiles and probabilistic projections for all countries up to 2100. However, the problem is that everything is based on present-day assumptions and many countries of the OIC currently have a very volatile and unstable situation, which will impact projected population growths. The second challenge is that the UN provides figures on the total population in a given country with the usual breakdowns in terms of age and gender but do not provide figures per religion, in this case, the Muslim population.⁹⁸ This is why the figures differ from those provided by the Pew Research Center, which outlines situations according to religions. While it might be useful to have differentiated figures according to religions, it is not of utmost importance. When Unilever and L'Oréal sell shampoos in Malaysia or Lebanon, they do not manufacture specific shampoos for Muslims or for Christians. The product is the same for all. In this case, the figures from the United Nations would be useful.

If current trends continue, by 2030, 79 countries will have a million or more Muslim inhabitants, up from 72 countries today (among them the USA, Canada, Australia, France, the UK, Germany, Spain, Italy and Belgium). A majority of the world's Muslims (about 60 %) will continue to live in the Asia-Pacific region, while about 20 % will live in the Middle East and North Africa, as is the case today. However, the distribution in the MENA countries will change with some countries having a much higher fertility rate than the others. The portion of the world's Muslims living in sub-Saharan Africa is also projected to rise. In 20 years, for example, more Muslims are likely to live in Nigeria than in Egypt, and this is a significant change compared to previous years. Muslims will continue to be relatively small minorities in Europe and the Americas, but are expected to constitute a growing share of the total population in these regions.

As far as individual countries are concerned, there will be dramatic changes. In 2010, Indonesia was the only country with more than 200 million Muslims. But by

⁹⁷ 'The Future of World religions: Population Growth Projections, 2010–2050', The Pew Research Center, April 2, 2015. The report is available on: http://www.pewforum.org/files/2015/03/PF_15.04.02_ProjectionsFullReport.pdf

⁹⁸ <http://esa.un.org/unpd/wpp>

Table 2.10 Estimated Muslim population for top 10 countries in 2010, 2030 and 2050

Country	2010	2030	2050
India	176,200,000	236,182,000	310,660,000
Pakistan	167,410,000	256,117,000	273,110,000
Indonesia	209,120,000	238,833,000	256,820,000
Nigeria	77,300,000	116,832,000	230,700,000
Bangladesh	134,430,000	187,506,000	182,360,000
Egypt	76,990,000	105,065,000	119,530,000
Turkey	71,330,000	89,127,000	89,320,000
Iran	73,570,000	89,626,000	86,190,000
Iraq	31,108,000	48,350,000	80,190,000
Afghanistan	29,047,000	50,527,000	72,190,000

Source: The Future of World Religions: Population Growth Projections, 2010–2050. Pew Research Forum

2050, four countries will have more than 200 million Muslims, and Indonesia will rank third on the list, behind India and Pakistan. In 2010, only Asian countries had more than 100 million Muslims while Nigeria, Turkey, Iran and Egypt were in the range of 70–80 million Muslims. For marketers, the situation is clear: if they want to target Muslim consumers, they must enter Asia first (four countries) and then the Middle East and North Africa (four countries, Nigeria included). The problem is that all these countries have different economic, political and cultural characteristics, so developing a unique marketing plan that targets both Asian Muslims and MENA Muslims would be difficult to implement (Table 2.10).

By 2050, India will set a record of being the first country with more than 300 million Muslims living in a single nation. Compared to the figures in 2010, the total number of Muslims in India practically doubles in 40 years. If, previously, there was any reluctance for marketers to target the Muslim population in India, whatever the reason, this country cannot be ignored in 2050. Pakistan, Indonesia and Bangladesh will feature in the top five as usual but the real surprise is Nigeria. The country is set to double its number of Muslim inhabitants every 20 years, growing from 77 million in 2010 to 230 million in 2050. Even if Nigerian statistics have to be considered with caution, the rise is still spectacular. Whatever the actual number of Nigerian Muslims in 2030 and 2050, marketers simply cannot ignore them as they cannot ignore India. Three countries in the top ten will also experience a significant increase in their Muslim population (Egypt, Iraq and Afghanistan) while the two heavyweights Turkey and Iran will see a rather low and controlled increase of their population. This is pushing Iran to promote a higher fertility rate through a series of measures such as free hospital delivery stays and cancelled subsidies for condoms or birth control pills. However, the outcome of these measures is not clear as birth-control policies have already produced a mindset favourable to birth control.⁹⁹ Even countries such as Iraq and Afghanistan will

⁹⁹ ‘Why Iran’s baby incentives won’t work’, *The Straits Times*, 10th June 2014.

come under the radar of companies targeting Muslim markets as long as their security issues are resolved.

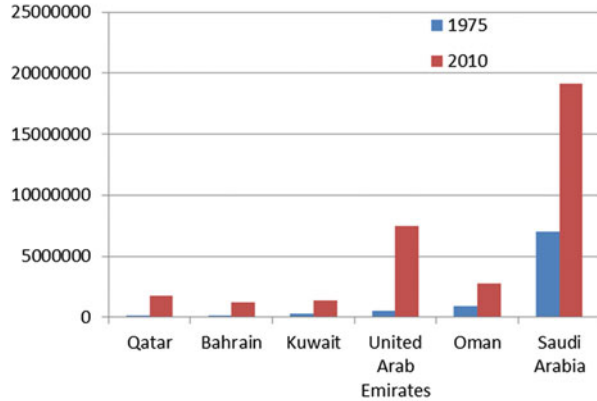
2.2.2 Muslims in OIC Countries

There is no country in the world where Muslims do not live. Mosques can be found in Alaska, Colombia and even in Japan. Of course, the biggest numbers of Muslims live in OIC (Organisation of Islamic Cooperation) countries, but there are also significant numbers in Western and other countries in the world. Although there are 57 member countries in the OIC and the group is supposed to represent Muslim-majority countries, 10 of them do not have Muslim majority.¹⁰⁰ Countries such as Gabon, Guyana, Togo and Uganda have very small Muslim populations (7.2 %, 9.7 %, 14 % and 11.5 %, respectively) compared to the total population. But as these countries wanted to be part of the OIC, the organisation accepted them despite their minority Muslim population. Even if all members of the OIC do not have Muslim majority, all Muslim-majority countries are part of the OIC so it would be safe to target these countries as Muslim countries. However, India is not part of the OIC although it has the second-largest Muslim population in the world as it did not request for membership in the OIC. India does not even have an observer status at the OIC, while Russia and Thailand, countries with a lower number of Muslims than India, requested and have been granted observer status in the organisation.

Outside assessments for demographic figures are needed because official data from local census bureaux sometimes do not exist or are not accurate. For the majority of the member countries of the OIC, censuses have been taken recently: Algeria (2008), Indonesia (2010), Saudi Arabia (2010), Senegal (2013) and Tunisia (2014). However, the latest census for Somalia (1975) and Iraq (1987) occurred a long time ago. Afghanistan is another special case as the only modern census taken in the country was in 1979. Since that year, no census has been undertaken and all figures on Afghanistan's population are extrapolations from the 1979 census. While marketers might handle enough data to estimate the number of people living in a Muslim country, it does not apply to all countries. Counting people is also an opportunity to know more about family size and the relative purchasing power of each member in the household. The question of gender is rather sensitive in Muslim societies so surveys such as the Demographic and Health Survey (DHS) will question women's empowerment in some countries, especially in Sub-Saharan Africa. In fact, data from Ghana, Mozambique, Senegal, and Uganda is still missing for the following areas: economic empowerment, knowledge of legal rights and recourse, participation in decision-making, attitudes and social norms, and adolescent girls—all important data that is easily accessible and taken for granted in

¹⁰⁰ Palestine is part of the OIC even if it is still not recognized as an independent state by the United Nations.

Fig. 2.1 Population in the GCC. *Source:* National Statistics Bureaus



Source: National Statistics Bureaus

Western countries.¹⁰¹ As the quantity and quality of data are not optimal for marketers, they have to find other ways to document and justify their decisions.

Some countries have experienced a dramatic increase in their population, which has put stress on their resources such as water, food and electricity and might impact the sustainable development of their nation. A typical example comes from the GCC countries, especially Saudi Arabia, the United Arab Emirates and, most recently, Dubai. The following chart gives a comparison of populations between 1975 and 2010 (Fig. 2.1).

In 1975, the population of the UAE was rather low (a little more than 500,000 people) and relatively comparable to all other Gulf countries except Saudi Arabia. Over the years, population increased exponentially and reached the level Saudi Arabia had in 1975 (close to eight million people today). At the same time, the population in Saudi Arabia also increased dramatically, growing from around seven million people to 30 million today. For companies dealing with fast-moving consumer goods and low-priced products, these two markets are the most important ones. A look at the presence of the biggest hypermarket and supermarket chains in the GCC shows that the three giants—Carrefour, Geant-Casino and Lulu—are all massively represented in the UAE. Qatar is also enjoying a good number of outlets (disproportionate compared to its population) due to its very high purchasing power per capita (Table 2.11).

Counting the number of Muslims and those of other faiths is not easy because of the counting process. Statistical bodies only provide the total number of people per country and not per religious community. This is why the UN Population Division does not provide data per religious affiliation. The UN does not count people. It compiles information from country-based statistical offices so it can make

¹⁰¹ Jessica Heckert and Madeleine Short Fabric, 'Improving Data Concerning Women's Empowerment in Sub-Saharan Africa', *Studies in Family Planning*, Vol. 44, No. 3 (Sep. 2013), pp. 319–344.

Table 2.11 Supermarket/hypermarket chains in the GCC

Hypermarkets/Supermarkets	Lulu	Geant	Carrefour
Qatar	6	1	6
Kuwait	5	7	1
Bahrain	1	7	1
Oman	15		6
United Arab Emirates	42	13	47
Saudi Arabia	5		16

Source: compilation by the author

predictions, but does not organise a census of population. Figures on a country's Muslim population are mainly from the country itself and rarely from outside organisations. There are countries clearly identified as "Muslim states" whose citizenry happen to be largely Muslim but no country reporting a 100% Muslim population even for those usually associated with Islam such as Saudi Arabia or Mauritania. A small group of countries reports on having more than 99% of their population being Muslim (Morocco, Iran, Tajikistan, Afghanistan, Tunisia and Yemen) while more than half of OIC members claim that more than 90% of their population is Muslim. There is, therefore, a split between countries with a very high Muslim population and those where the Muslim population is in the 50–80% range, where Malaysia (61.4%), Kazakhstan (56.4%) and United Arab Emirates (76.1%) are the most prominent countries. It is easier for marketers to launch an offer in a homogenous market rather than a heterogeneous market with different and, sometimes, competing religions. Companies will have to cater to Muslim populations living there but also to those who are authorised to buy alcohol and *haram* products such as pork. They must show a sensitive strategy by selling *haram* products while, at the same time, not hurting the Muslim majority.

In this chapter, we will refer mainly to countries with more than 50% Muslim population with one exception—India (the second- or third-largest Muslim country in the world). We have also added the USA and some other Western countries where significant Muslim communities live, but will focus more on Muslim countries.

The table below from the Pew Research Center provides estimates of the Muslim population (not the total population) in a given country for the year 2010, percentage of the Muslim population and forecast of the Muslim population for the year 2030. The Pew Research Center is compiling all sources for demographic numbers, relying on population censuses and also estimates from outside organisations such as the United Nations, the United States Bureau of Census and the CIA World Factbook (Table 2.12).

Table 2.12 Estimates of Muslim population in OIC countries

Country	Number of Muslims 2010	% of total population	Number of Muslims 2030
Afghanistan	29,047,000.00	99.8	50,527,000.00
Albania	2,601,000.00	82.1	2,841,000.00
Algeria	34,780,000.00	98.2	43,915,000.00
Azerbaijan	8,790,000.00	98.4	10,162,000.00
Bahrain	655,000.00	81.2	881,000.00
Bangladesh	148,607,000.00	90.4	187,506,000.00
Benin	2,259,000.00	24.5	3,777,000.00
Brunei	211,000.00	51.9	284,000.00
Burkina Faso	9,600,000.00	58.9	16,480,000.00
Cameroon	3,598,000.00	18.1	5,481,000.00
Chad	6,404,000.00	55.7	10,086,000.00
Comoros	679,000.00	98.3	959,000.00
Cote d'Ivoire	7,960,000.00	36.9	12,997,000.00
Djibouti	853,000.00	97.1	1,157,000.00
Egypt	80,024,000.00	94.7	105,065,000.00
Gabon	145,000.00	9.7	244,000.00
Gambia	1,669,000.00	95.3	2,607,000.00
Guinea	8,693,000.00	94.2	14,227,000.00
Guinea Bissau	705,000.00	42.8	1,085,000.00
Guyana	55,000.00	7.2	51,000.00
Indonesia	204,847,000.00	88.1	238,833,000.00
Iran	74,819,000.00	99.7	89,626,000.00
Iraq	31,108,000.00	98.9	48,350,000.00
Jordan	6,397,000.00	98.8	8,516,000.00
Kazakhstan	8,887,000.00	56.4	9,728,000.00
Kuwait	2,636,000.00	86.4	3,692,000.00
Kyrgyzstan	4,927,000.00	88.8	6,140,000.00
Lebanon	2,542,000.00	59.7	2,902,000.00
Libya	6,325,000.00	96.6	8,232,000.00
Malaysia	17,139,000.00	61.4	22,752,000.00
Maldives	309,000.00	98.4	396,000.00
Mali	12,306,000.00	92.4	18,840,000.00
Mauritania	3,338,000.00	92.2	4,750,000.00
Morocco	32,381,000.00	99.9	39,259,000.00
Mozambique	5,340,000.00	22.8	7,733,000.00
Niger	15,627,000.00	98.3	32,022,000.00
Nigeria	75,728,000.00	47.9	116,832,000.00
Oman	2,547,000.00	87.7	3,549,000.00
Pakistan	178,097,000.00	96.4	256,117,000.00
Qatar	1,168,000.00	77.5	1,511,000.00
Saudi Arabia	25,493,000.00	97.1	35,497,000.00
Senegal	12,333,000.00	85.9	18,739,000.00

(continued)

Table 2.12 (continued)

Country	Number of Muslims 2010	% of total population	Number of Muslims 2030
Sierra Leone	4,171,000.00	71.5	6,527,000.00
Somalia	9,231,000.00	98.6	15,529,000.00
Sudan	30,855,000.00	71.4	43,573,000.00
Suriname	84,000.00	15.9	96,000.00
Syria	20,895,000.00	92.8	28,374,000.00
Tadjikistan	7,006,000.00	99.1	9,525,000.00
Togo	827,000.00	12.2	1,234,000.00
Tunisia	10,349,000.00	99.8	12,097,000.00
Turkey	74,660,000.00	98.6	89,127,000.00
Turkmenistan	4,830,000.00	93.3	5,855,000.00
Uganda	4,060,000.00	12.1	6,655,000.00
United Arab Emirates	3,577,000.00	76.1	4,981,000.00
Uzbekistan	26,833,000.00	96.5	32,760,000.00
Yemen	24,023,000.00	99.1	38,973,000.00

Source: 'The Future of Global Muslim Population 2011', *Pew research Center's Forum on Religion and Public Life*, <http://www.pewforum.org/2011/01/27/the-future-of-the-global-muslim-population>

2.2.3 Muslims in Western Countries

As the second-largest religion in Europe after Christianity, Islam is characterised very much by its diversity. Two communities clearly exist. The first is represented by the domestic or local population, which converted to Islam during the Islamic Empires in Spain or the Balkans. Although the local Muslim population has decreased in Spain with the *Reconquista*, it is still strong in some Balkan countries (Albania, Bosnia-Herzegovina and Macedonia, among others). The Muslim population in the Balkan area has been homogenised by the Ottoman presence. In spite of cultural and national differences, they all belong to the *Hanafi madhab* with small *Sufi* communities so a marketer can find commonalities between these communities. Over in Western Europe, the situation is completely different as large numbers of Muslim believers appeared only after the Second World War. This means that it is a recent phenomenon and the behaviour of these communities, especially from one generation to the other, can differ greatly. The diversity occurs when we refer to the schools of thought in Islam. All schools of thought are present in Europe: the *Hanafi* for the Turks, Bosnians, Albanians and Pakistanis in Germany, France, the Benelux and the UK; the *Maliki* for North African populations spread across the continent, the *Shaf'i* for the Sub-Saharan African and Caucasus populations in Scandinavia; and, finally, the *Shia* populations of Iran and Iraq in the central part of Europe. Among all *madhabs*, only the *Hanbali* is not significantly present as it originates mainly from two countries (Saudi Arabia and Qatar) that are not the purveyors of immigration to Europe.

The second split is dividing the Muslim population according to national and linguistic lines. For decades, there used to be a conventional flow of Muslims going to favoured destinations in Europe. Muslims from the Indian subcontinent would head to the UK, those in North Africa went to France and Turkish Muslims would set off for Germany. Today, the situation is much more complicated as Muslims come from a much wider group of countries and they go everywhere. This is why communities that never existed in the past, such as the Somali community in Finland or the Chechen community in France and Germany, exist today. And with the massive influx of Syrian refugees into Europe in 2015, the situation in Germany, Sweden and Austria is set to change as these countries welcome large numbers of them.

The Muslim population in North America is also characterised by its diversity, even more than Europe, as the USA has consistently identified itself as an immigrant country while immigration has officially been stopped in Europe since the 1970s. Some 80 nations are represented in the mosque communities of the USA, including a variety of traditions, practices, doctrines and beliefs. Similar to the situation in the Balkans, there is a domestic Muslim population in the USA comprising 24 % of the total number of Muslims living there. As African-American Muslims have a history that is quite unique and distinct from that of immigrant Muslims from the Arab lands and Asia, it is difficult for marketers to talk about one unified Muslim market in the USA.

In absolute and relative figures, France is today the home of the biggest Muslim community in the Western world and will continue to be so in the near future. After 2030, the USA is expected to be the country with the highest number of Muslims in absolute terms but not in percentage of total population. The number of Muslims living in the USA will more than double over the next two decades, rising from 2.6 million in 2010 to 6.2 million in 2030, and is projected to make up 2.1 % of the American population by 2050. By 2030, the USA is projected to have a larger number of Muslims than any European countries with the exception of Russia and France.

The other two biggest countries in Europe are the UK and Germany. Even if the number of Muslims in Germany today is practically twice the number we have in the UK, these numbers will be even by 2030. Russia is not a Western country, but it is a European one. For that reason, Russia is included in this table and the numbers are impressive—more than 16 million Muslims today and over 18 million in the future even while the country's overall population is declining. Moscow is the European city with the largest Muslim population estimated at 1.5–2 million people, and companies are starting to be interested in spite of the often hostile environment for Muslims in Russia. President Putin has built a brand new mosque in Moscow that is capable of hosting 10,000 worshippers, making it one of the biggest in Europe.¹⁰² It is the second-biggest mosque in Europe after the Mosque of

¹⁰² 'Putin Opens New Mosque in Moscow Amid Lingering Intolerance', *The New York Times*, 23rd September, 2015.

Table 2.13 Muslims in Western countries

Country	Number of Muslims 2010	% in 2010	Number of Muslims 2030	% in 2030
France	4,704,000.00	7.5	6,860,000.00	10.3
Germany	4,119,000.00	5.1	5,545,000.00	7.1
United Kingdom	2,869,000.00	4.6	5,567,000.00	8.2
United States	2,595,000.00	0.8	6,216,000.00	1.7
Italy	1,583,000.00	2.6	3,199,000.00	5.4
Spain	1,021,000.00	2.3	1,859,000.00	3.7
Canada	940,000.00	2.8	2,661,000.00	6.6
Netherlands	914,000.00	5.5	1,365,000.00	7.8
Belgium	638,000.00	6.1	1,149,000.00	10.2
Australia	399,000.00	1.9	714,000.00	2.8
Russia	16,379,000.00	11.7	18,556,000.00	14.4

Source: *The Future of the Global Muslim Population, January 2011*, Pew Research Center

Rome (12,000 capacity) and the same size as the *Baitul Futuh* Mosque in London, which was built by the *Ahmaddiya* community (10,000 capacity). As big as it is, the Moscow mosque is not the biggest one in Russia. The biggest one is, in fact, the Grand Mosque of Mokhachkala in Dagestan (17,000 capacity). Mosques have a big impact on marketing because the prayer area is usually flanked by a *madrassah* (school), a library and a shop. And in the immediate neighbourhood, there is usually a variety of shops, including restaurants, cafés, butcheries, clinics, hairdresser salons and travel agencies. In Western countries, it is very much like an enclave that is favourable for business as worshippers come from everywhere to congregate for the *Jumma* prayer on Fridays (Table 2.13).

The Muslim population in Western countries is expanding because of the higher fertility rate of Muslims and the family reunification policy, which enables immigrants to bring family members from their home country.¹⁰³ Other factors exist as well, such as asylum seekers and marriage immigration or conversion, but the biggest part comes from family reunification. As for fertility rates, the Pew Research Center published a specific study in 2014 showing that the fertility rate for Muslims in France is 2.8 % while it is only 1.9 % for the rest of the population. In Germany, it is 1.8 % against 1.3 %, and 3 % in the UK against 1.8 %. In all Western countries, Muslims outperform the general population in terms of fertility rates.¹⁰⁴

¹⁰³ For a transnational analysis of reunification policies in Europe see Johanne Sondergaard and Harry Gazeboom: 'MIPi: A better index for comparing family reunification policies across Europe', 28 Jan 2014. The report can be accessed at <http://www.harryganzeboom.nl/isol/ISOL2014a1-SondergaardGanzeboom.pdf>

¹⁰⁴ Pew Research Center: Fertility Rate for Muslims vs Non-Muslims in Europe, Feb 6, 2014 accessed at www.muslimstatistics.worldpress.com and Charles F. Westoff and Tomas Frejka: 'Religiousness and Fertility among European Muslims' in *Population and Development Review*, Vol. 33, No. 4 (Dec., 2007), pp. 785–809.

In spite of inflammatory discourses in Europe, there is still legal immigration from non-EU countries. Eurostat indicates that there were 260,000 immigrants from non-EU countries in the UK in 2012. The respective figures from France and Germany were 120,000 and 205,000 for the same year.¹⁰⁵ Many of the immigrants come from Muslim countries. As for conversions, there are no statistics but *The Telegraph* stated that up to 100,000 Britons have converted to Islam by 2011 while the Pew Research Center forecasts 3.2 million people converting to Islam by 2050.¹⁰⁶

In Europe, the Muslim population is expected to grow by nearly one-third over the next 20 years, rising from 6 % of the region's inhabitants in 2010 to 8 % in 2030. In absolute numbers, Europe's Muslim population (Russia included) is projected to grow from 44.1 million in 2010 to 58.2 million in 2030. In some countries, this represents a drastic increase, as is the case in the UK, where Muslims are expected to comprise 8.2 % of the population in 2030, up from an estimated 4.6 % today. These projections are, however, lower than the projections we have for Belgium, 10.2 % (up from 6 % today), or France, 10.3 % (up from 7.5 % today).

But the increasing number of Muslims in Western countries is fuelling resentment from a part of the population that believes it is being swamped by a foreign population and alien culture. This is why there are many political parties in Europe openly declaring that they are anti-immigration or anti-Muslim. At the same time, overall demographics show that Western countries, especially Europe, are experiencing a stagnating or decreasing population, and in order to maintain current population figures and economic activity, immigration is the only solution.

The discrepancy between economic logic and people's perception is so great that all visible elements of Islam (*hijab* in the streets, *halal* food everywhere, tents for *Ramadan* celebrations) may cause problems, and companies are uncomfortable about communicating their offers to the Muslim population. The situation has worsened after the attacks by ISIS or *Daesh* attributed to Muslim terrorists in Canada, the USA, Australia, France, Belgium, the Netherlands and other countries proliferated in 2014 and 2015.

In a great number of Western countries, it is not compulsory or even possible to ask about religious affiliation during the population census as religion is considered to be a personal choice and does not have to be disclosed during the census. Anglo-Saxon countries are exceptions to this rule as in Australia and the UK it is possible to ask a voluntary question about religious affiliation during the census. In Australia, such a question has been included in every national census from 1933. In the UK, the latest population census held in 2011, featured, for the second time, a voluntary question about ethnicity and religion, and 92.3 % of the people readily answered the question on religion. According to the results of the census, 4.8 % of the population (2.7 million people) is Muslim. They mainly come from Pakistan

¹⁰⁵ http://ec.europa.eu/eurostat/statistics-explained/images/9/99/Immigration_by_citizenship%2C_2012_YB14_II.png

¹⁰⁶ 'Surge in Britons converting to Islam', *The Telegraph*, Jan 4, 2011.

(more than one million) and Bangladesh (402,000). There is a huge concentration of Muslims in some areas such as Tower Hamlets (34.5%), Newham (32%), Blackburn (27%), Bradford (24.7%) and Birmingham (21.8%). In some quarters of Birmingham and Bradford, the concentration is higher than 75%.¹⁰⁷

Since the majority of Muslims in the UK come from the Indian subcontinent and marriages outside of religion are assumed to be extremely rare, it is logical to consider that Muslims from the Indian subcontinent represent a highly homogenous population. An analysis of a 2001 census shows, however, that London Muslims as a whole are much less segregated than Sikhs, Jews or Hindus. Intra South-Asian mixing irrespective of religion is greater than intra-Muslim mixing, irrespective of ethnicity.¹⁰⁸ This means that there are higher chances of having Muslim-Hindu or Muslim-Sikh marriages than Pakistani Muslim-Turkish Muslim marriages. From a marketing point of view, it means that segregation based on religion is lower than expected so it would be more useful to sell products dedicated to the 'South Indian' population, irrespective of religion, rather than targeting 'Muslims', an imaginative category that fails to prove its cohesiveness.

The US Census Bureau used to collect and publish data from religious organisations from 1906 to 1936. Public Law 94–521 prohibits the US Census Bureau from asking mandatory questions on religious affiliation. However, if mandatory questions are forbidden, surveys based on self-described religious identification of the adult population are not. In 2008, a random telephone survey conducted by the American Religious Identification Survey (ARIS) reported 1,349,000 Muslims living in the US,¹⁰⁹ half the figure provided by the Pew Research Center. This is a highly controversial figure as national Muslim organisations put the total number of Muslims in the nation at about seven million. This is based on a survey that shows that 2.6 million Muslims regularly attend weekly Friday prayer services.¹¹⁰

Population counting is an uncertain science, particularly in countries that rely on often irregular census taking for population enumeration rather than on a civil registration system. Sources of error are numerous and include census under-count (people not participating or not giving the right answers) or over-count (inflated figures about interviewed persons). In the 2006 census, the National Population Commission of Nigeria stated that the census would not be used for taxation purposes or inflating the number of certain communities¹¹¹ but, in spite of that, many people were reluctant to provide full accounts on their household

¹⁰⁷ 'Religion in England and Wales 2011' and 'Census 2011, Religion, local authorities in England and Wales', *Office for National Statistics, UK*.

¹⁰⁸ Ceri Peach, 'Islam, Ethnicity and South Asian Religions in the London 2001 Census' in *Transactions of the Institute of British Geographers*, New Series, Vol. 31, No. 3 (Sep., 2006), pp. 353–370.

¹⁰⁹ 'American Religious Identification Survey 2008 Summary Report', *Trinity College*, 2009, Hartford, Connecticut, 24 pages.

¹¹⁰ 'The American Mosque 2011', *Council on American Islamic Relationship*, Jan 2012, 29 pages.

¹¹¹ www.population.gov.ng

members. In some developing countries, budgets for health care, education and other government services are based on population figures. To get more funding, ethnic groups or competing regions usually inflate their numbers. The number of parliamentary representatives that a region can nominate in Nigeria and the amount of money it receives from the central government are largely determined by the population of that region. As a result, many communities are alleged to have inflated their census figures during previous headcounts.¹¹² Intentional or unintentional misreporting during census activities might also occur due to logistical difficulties in reaching remote areas (as in the case of Nigeria and Indonesia) or inadequate training of enumerators in some areas. This relates closely to the relatively low level of education of people in some countries (particularly in rural areas). To counter this problem, a large number of field workers (enumerators and supervisors) were employed for the enumeration of the 2010 population census in Indonesia. The enumeration was carried out by approximately 700,000 part-time field workers, comprising regional government officers, school teachers, community leaders, students, etc.¹¹³ This situation probably affected the quality of data recorded in those areas.

Marketers need to know the number of people living in a country. Unfortunately, very often, statistical data is of little help. In order to illustrate the quandary of demographic data mining for Muslim populations, we will highlight the different challenges faced by four countries from different parts of the world: Lebanon, Bosnia-Herzegovina, Nigeria and Indonesia.

2.2.3.1 The Case of Indonesia

With more than 230 million Muslims, Indonesia is the largest Muslim country in the world. As such, we will pay more detail to the population figures in this country. Indonesia only started to publish official census figures after its independence, i.e. after the Second World War. Prior to this date, censuses were occasional and only made under the auspices of the Netherlands (or the Dutch Colonial Empire). Since its independence in 1945, the Indonesia government has conducted five population censuses. Along with the 2010 population census,¹¹⁴ a second housing census was also carried out in Indonesia. The housing census not only recorded the number of households but also the number of household members by gender who stayed in the dwelling units. In order to get the best answers, the initiators of the 2010 census had to resolve the problem of marital status. They decided that a married person is someone bound by marriage regardless of whether they live together or separately. This includes those who are formally married by law

¹¹² Adele Bamgbose: 'Falsification of population census data in a heterogeneous Nigerian state: The Fourth republic example', in *African Journal of Political Science and International Relations*, Vol. N°8 (Aug. 2009), pp. 311–319.

¹¹³ http://unstats.un.org/unsd/demographic/sources/census/2010_phc/Indonesia/Census_News_Release.pdf

¹¹⁴ See the results of the 2010 census on the website Statistik Indonesia: <http://sp2010.bps.go.id/>

(e.g. tradition, religion, state, etc.) and those who live together and are regarded by their surrounding community as husband and wife. In doing so, the question of polygamy and underage marriage is avoided,¹¹⁵ even if the information greatly influences the definition of family goods, the size of products and packages and the interaction of family members in the buying process. In some countries like Saudi Arabia, polygamy is authorised and even encouraged by local authorities. In her book about polygamy in Saudi Arabia, Maha Yamani stressed the fact that there are 1.5 million ‘spinsters’ (unmarried women who are past the usual age for marrying and are considered unlikely to marry) in the country and the Saudi Ministry of Planning believes that polygamy would give these women the experience of marriage.¹¹⁶ What would be interesting to see is the distribution of income and ‘power of suggestion’ within a polygamous household. Unfortunately, this information does not exist. The only thing that is known for certain is that the first wife loses her status and income so implications for marketing would definitely exist. In order to have a track record and monitor polygamous marriages, Kelantan (one of the states in Malaysia) decided to ‘reward’ polygamous men who can properly ‘take care’ of their multiple households.¹¹⁷ By ‘taking care’ it means that all spouses have to be treated equally from a financial point of view.

Indications about religion are of authoritative importance for an estimation of the number of Muslims living in the country. However, even the most comprehensive census so far in Indonesia was not immune to some criticism. The census from 2010 indicated that 87.18 % of the population label themselves as Muslim, 6.96 % Protestant, 2.91 % Catholic, 1.69 % Hindu, 0.72 % Buddhist and 0.13 % “other”, which includes traditional indigenous religions, other Christian groups and Judaism. The country’s religious composition remains a politically charged issue, and some Christians, Hindus and members of other minority faiths argue that the census undercounted non-Muslims.

2.2.3.2 The Case of Nigeria

The largest Muslim country in Africa is not Egypt but Nigeria, posting more than 140 million people in the 2006 census,¹¹⁸ according to the Census Bureau of Nigeria. Of this, 95 million are Muslims, according to Muslim sources. However, this is only an estimate as there was no question on religion during the census of 2006.

¹¹⁵ Sudarti Surbakti, R. Lukito Praptoprijoko, Satwiko Darmesto “Indonesia’s 2000 Population Census- A Recent National Statistics Activity” Report for the Economic and Social Commission for Asia and Pacific, Bangkok 2000, accessed on www.unescap.org/stat/cos12/

¹¹⁶ Maha Yamani, ‘*Polygamy and Law in Contemporary Saudi Arabia*’, Ithaca Press, Reading, 2008, 204 pages. As an extreme example, a tribesman from North Waziristan in Pakistan has three wives and 36 children, so a family offer for him has nothing to do with a family offer in Iran. ‘He can get no satisfaction’, *The New Paper*, 18th July, 2014.

¹¹⁷ ‘Malaysian state mulls polygamy incentive’, *The Indian Express*, 29th June, 2011.

¹¹⁸ www.population.gov.ng

Census taking in Nigeria is a complex, difficult and, above all, controversial task.¹¹⁹ Of the four independent censuses in Nigeria, three were characterised by controversies. While the figures of the 1963 population census were accepted, the results of the 1973 census were rejected and cancelled outright. For many years, the world believed that there were about 120 million Nigerians. A wide range of frightening statistics derived from this figure fed the fear of some in rich countries about a “population explosion” in poorer nations. But in 1991, a well-organised national census showed the real population of Nigeria to be 88.5 million, a gap of more than 30 million people.

As for the breakdown by religion, in the 1950–1953 census, Nigerians had been classified simply as Christians, Muslims or “other religions”. For the census of 1962, a full list was given: Catholics, Protestants, Seven-Day Adventists, members of various Muslim sects, Sango worshippers, heathens (or Pagans), animists and atheists. From this population census, we know that Muslims represented 50 % of the population.¹²⁰ Since that time, no religious count has been made in the country and it is unlikely that such an enumeration will be held in the near future. In 1991, the question on religious affiliation was omitted and the National Council of State decided that the form for the 2006 census would not include questions on the religion or ethnic group of persons surveyed. The general assumption is that the eventual publication of statistics on religion and ethnicity could deepen existing divisions along these lines, and even lead to social unrest. Since each religious or ethnic group would prefer numerical superiority over the other, it might be safer to ignore religion and ethnicity as there would be the temptation by each group to explore ways to have an edge over the other. According to Muslim leaders, there are about 70–75 % of Muslims in Nigeria.¹²¹ This figure is vigorously contested by Christian leaders. The Christian Association of Nigeria (CAN) has threatened to boycott the census in 2016 if the government does not review its position.¹²² The obvious consequence for marketers is that a unique Nigerian market does not exist. Companies have to develop separate offers for Muslims and Christians in the country.

2.2.3.3 The Case of Lebanon

Official statistics on the Muslim population in Lebanon are usually unavailable or inaccurate. The only reliable census for Lebanon dates back to 1932 and, due to political tensions between communities, the government has avoided conducting a

¹¹⁹ For problems and controversies about the Nigerian censuses see: ‘Report of Nigeria’s National Population Commission on the 2006 Census’ in *Population and Development Review*, Vol. 33, No. 1 (Mar., 2007), pp. 206–210.

¹²⁰ S.A. Aluko: ‘How Many Nigerians? An Analysis of Nigeria’s Census Problems, 1901–63’, *The Journal of Modern African Studies* Vol. 3, N° 3 (Oct. 1965), pp. 371–92.

¹²¹ Ecumenical News International (www.eni.ch).

¹²² ‘Nigeria Christians, Muslims lock horns over population’, in *World Bulletin*, 23 March, 2014.

census since then.¹²³ All information on religious affiliation and population for Lebanon is the product of various assessments. It is mainly the Maronites (the largest Christian community) that opposed an update of the 1932 census. When the French Mandate government conducted the 1932 census, it enumerated 861,399 Lebanese, including those living abroad, most of whom were identified as Christians. The government of Lebanon has published only rough estimates of the population since 1932. The estimate for 1956, for example, showed that, in a total population of 1,411,416, Christians accounted for 54 % and Muslims 44 %. The estimate was seriously contested because it was based on figures derived from a government welfare programme that tended not to include Muslims in areas distant from Beirut. After the 1950s, the government statistical bureau published only total population estimates that were not subdivided according to religion. Consequently, the census became a highly charged political issue in Lebanon because it constituted the ostensible basis for communal representation. Conducting a census during the 1970s and 1980s was clearly impossible because of the civil war. In 1983, the US State Department estimated Lebanon's population as 2.6 million people. The figure included Lebanese nationals living abroad and excluded Palestinian refugees, of whom there were nearly 400,000 in Lebanon. According to the United National Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), there are currently 260,000–280,000 Palestinian refugees in Lebanon.¹²⁴ In 1995, the Government of Lebanon, supported by the United Nations Population Fund (UNFPA), conducted a large-scale national "Population and Housing Survey", which covered about 10 % of the population. This survey, together with an earlier smaller-scale survey of the economically active population of the country undertaken in 1970, represented the most comprehensive effort to establish basic socio-demographic data since the census of 1932. These studies provided an opportunity to examine past and present indicators of population, with projections made up to 2020.

The latest study in 2012 conducted by Statistics Lebanon, a Beirut-based research firm cited by the United States Department of State, found that Lebanon's population of approximately 4.3 million¹²⁵ is estimated to be comprised of: 40.5 % Christian (21 % Maronite, 8 % Greek Orthodox, 5 % Melkite Catholic, 1 % Protestant, 6 % other Christian denominations); 54 % Islam (*Shia* and *Sunni*, 27 % each) and 5.6 % Druze. The CIA World Factbook 2014, however, states that there are 59.7 % Muslims (Druze included) and 39 % Christians.

Today, there is still the general consensus that Muslims constitute a clear majority of Lebanon's population. Still, there is no single sect constituting a

¹²³ On issues about the census from 1932, see Rania Maktabi: 'The Lebanese Census of 1932 Revisited. Who are the Lebanese?', in *British Journal of Middle Eastern Studies*, Vol. 26, N°2 (Nov. 1999), pp. 219–241.

¹²⁴ 'UNRWA and the American University in Beirut, 'Socio-Economic Survey of Palestinian Refugees in Lebanon', *Journal of Palestine Studies*, Vol. 40, N°3 (Spr. 2011), pp. 199–205.

¹²⁵ '2012 Report on International Religious Freedom, section on Lebanon', *US Department of State*, May 20, 2013.

majority of the population by itself. The *Shia* is considered to be the largest sect that, after 1990, has increased even more, while other communities have decreased due to emigration. As the poorest community in the country, the *Shia* have a high birth rate and no natural emigration outlet. Most Christians have extensive contacts with Europe, the USA and Latin America and the *Sunnis* can easily relocate to any neighbouring Arab country, since they constitute a majority in most of the Arab world. Again, there is no consensus on this issue, and the *Shia* proportion of Lebanon's population is among the most widely disputed figures of Lebanese demographics.

2.2.3.4 The Case of Bosnia-Herzegovina

The peculiarity of the population censuses in Bosnia-Herzegovina was that denominations changed over time, leading to controversial figures about the number of Muslims. The first censuses (1879 and 1910) conducted under the auspices of the Austro-Hungarian Empire singled out Mohammedans as opposed to Catholic Croats and Orthodox Serbs. Mohammedans made up a relative majority (32.25 % of the population). The censuses between the two World Wars in 1921 and 1931 again cited Mohammedans as making up 31 % of the population. However, the term Mohammedans was generic and did not provide a breakdown of Muslims of Turkic or Albanian origin living in Bosnia-Herzegovina. It enumerated all those who declared themselves to be Muslims, regardless of whether they were *Sunni*, *Shia* or dervishes. After 1945, censuses conducted under the communist regime were according to national and not religious categories. This is why Muslims as a category “disappeared” during the first two censuses in 1948 and 1953. In 1961, a category “Muslims in the ethnic sense” was created followed by “Muslims as a national minority” in 1971. A small number of people declared themselves as Muslims at that time but, with the subsequent censuses in 1981 and 1991, Muslims started to systematically identify themselves with the term.¹²⁶

After the war (1992–1995) and the Dayton agreement, the country's territory was divided into two entities—the Federation of Bosnia and Herzegovina (the Federation) and the Republic of Srpska (RS)—with a separate administrative district comprising the town of Brčko. Ethnic groups identify very closely with distinct religions or religious/cultural traditions. According to the U.N. Development Program's Human Development Report in 2002, Muslims constitute 40 % of Bosnia-Herzegovina's population, Serbian Orthodox 31 %, Roman Catholics 15 %, Protestants 4 % and other groups 10 %. There is an also increasingly visible presence of more conservative missionaries who practice the Saudi-based form of *Wahabbism*.¹²⁷

¹²⁶ On census in Bosnia-Herzegovina after the WWII see Fran Markowitz: ‘Census and sensibilities in Sarajevo’, in *Comparative Studies in Society and History*, Vol. 49, N°1 (Jan. 2007), pp. 40–73.

¹²⁷ About 5 % of Muslims in Bosnia-Herzegovina are estimated to belong to the Wahabbism movement according to *Vijesti* (Montenegro), 1 Nov 2011.

The Federal Office of Statistics in Sarajevo conducted a census in 2012, the first one after 1991. Although the war ended in 1995 and there was plenty of time to carry out a new census, similar to Lebanon, no census has been conducted because of the lack of political consensus. The results of the 2012 census show that there were 1.8 million Bosniaks (Muslims) or 48.4 % of the population while Serbs made up 32.7 % and Croats 14.6 % of the total population.¹²⁸ The question of terms is a very important one as Bosniak means from Bosnia or affiliating to Bosnia and practically refers to Muslims from Bosnia, while Muslims mean that ethnic or territorial origin is not important and what counts is the religious affiliation. In nearby Montenegro, which gained independence in 2006, the 2011 population census showed a huge list of Muslims: Muslims, Bosniaks, Albanians, Bosnians (originating from Bosnia regardless of their faith), Montenegrines-Muslims, Muslims-Bosniaks and Turks. Today, Muslims living in Montenegro are split into three broad categories: Muslims, Bosniaks and Albanians. According to the census, these three categories combined make up 19 % of the population in Montenegro.¹²⁹

2.2.4 Changing Social Structures and Segmentation

No company targets the entire population of a given country, even if it happens that 99 % of the population is comprised of Muslims. All companies rely on some sort of segmentation when they choose their target segments. They tend to identify the most promising market segments and approach consumers according to them. This is done according to the STP model (Segmentation–Targeting–Positioning). Segmentation starts with the selection of the segmentation criteria followed by the assessment of profiles of the resulting segments.¹³⁰ Targeting consists of analysing the attractiveness of the segments and focussing on one or more segments that the company will serve. Lastly, positioning explores absolute positioning (high-average-low) and relative positioning (compared to competitors). It is, therefore, crucial that the criteria for segmentation is carefully chosen as it will impact the next steps. Segmentation is based on invariable criteria (age, gender, ethnic origin) and variable criteria (income, education, religion, etc.). A segment is interesting to the marketer if it is homogenous (members of the segment have a common consumer behaviour that is different from other segments); accessible (a member

¹²⁸ Federal Office of Statistics at www.fzs.ba and *Vreme* 9 November 2013.

¹²⁹ Source: Statistical office of Montenegro at www.monstat.org

¹³⁰ See the landmark article by Wendell Smith; ‘Product Differentiation and Market Segmentation as Alternative Marketing Strategies’, in *Journal of Marketing*, Vol. 21, N°1 (Jul. 1956), pp. 3–8. Among the new interpretations see Peter Dickson and James Ginter: ‘Market Segmentation, Product Differentiation and Marketing Strategy’ in *Journal of Marketing*, Vol. 51, N°2 (Apr. 1987), pp. 1–10; Tobias Schlager and Peter Maas: ‘Fitting International Segmentation for Emerging Markets: Conceptual Development and Empirical Illustration’ in *Journal of International Marketing*, Vol. 21, N°2 (Jun. 2013), pp. 39–61.

of the segment is easily identifiable) and profitable (size of the segment and sufficient disposable income).

Segmentation refers to the criteria used to determine your target audience and religion is just one of them. Many Muslims refuse to be identified solely by their religious beliefs as they share common behaviour with people from other faiths. Living in a certain area, having studied in a certain school, speaking a specific language or having a certain income are better, if not more important, ways of segmenting a population. However, as the objective of this book is to analyse Islamic Marketing, we will assume that religious segmentation is the most important one.

2.2.4.1 Segmentation Criteria

Identifying religious variables for segmentation is very difficult because we have to use comparable variables to compare countries, and this is where the problem starts as we do not know for sure what it means to be Muslim or what it means to be a child or an adult in different Muslim countries. In all cases, segmentation must be market-oriented, because otherwise we have only ethnographic data without business impact.¹³¹

Definition of a Muslim

Anybody that declares the *shahadah* (the first pillar of Islam, declaring belief in oneness of God—Allah—and the acceptance of Muhammad as God’s Prophet and Messenger) is considered to be a Muslim. There is no certificate that believers have to produce and no witnesses are required.

However, different branches of Islam sometimes exclude other Muslims and label them as non-Muslim believers. The biggest division is between the *Sunni* and *Shia* Muslims.¹³² The *Shia* represent about 15 % of the total Muslim population while the *Sunni* account for more than 75 %.

Sunni fundamentalists do not consider the *Shia* as real Muslims but as apostates. In relatively homogenous countries, this does not pose a problem from a business point of view. In Iran, where the *Shia* make up a large part of the population, companies will adapt their marketing techniques to *Shia* teachings while, in Malaysia, where *Shiism* is officially banned, companies will take the *Sunni* point of view. The problems begin when there is an even distribution of *Shia* and *Sunni* in a country, as in the case of Lebanon, or where one sect dominates the other one in a country such as in Iraq. In this last country, the division between the *Shia* and *Sunni* is widely known and has resulted in open battles culminating with the destruction of

¹³¹ See Eric J. Arnould and Melanie Wallendorf, ‘Market-Oriented Ethnography, Interpretation Building and Marketing Strategy Formulation’, in *Journal of Marketing Research*, Vol 31, N°4 (Nov. 1994), pp. 484–504.

¹³² In early Islamic history, the *Shia* was a political faction that supported the power of Ali, son-in-law of the Prophet Muhammad and the fourth caliph (temporal and spiritual ruler) of the Muslim community. Ali was murdered in 661 AD, and it was this death that led to the schism between *Sunni* and *Shia*.

the Samarra's Askarya shrine (holy *Shia* site) in February 2006.¹³³ The allegation against the *Shia* is that they are the enemies of the true believers and there is, therefore, a religious duty to show them hostility. This happens in Pakistan where the *Shia* community is routinely under pressure from the *Sunni* majority in the country. In that sense, using *Shia* terminology or illustrations in a *Sunni*-majority country could be problematic as demonstrated by the example of an Islamic bank in Jordan that we will examine later on. In Saudi Arabia, there is a strong *Shia* community concentrated in the Eastern Province, where the major sources of oil are in the Kingdom. Acceptance of the *Shia* by the Saudis is a delicate question as the attitude goes from armed struggle to a certain *laissez-faire* policy.¹³⁴ The problem is that the *Shia* in Saudi Arabia had problems formulating their own identity as an indigenous population, which did not help their integration within the country.

One characteristic of the *Shia* population is the organisation in a hierarchy, which does not exist in *Sunni* Islam. The highest position in *Shia* is that of the Grand Ayatollah followed by the Ayatollah (Sigh of Allah, expert in Islamic studies) and Hojatoleslam (authority in Islam). The Mullah is a professor and the equivalent of a priest, who keeps in contact with believers. Some Ayatollahs also have the title of "*marja taqlid*" (source of inspiration). Very often, they head the Hawza, a collective high assembly of the Twelver *Shia* community. The great majority of *Shia* in the Gulf countries, and some parts of Iran and Lebanon, recognise the Hawza of Najaf in Iraq as a supreme authority. If there is a hierarchy, it means that there is a prescription power. As the Grand Ayatollah is the fourth source of inspiration after the *Qur'an*, the Prophets and the Imams, it is crucial for companies not to have a *fatwa* placed against their products by the Ayatollahs and, most importantly, the Grand Ayatollah.

While there are subdivisions within *Shia* Islam, up to 80 % of *Shias* belong to the Twelver *Shia* group, which recognises the five pillars of Islam. But some other *Shia* communities have a different approach. Alawites, for instance, who believe in a trinity made up of Ali, Muhammad and Salman the Persian, are considered to be heretics by other Muslim communities. They live mainly in Syria. Another *Shia* group, the Ismaili, recognise only the first seven imams and reject the "hidden imam". They live mainly in Pakistan, Afghanistan and India, and are similar to the

¹³³ The Askarya shrine houses the tombs of two revered imams, and legends holds that it was erected near a place where the last of the 12 *Shia* imams, Mohammed al-Mahdi, disappeared at the dawn of Islam. The *Shia* view him as a messianistic figure and believe in his eventual return.

¹³⁴ Madawi al-Rasheed, 'The *Shia* of Saudi Arabia: A Minority in Search of Cultural Authenticity', *British Journal of Middle Eastern Studies*, Vol. 25, No. 1 (May, 1998), pp. 121–138 and Toby Jones, 'Saudi Arabia's Not so New Anti-Shi'ism', *Middle East Report*, No. 242, The Shi'a in the Arab World (Spring, 2007), pp. 29–32.

community of Zaydi in Yemen, the Druze from Lebanon, and the Alevi from Turkey.¹³⁵

As far as the Druze are concerned, many Muslims regard them suspiciously, arguing that they are not in fact Muslims, but rather a religion in their own right—or in extreme cases, labelling them heretics. They are perhaps one of the most misunderstood and understudied religious sects in the world. Taking all available figures into consideration, the Druze population has almost one million followers, with 40–50 % living in Syria, 30–40 % in Lebanon, 6–7 % in Israel, and 1–2 % in Jordan. In Lebanon, Syria and Israel, the Druze enjoy official recognition as a separate religious community with its own religious court system. Although politically recognised as Muslims, most Druze do not consider themselves Muslims as they are not followers of the five pillars of Islam. On the other hand, they do share some elements with the Muslims such as the prohibition of pork, smoking or alcohol. In that sense, from a business point of view, we can point out similarities in consumer behaviour.

With all these differences, the only thing that ties the *Shia* together is the rejection by the *Sunni* Muslims. All their traditions, beliefs, dogma and religious practices are different.

Finally, a very small but visible sect is the Bektashi. This is a mystical movement and, although it is Islamic, the group possesses a distinctive history and practices that differentiate this *Sufi* sect from mainstream Islam.¹³⁶

The Bektashi grew in numbers in Turkey until the establishment of the Republic of Turkey in 1923. The new Republic's leader, Mustafa Kemal Atatürk, banished the Bektashi from Turkey. Nowadays, the Turkish government allows the Whirling Dervishes to perform every year in Konya (located in Central Anatolia of Turkey) because the government realises the importance of this activity in attracting tourists.¹³⁷ Contrary to the Druze, who represent an important part of Lebanon's population, the Bektashi are not even counted in Turkey as their numbers are extremely limited. The Bektashi are, however, numerous if we consider the closeness of the Bektashi and the Alevi from Turkey. According to Alevi sources, there are more than 15 million Alevi practitioners in Turkey and more than three million in Iran. In Turkey, it is the second-largest religious group after the *Sunnis*. However, the question of whether the Alevi should be considered Muslims remains. The Alevite diaspora not only plays a significant role to the Alevi living in Europe, but also has a great impact on the Alevi living in Turkey. As the biggest official Alevite organisation, the AABK (European Alevi Committee) conducts special events where popular Alevite singers and artists from Turkey, such as Arif Sag and Belkiz

¹³⁵ For the different sects in Islam see the special issue of the *British Journal for Middle Eastern Studies*: 'Heterodox Movements in the Contemporary Islamic World: Alevis, Yezidis and Ahmadis', Vol 37, N°3, (Dec. 2010), pp. 227–449.

¹³⁶ One of the best known bektashi today is the musician Mercan Dede who mixes western and eastern influences. www.mercandede.com

¹³⁷ 'Konya, a whirl of its own', *The Guardian*, 10th April, 2010.

Akkale, participate every year. The tombs of Haji Bektashi Veli and his descendants have also been serving as pilgrimage centres for centuries. In August every year, thousands from all over the world gather in Nevsehir in devotion of Haji Bektash Veli to visit the holy place where he and his ancestors lived and spread their belief. During these festivities, accommodation, maps and extra services are offered. Local shops, which sell souvenirs from Haji Bektashi Veli and Alevism, triple their revenues, and even local inhabitants and those from neighbouring cities gather to sell their goods.¹³⁸

Generational Marketing

It is often stated that Islam is the fastest-growing religion in the world—a statement that may well be true due to the pace of the demographic transition in Muslim-majority countries relative to the rest of the world. Practically all Muslim countries have entered the three-stage process of demographic transition. In the first stage, both mortality and fertility rates are high and, as a result, population growth is low. In the second stage, mortality declines and fertility decreases later with the time lag resulting in rapid population growth. In the third and last stage of the transition, both mortality and fertility levels are low and, once again, population growth is low. Depending on the situation, Islamic countries are either in the second or third phase.

Globally, Muslims have an average of 3.1 children per woman. This is above the replacement rate (which is at 2.1). By looking at the demographic indicators below, practically all Islamic countries have experienced a dramatic improvement in their situation on all three indicators (total fertility rate, infant mortality rate and life expectancy) except for some Sub-Saharan countries where the total fertility rate did not drop very much but the infant mortality rate and life expectancy have improved. The situation is definitely diverse in the Muslim world, with countries belonging to the GCC having the best results followed by Central Asian countries and North Africa. However, the countries posting the most significant improvements are Iran and Bangladesh.

We are far from the situation that prevailed after the Second World War when Muslim countries were viewed as poor nations with a high number of children per family and a low life expectancy rate. Today, the majority of Muslim countries, especially in the Arab lands, Northern Africa and the Far East, have moderate growth rates, a lower number of children per woman and a life expectancy rate similar to those in other emerging countries. Consequently, marketing in Jordan will be more similar to that in Mexico than Afghanistan, which has a much higher fertility rate.

Today, Iran, Lebanon, Tunisia and Turkey (all in the MENA region) have completed their demographic transition, reaching total fertility rates at or below

¹³⁸ Suraiya Faruqi, 'The Tekke of Haci Bektas: Social Position and Economic Activities', *International Journal of Middle East Studies*, Vol. 7, No. 2 (Apr., 1976), pp. 183–208.

2.1 children per woman.¹³⁹ Indonesia and Morocco are almost there as well. But because of past high fertility rates, these countries have a “young” age structure, and their populations will continue to grow. For example, from 2012 to 2050, Iran’s population is expected to grow from 79 million to 100 million and Indonesia’s from 241 million to more than 300 million. In each case, the population will grow by around 25 %.¹⁴⁰

It seems that fertility growth rates have more to do with the position of the country than the faith of its inhabitants. Sub-Saharan families, regardless of their religious composition, have a similar, high number of children per woman (six on average). Muslim countries such as Niger and Somalia and also Christian and animist ones such as Congo or Angola are in this group. Even if some Muslim religious leaders proclaim that Islam is the reason for higher fertility rates, this is difficult to confirm as other environmental factors have the same impact on fertility rates. Of course, if a country like Saudi Arabia restricts women’s autonomy, this will have an impact on fertility rates. But other things being equal, there is no proof that religion, in this case Islam, will have a definite and unique impact on fertility rates.¹⁴¹ There is enormous variation among Muslim-majority countries in both infant mortality rates and life expectancy at birth, and things are changing rapidly for some of them. Afghanistan used to have the highest infant mortality rate in 1970 at 208 deaths per 1000 live births—the highest in the world and nearly four times the global average of 33 per 1000, according to UN figures. Today, the figure stands at 74. While it is still high, it’s no longer the highest in the world. The top five countries with the highest infant mortality rates now feature more Christian and animist countries than Muslim countries. As far as life expectancy is concerned, many Muslim countries such as Lebanon (80), Albania (77) and Qatar (78) have results similar to those in Western countries like Canada (81), the USA (79) and Germany (80). The prospects for the ‘silver market’ (businesses associated with the elderly population) are, of course, much more important in these countries than in some Sub-Saharan countries where life expectancy is still low.

Growth rate has an important impact on companies. The first impact is on long-term investments. If L’Oréal, General Motors or Unilever considers building a local plant to meet local needs, it must make projections about the number of inhabitants

¹³⁹ See Rshood Khraif, Asharaf Salam, Ibrahim Elsegaey and Abdullah AlMutairi, ‘Changing Age Structures and Ageing Scenario for the Arab World’ in *Social Indicators Research*, Vol 121, N°3, (Apr. 2015), pp. 763–785.

¹⁴⁰ Farzaneh Roudi-Fahimi, John May and Allyson Lynch: ‘Demographic trends in Muslim countries’, *PRB (Population Reference Bureau)*, April 2014 on <http://www.prb.org/Publications/Articles/2013/demographics-muslims.aspx>

¹⁴¹ See Jennifer Johnson-Hanks, “On the Politics and Practice of Muslim Fertility: Comparative Evidence from West Africa,” *Medical Anthropology Quarterly*, Vol. 20, N° 1 (Mar. 2006); pages 12–30 and S. Philip Morgan, Sharon Stash, Herbert L. Smith and Karen Oppenheim Mason, “Muslim and Non-Muslim Differences in Female Autonomy and Fertility: Evidence from Four Asian Countries,” *Population and Development Review*, Vol. 28, N° 3 (Sep. 2002), pages 515–537.

in the country. The size of the plant will be different if they expect 90 million people in Turkey within the next 20 years versus 70 million. The second impact is on products and services associated with birth control: pills, condoms and marketing campaigns by the National Family Programme Bureaus, for instance (Table 2.14).

When it comes to contraceptive products, the general stereotype is that the chances of selling them to Muslim families is low because they tend to have large families and are encouraged to have large families by religious leaders. However, this is far from truth. While procreation is encouraged in marriage to maintain the human race, sexual relations in marriage need not always be for the purpose of having children. On this point, Islam departs from some other religions where procreation is the exclusive purpose of sexual relations. From the Islamic point of view, when procreation takes place, it should support and endorse peace of mind rather than disrupt the family's harmony. Contraception helps families achieve tranquillity by enabling them to have children when they want and are prepared to have them. The great majority of Islamic jurists believe that family planning is permissible in Islam.

The Al Azhar Mosque and Al Azhar University, centres of Islamic teaching for *Sunni* Islam, have regularly dispatched *fatwas* (religious opinions) in favour of modern contraception, and the Egyptian government has used these *fatwas* in its successful family planning campaigns. While contraceptives are available in Egypt in all government primary healthcare facilities, cultural reasons still act as barriers for many Egyptian couples. A way to cope with social barriers using communication campaigns has been conducted in Pakistan with great success.¹⁴² As for the *Shia* Muslims, the Iranian Ministry of Health and Medical Education in Tehran regularly dispatches *fatwas* to its provincial offices and lower strata of the health network to remove any doubts that health providers or clients may have about the permissibility of family planning methods in Islam.¹⁴³ Health clinics also often display the *fatwas* so their clients can see them. Currently, 74 % of married women in Iran use contraception, the highest among Muslim countries and comparable with countries such as France and those in the UK.¹⁴⁴ Family planning is such a success in Iran that, according to Richard Cincotta, this country is the only producer of

¹⁴² Sohail Agha and Dominique Meekers, 'Impact of an Advertising Campaign on Condom Use in Urban Pakistan' in *Studies in Family Planning*, Vol. 41, No. 4 (Dec. 2010), pp. 277–290.

¹⁴³ A fatwa from Imam Khomeini and other top-ranking clerics in Iran stated that “*contraceptive use was not inconsistent with Islamic tenets as long as it did not jeopardize the health of the couple and was used with the informed consent of the husband.*” See also Zulie Sachedina: 'Islam, Procreation and Law' in *International Family Planning Perspectives*, Vol. 16, N°3 (Sep. 1990), pp. 107–111.

¹⁴⁴ Diane Tober, Mohammad-Hossein Taghdisi and Mohamma Jalali: “‘Fewer Children, Better Life’ or “‘As Many as God wants?’”: Family Planning among Low-Income Iranian and Afghan Refugee Families in Isfahan, Iran’, *Medical Anthropology Quarterly*, Vol.20, N°1 (Mar. 2006), pp. 50–71.

Table 2.14 Demographic indicators for OIC countries

Country	TFR 1970	TFR 2013	IMR 1970	IMR 2013	LE 1970	LE 2013
Afghanistan	7.70	5.1	208.00	74	37	61
Albania	5.10	1.8	98.00	14	67	77
Algeria	7.60	2.9	128.00	26	50	71
Azerbaijan	4.60	2.2	103.00	11	65	74
Bahrain	6.50	2.1	58.00	8	63	76
Bangladesh	7.10	2.2	165.00	33	48	70
Benin	6.80	4.9	155.00	69	42	59
Brunei	5.80	1.6	34.00	4	67	78
Burkina Faso	6.80	5.9	163.00	70	39	56
Cameroon	6.20	5.1	127.00	62	46	55
Chad	6.50	6.6	153.00	96	41	51
Comoros	7.10	4.3	134.00	36	48	61
Cote d'Ivoire	7.90	4.9	156.00	75	44	51
Djibouti	6.80	3.4	112.00	55	49	62
Egypt	5.90	3.5	169.00	29	52	71
Gabon	5.10	4.1	124.00	43	47	63
Gambia	6.10	5.6	120.00	55	38	59
Guinea	6.20	5.1	190.00	67	37	56
Guinea Bissau	6.10	5.1	144.00	94	44	54
Guyana	5.10	2.5	60.00	29	59	66
Indonesia	5.50	2.6	109.00	32	52	71
Iran	6.40	1.8	139.00	16	51	74
Iraq	7.40	4.1	80.00	29	58	69
Jordan	7.90	3.5	71.00	17	60	73
Kazakhstan	3.50	2.7	81.00	28	63	70
Kuwait	7.20	2.4	47.00	8	66	74
Kyrgyzstan	4.90	3.2	105.00	27	61	70
Lebanon	5.00	1.5	44.00	9	66	80
Libya	7.90	2.4	104.00	14	56	75
Malaysia	4.90	2.1	42.00	7	64	75
Maldives	7.20	2.3	161.00	9	44	74
Mali	6.90	6.1	184.00	58	32	55
Mauritania	6.80	4.1	110.00	72	49	62
Morocco	6.70	2.6	118.00	29	53	71
Mozambique	6.60	5.7	165.00	85	39	53
Niger	7.40	7.6	154.00	54	36	58
Nigeria	6.50	5.6	153.00	69	41	52
Oman	7.30	2.8	120.00	9	50	76
Pakistan	6.60	3.8	123.00	74	53	65
Qatar	6.90	2.1	43.00	7	68	78
Saudi Arabia	6.90	2.9	122.00	16	53	74
Senegal	7.30	5.3	111.00	43	39	63

(continued)

Table 2.14 (continued)

Country	TFR 1970	TFR 2013	IMR 1970	IMR 2013	LE 1970	LE 2013
Sierra Leone	6.70	4.9	197.00	92	35	45
Somalia	7.20	6.6	154.00	80	41	55
Sudan	6.90	5.2	97.00	55	52	62
Suriname	5.70	2.6	46.00	20	63	71
Syria	7.60	3	81.00	17	59	74
Tadjikistan	6.90	3.8	129.00	57	60	67
Togo	7.10	4.7	120.00	66	47	56
Tunisia	6.40	2.2	158.00	16	51	75
Turkey	5.70	2.1	145.00	10	52	75
Turkmenistan	6.30	2.4	116.00	47	58	65
Uganda	7.10	5.9	113.00	57	49	59
United Arab Emirates	6.60	1.8	67.00	6	62	77
Uzbekistan	6.50	2.4	89.00	44	63	68
Yemen	7.50	4.4	196.00	68	41	63

TFR = Total Fertility Rate is the average number of children a women would have assuming that the current age-specific birth rate remains constant throughout her childbearing years (usually considered to be from ages 15 to 49).

IMR = Infant Mortality Rate is the annual number of deaths of infants under the age of 1 per 1000 live births.

LE= Life Expectancy at Birth is the average number of years a new-born infant can expect to live under current mortality levels.

Source: 2014 World Population Datasheet, *Population Reference Bureau*: http://www.prb.org/pdf14/2014-world-population-data-sheet_eng.pdf

condoms in the Middle East.¹⁴⁵ But all these have captured the attention of the political/religious leaders in Iran, who have started to worry about the low fertility rate. There is currently a dramatic reversal in speech from officials in Iran who want to boost the fertility rate. In 2014, the Supreme Leader of the Islamic Revolution, Ayatollah Sayyid Ali Khamenei, instructed the government to implement a new pro-natal population policy.¹⁴⁶ Nevertheless, many Muslims are either uneasy about contraceptives or do not have access to them, and women in Muslim-majority countries report using birth control at lower rates than those in other developing countries.¹⁴⁷ In addition, many Muslim-majority countries forbid or strictly limit abortions.¹⁴⁸

¹⁴⁵ Richard Cincotta: 'Iran's Demography to 2025: Middle East Tiger or Shi'ia Hawk?' Special report, *National Intelligence Council*, Washington, May 2010, 13 pages.

¹⁴⁶ Ayatollah Ali Khamenei on Iran's Population Policy, *Population and Development Review*, Vol. 40, No. 3 (Sep. 2014), pp. 573–575.

¹⁴⁷ John Casterline, Zeba Sathar and Minhaj ul Haque: 'Obstacles to Contraceptive Use in Pakistan: A Study in Punjab' in *Studies in Family Planning*, Vol.32, N°2 (Jun. 2001), pp. 95–110.

¹⁴⁸ Donna Lee Bowen: 'Abortion, Islam and the 1994 Cairo Population Conference' in *International Journal of Middle East Studies*, Vol.29, N°2 (May 1997), pp. 161–184.

Segmentation by demographic data refers to any of the following: segmentation by age, segmentation by gender or segmentation by ethnic origin. As religion is a cultural phenomenon and not a demographic element, segmentation by religions and/or Islamic sects is part of the socio-cultural environment. In this section, we will focus on segmentation by age and segmentation by ethnic origin and their influences on marketing.

Segmentation by Age

Segmentation by age is usually the first way to segment the market. There is no company targeting all age brackets. Even if all age groups buy a certain product, companies do not reach out to all of them with the same communication efforts. It is a well-known saying that the readership for comics is from 7 to 77 years. In fact, this is the official motto for the *Tintin* series. But this is just a myth as the real target audience for comics is 7–34 years¹⁴⁹ and it's the same for video games and superhero movies. In a number of Muslim countries, smoking is a prevailing habit especially among children. One of the countries with the heaviest number of smokers is Indonesia. And though cigarette companies do not directly target children as potential consumers, it has been reported that 22 % of youths (aged 13–15) regularly smoke in Indonesia (among them 40 % of boys in the same age bracket).¹⁵⁰ This presents a delicate ethical question for cigarette companies as there is a gap between the declared audience and the real one. The question is not only if marketers should target children with such products, but more if marketers can gather information from children given their vulnerability and credulity.¹⁵¹

The first step in age segmentation is to determine the definition of a child, an adult and a senior. Statistics from international bodies usually define categories according to biological age and provide the following categorisation: a child is from 0 to 15 years old, an adult from 15 to 60 and a senior is above 60 years of age.¹⁵² Information on the first category (from 0 to 15) is sometimes hard to find because OIC countries tend to combine categories, terming those from 0 to 24 the 'young population'.¹⁵³

According to the US Census' definition of seniors (65 and above), 23 countries out of the 57 members of the OIC do not have seniors because their life expectancy is below 65 years and, for nine of them, life expectancy is lower than 55. In other words, if companies want to target seniors in Sierra Leone (life expectancy

¹⁴⁹ 'Trop de BD tue la BD ? Radioscopie d'une crise' in *Le Nouvel Obs*, April 24, 2012.

¹⁵⁰ http://www.who.int/tobacco/surveillance/policy/country_profile/idn.pdf

¹⁵¹ Roshan D. Ahuja, Mary Walker and Raghu Tadepalli: 'Paternalism, Limited Paternalism and Pontius Pilate Plight When Researching Children' in *Journal of Business Ethics*, Vol. 32, No. 1, Special Issue on Marketing Ethics (Jul., 2001), pp. 81–92.

¹⁵² The US Census Bureau defines seniors as above the age of 65. See '65+ in the United States, 2010', *US Census Bureau*, June 2014, <http://www.census.gov/content/dam/Census/library/publications/2014/demo/p23-212.pdf> while figures given by the Pew Research Center usually defines seniors as people 60 and above.

¹⁵³ 'Demographic trends in OIC, Is the Harmonization of Data Needed?', *SESRIC*, March 2013.

44 years) or Mozambique (55), they have to redefine what they mean by ‘seniors’. For instance, those who qualify for the old-age grant in Sierra Leone are aged 55 and above while, in Cameroon, they must be 60 and above. In Kuwait, the old-age pension begins at the age of 50 and, in Saudi Arabia, it’s 60.¹⁵⁴

Apart from the biological definition, there are two other categories—psychological and sociological age definitions. Psychological age definition refers to how people feel and view themselves and how they are perceived by others at each age while social age defines individuals according to social, political or legal elements. All in all, there are three ways to define people and their age and it is up to the company to decide which is the most relevant in a given country.

Biological or Chronological Age

In Western countries, it makes no sense to target children from 0 to 15 years as there is no homogeneity in the services and products offered to them. The wants and needs of children differ drastically according to age. This is why there are sub-segmentation criteria dividing babies, children, teenagers and young adults into categories with completely separated offers to cater to each of them. As such, the statistics from international institutions such as the United Nations Population Division or OIC Stat-Com for those aged 0–15 are of little use to marketers.

Health institutions in Western countries usually provide a plethora of information about the size and weight of babies and children, especially with compulsory programmes for frequent doctor visits. They also provide causes of death, so pharmaceutical companies know the type of medication they should offer to a given market.

With these data, a company in the baby food market such as *Gerber* knows exactly what the desired quantities and ingredients are for babies from 3 to 6 months and a clothing company such as *Petit Bateau* knows the types of clothing to design for babies.¹⁵⁵ *Petit Bateau* is a company specialising in the design of clothes for babies and children and is very famous for its new-born collection. As of today, they have the following sizes: one month, three months, six months, 12 months, 18 months, 24 months and 36 months.¹⁵⁶

When babies grow up, they become the main target audience for fast-food companies. A study in the USA shows that fast-food companies spend at least a quarter of their marketing budgets on kids aged 2–17.¹⁵⁷ As they grow up, young

¹⁵⁴ See Social security Programs Around the World at : <http://www.ssa.gov/policy/docs/progdesc/index.html>

¹⁵⁵ The baby food company Heinz goes even further and segments its offer according to babies 4+ months, 6+ months, 8+ months and 12+ months. It means the company has enough information about the number of babies belonging to these brackets and what is the diet they need. See Heinz website at : <http://www.heinzforbaby.com.au/Our-Products/Heinz-Baby-Food>

¹⁵⁶ <http://www.petit-bateau.fr/e-shop/bf-3/1/t-shirts-sous-pulls-et-blouses.html>

¹⁵⁷ ‘Fast food marketers target kids in certain socioeconomic groups more than the others, study shows’, in *Marketing News*, January, 1, 2015.

adults enter the scene. However, they are also hard to define as some companies take into consideration the fact that teenagers become financially autonomous at the age of 13 or 14 when they start getting pocket money and can decide what to purchase. We can also consider the age of 18 when, in some countries, young adults can open a bank account. It is interesting to see which age group a bank is targeting, especially with an online banking service that is supposed to be more effective with younger customers. A study conducted in Turkey shows that the appropriate age bracket for targeting young customers is 18–24.¹⁵⁸ However, this age bracket does not appear in international statistics, so companies will have to conduct their own studies.

According to demographic trends, even with a higher fertility rate compared to other religions, there are fewer babies within the Muslim world. As such, the spending per child is higher and parents might pamper their children with products and brands, as is the trend in the Western world, especially with a luxury market for babies and children. This emerging trend of luxury goods for children is not only driven by the desire of parents to display their wealth but also the material parenting approach, which uses material goods, in this case luxury products, to express love or shape children's behaviour.¹⁵⁹ The luxury market for babies/children is increasing, especially in the GCC countries, as demonstrated by Harvey Nichols, a luxury retail group from the USA that is opening a branch in Doha, Qatar in 2017. Apart from the usual sections such as fashion and beauty, it will also feature children's wear.¹⁶⁰ As the market grows, so will the number of companies fighting to get their slice of the pie. Today, besides pure players such as *Bonpoint* (a luxury brand dedicated only to babies and children) and veterans like *Baby Dior*, everyone is present in the market. In its latest edition (Autumn/Winter 2015), *Harper's Bazaar Junior Arabia* was filled with advertisements from companies such as Boss Kidswear, Little Marc Jacobs, Paul Smith Junior, Roberto Cavalli Junior, DKNY Kids and Chloé Kids (Table 2.15).

The size of the luxury market for children or teenagers is difficult to assess as it depends on many parameters. In the case of L'Oréal, the company decided to address female teenagers in the 13–19 age group in Malaysia and capitalise on them as they grow older.¹⁶¹ This is a typical product development strategy from Ansoff's matrix.

¹⁵⁸ Bahtisen Kavak and Canan Demirsoy, 'Identification of adopter categories for online banking in Turkey', *The Service Industries Journal*, Vol. 29, N°8 (Aug. 2009), pp. 1037–1051.

¹⁵⁹ Marsha Richins and Lan Nguyen Chaplin: 'Material Parenting: How the use of Goods in Parenting Fosters Materialism for the Next Generation' in *Journal of Consumer Research*, Vol. 41, N°6, (Apr. 2015), pp. 1333–1357.

¹⁶⁰ 'Nichols to Unveil a Qatar Unit' in *Women's Wear Daily*, 9 December 2014.

¹⁶¹ L'Oréal estimated it is timely to introduce a relatively high priced teenage perfume in Malaysia because of the purchasing power growth in that country. See Hemaloshene Vasudevan: 'L'Oréal Baby Girl Perfume Marketing Strategy', *International Journal of Information, Business and Management*, Vol. 7, Issue 1 (2015), pp. 193–208.

Table 2.15 Luxury brands for kids in the GCC (selected)

Baby Dior	Junior Gaultier
Little Marc Jacobs	Chloé Kids
Young Versace	Burberry Kids
Stella McCartney Kids	Lanvin Petite
Gucci Kids	Dolce Girl

Source: <http://www.therichest.com/luxury/10-luxurious-clothing-lines-for-kids/10/>

2.2.5 Ansoff's Matrix and Children's Market

Ansoff's matrix has four different approaches¹⁶²:

1. *Product development strategy* refers to a company capitalising on the same market and introducing new products solely to it. The company does not look for new consumers but rather serves them throughout their life. This is a typical strategy used by luxury-goods companies that launch a series of products catered to their stable clientele, for instance, *Marc Jacobs* or *Dolce and Gabbana* launching veils designed like hijabs for their Muslim clientele. As their Muslim clientele already buys their products, they continue to buy branded hijabs.
2. *Market development strategy* is when the company capitalises on its products and conquers new markets. The company does not launch new products but instead looks for new market segments. Examples are food companies such as *Ladurée*, which specialises in macarons or *Pierre Hermé*, which sells pastries. *Ladurée* operates shops in Kuwait, Lebanon, Morocco, Qatar and Saudi Arabia while *Pierre Hermé* is present in Qatar, United Arab Emirates, Saudi Arabia and Azerbaijan.
3. *Penetration strategy* is when the company does not launch new products and does not look for new market segments. The company just wants its existing market segment to consume more of its existing products. This strategy is used by the company *Daffah* from Saudi Arabia. The company sells traditional Middle East clothes for men such as *thoubs* or *yashmags*. Muslims travelling to Saudi Arabia dress in these clothes but also wear them in Western countries. As such, the company has set up outlets in Europe, especially in France, with highly visible advertisements. It does not launch new products nor look for new customers. Instead, it persuades its usual customers to consume more of its products.¹⁶³
4. *Diversification strategy* refers to a company launching a completely new product for a completely new market segment. This is the most challenging strategy as there may be brand perception collisions between new products and new market segments. The easiest way of diversification is for a holding company to invest

¹⁶² For Ansoff's matrix see the landmark article by Igor Ansoff, 'Strategies for Diversification', *Harvard Business Review*, Vol. 35, N°5 (Sep.-Oct. 1957), pp. 113–124.

¹⁶³ See *Daffah's* web site: <http://www.daffah.eu.pn/index.html>

in many different industries. This is the case for sovereign funds that want to limit risk exposure, and they invest in diversified domains. All sovereign funds from the Muslim world (ADIA from Abu Dhabi, SAMIA from Saudi Arabia or BIA from Brunei) adopt this practice. From a branding point of view, it is much more difficult and dangerous. When Nestlé launched *halal* chicken sausages for the French market under the Herta brand, which is well known for its pork products, it failed. This is because, in the UK, the brand is marketed as the '*home of the hot dog*' and many customers wondered how Nestlé could use the same brand for *halal* and *haram* products.

Nestlé and Children

Nestlé sells baby food in almost all the major markets, including Muslim countries such as Turkey, Indonesia, Iran, Egypt and Nigeria. In all these countries, Nestlé operates plants, manufacturing products that are sold in the local markets. Apart from baby food products, Nestlé also bottles water and sells candies and Maggi cubes. Nestlé is making huge efforts to use images of children and babies on its websites, such as in the case of Indonesia with the page called '*Sahabat*', which means friend in Bahasa Indonesia and features numerous contests, fun pages, wallpapers and so on. Children are a very interesting target for Nestlé because the practice of breastfeeding faces considerable resistance in some markets. In the case of Sub-Saharan Africa, the high percentage of HIV-infected persons and the presence of chemical residues in breastmilk may motivate parents to choose bottle-feeding over breastfeeding.¹⁶⁴ These reasons are topped with social and cultural considerations that have more to do with anthropological analysis rather than a biological one. But whatever the case, all of them are leaning towards aversion to breastfeeding, which is an opportunity for instant milk formulas.

Keeping in mind the long-lasting controversy around its instant milk formula in Africa,¹⁶⁵ Nestlé is doing its best to win the trust of consumers in Muslim countries such as Iran by publishing statements that its infant milk in the country is safe: «*Nestlé does not sell liquid infant milk in carton packaging in the I.R. Iran. The company reassures consumers that the powdered infant milk available in tins in the I.R. Iran is safe and not affected since ITX is not used in the printing of tin packaging*».¹⁶⁶ According to *Euromonitor International*, Nestlé Iran PJS Co maintained its dominant position in the baby food market in Iran in 2014 with a 54% value share.

(continued)

¹⁶⁴ Penny Van Esterik, 'Contemporary Trends in Infant Feeding Research', *Annual Review of Anthropology*, Vol. 31 (Oct. 2002), pp. 257–278.

¹⁶⁵ James Baker: 'The International Instant Formula Controversy: A Dilemma in Corporate Social Responsibility', in *Journal of Business Ethics*, Vol. 4, N°3 (Jun. 1985), pp. 181–190.

¹⁶⁶ www.nestle-iran.com

The company is the undisputed leader in dried baby food with its Cerelac brand and accounted for 89 % of value sales in the category in 2014. Nestlé does not sell liquid infant milk in the country.¹⁶⁷ It also sells powdered infant milk in other countries such as Turkey, Malaysia, Pakistan, Egypt, Cameroon and Indonesia under its Nan brand.

If there is no accurate information on the absolute number of people living in one country (which is a basic indicator) it would be helpful to know something about the physical characteristics of children (their size and weight for instance). If the educational system is compulsory in the country, the Ministry of Education could provide some data on school attendance. Alternatively, *madrasas* (religious schools) could also provide some information on children. Unfortunately, not all children attend *madrasas* in a Muslim country. In Western countries, there is no precise information on the age segmentation of Muslims because statistics specific to religion are difficult to obtain except in countries where surveys exist such as the USA. In the USA, children below the age of 15 make up a relatively small portion of the Muslim population. In fact, only 13.1 % of Muslims are in the 0–14 age group. So when marketers target Muslims in the USA, they mainly address adults, who are usually single if they are recent immigrants. As a result, the range of products and services are rather limited as the principal aim of new immigrants is to help their families in their homeland. However, by 2030, many of these immigrants are expected to start families and, in turn, the number of US Muslims below the age 15 will more than triple from less than 500,000 in 2010 to 1.8 million in 2030. By that time, family products and services in terms of housing, food, entertainment and so on will increase tremendously. If the majority of Muslims in the USA are foreign-born today, this will not be the case by 2030 as consumer preferences will tend to harmonise with the overall population while, today, it is a typical immigrant-oriented consumption with specific shopping areas and offers.

There is a common misconception about the size of Muslim families and that having large families is the norm. In Saudi Arabia, it is believed that Muslims have very large families with six or seven children. But the reality is completely different. The total fertility rate in Saudi Arabia was 2.17 children per woman in 2014, and advertisers recognise this. An advertisement for the Saudi Commission for Tourism and Antiquities shows a typical Saudi family with only two children. If the reality was different, there would have been many more children in the ad. The advertisement is available on www.sauditourism.com.sa

Seniors also draw the attention of marketers in Western countries. But the tendency is not the same in Muslim countries as the elderly have a lower life expectancy and purchasing power. However, with the improvement of health conditions and increasing purchasing power, Muslims live much longer today

¹⁶⁷ 'Country Report: Baby Food in Iran', *Monitor International*, January 2015, 45 pages.

than they did just a generation ago. The average life expectancy at birth in Muslim-majority countries was estimated to be 68 years in 2015. By 2030–35, life expectancy at birth is projected to reach 73 years, slightly surpassing the life expectancy in other (non-Muslim-majority) developing countries. Tremendous opportunities therefore exist within the silver economy. With the increase of retirement pension plans, this section of the economy is booming in Western countries. Muslims living in Western countries have long been exposed to retirement schemes, and there is a high probability that many of them have already subscribed for some of them. Companies in Western countries targeting seniors will target the entire population, regardless of its faith, as they know that only a small number of immigrants from the first generation will return to their homeland upon retirement and the chances of second- and third-generations doing so is even lesser. As such, they offer all seniors the same facilities (retirement homes, lifestyle products and services such as entertainment and travel, hospitality and healthcare). As for Islamic countries, it will certainly take some time, primarily due to the income gap with Western countries and tradition, which is based on the idea of solidarity among family members, especially children and grand-children, who are expected to take care of the elderly.¹⁶⁸ Nevertheless, with time, there is no reason that the silver economy will not grow in Muslim-majority countries. By drawing an analogy with the children's market, which emerged in Islamic countries several decades after the Western countries, the same thing can be expected with the silver market.

Children are primary buyers because they have the money (given by parents and relatives), the freedom and the ability to purchase the goods and brands they want. At the same time, they can be influencers or prescribers for family products as well. This behaviour is prominent in Western countries and Islamic countries as well, as the case of Tehran shows. In Tehran, the children's perception of their own relative influence and the mother's perception of their children's relative influence show that a child's relative influence in purchasing is high in both the child's and the mother's viewpoints.¹⁶⁹ Given this, we can expect that marketers will target more and more children in Tehran. The case of children influencing their parents is of a permissive nature as parents willingly accept being influenced by their children. The opposite is also true when there is a positive correlation between parental materialism and children materialism. In that case, parents can have an influence on their children's buying behaviour, as demonstrated in a study on Egyptian family communication patterns.¹⁷⁰

¹⁶⁸ Government expenditures in the social sector in the Gulf countries are wasteful and subsidies are regressive and unsustainable according to Hossein Askari and Noora Arfaa. See their paper 'Social safety net in Islam: The Case of Persian Gulf Oil Exporters' in *British Journal of Middle East Studies*, Vol 34, N°2 (Aug. 2007), pp. 177–202.

¹⁶⁹ Masoumeh Shahri and Piraste Nazanin, 'Studying Children's Influence on Iranian Families' Purchase Decisions' in *New Marketing Research Journal*, Vol. 4 N° 1, (Spr. 2014), pp. 10–31.

¹⁷⁰ Hagar Adib and Noha RI-Bassiouny, 'Materialism in young consumers. An investigation of family communication patterns and parental mediation practices in Egypt', *Journal of Islamic Marketing*, Vol. 3, N°3 (2012), pp. 255–282.

2.2.5.1 Sociological Age

The second definition of age is the social definition, where age is defined by society. It can be a political definition, where the political power decides the passage from childhood to adulthood, when people start to vote, when they can get a driver's licence, have access to a consumer loan, get married or be punished by the law. This age is decided by political bodies and usually varies according to the rights and duties involved. Political bodies can also be influenced by religious motivations when making a decision. There are specific religious rules highlighting the passage from childhood to adulthood. For Latin American countries, the celebration of Quinceañera is an important ceremony held on a girl's 15th birthday to mark her passage to womanhood and is usually commemorated with celebrations and parties.¹⁷¹ In Judaism, the most important ritual marking the passage from childhood to adulthood is the Bar Mitzvah for boys and Bat Mitzvah for girls (usually 13 years for boys and 12/13 years for girls), which signify the period that they become accountable for their actions.¹⁷² A publication titled Bar/Bat Mitzvah covering everything related to this occasion has a 220,000 circulation in the USA.¹⁷³ There is no such ritual in Islam as becoming an adult simply means that boys and girls enter the age of puberty and become *baaligh* (mature). This happens at roughly the same age as other cultures with the appearance of physical signs (menstruation, pubic hair). There is no particular celebration for puberty in Islam so companies have to turn to other markets for business opportunities. One of them would be *khitan* (circumcision), an event marking the entry of a boy into the Muslim community. Similar to Bar/Bat Mitzvahs, circumcision offers many business opportunities. There are advertisements for circumcisers in the streets of Istanbul offering their services. Families buy clothes costing hundreds of euros and organise parties to celebrate the event. However, there are no specialised marketing agencies and consultancies such as www.circumcision.com or www.marketingcircumcision.com as there are for other religions. In the USA alone, the circumcision business (catering to Jews and Muslims mainly) is worth 1 billion dollars and covers operation and hospital stays.¹⁷⁴ The celebration is extremely popular in Turkey where places such as *Sunnet Serayi* (Circumcision Palace) in Istanbul organise parades with groups of 7–8 year-old boys dressed in costumes in a celebration reminiscent of the Ottoman Empire. Food and music are compulsory elements of such celebrations.¹⁷⁵ In all Islamic countries, circumcision is marketed like any other celebration (birthdays and wedding) and specialised companies such as *Drageesmerveilles* in Tunisia bank on this business.¹⁷⁶

¹⁷¹ See: www.quincenaera.com and www.reachhispanic.com

¹⁷² See: www.mitzvahmarket.com and www.jewishmarketing101.com

¹⁷³ See: www.barmatmitzvahguide.com

¹⁷⁴ 'Circumcision, Who profits?', at: <http://www.thewellspring.com/flex/myth-circumcision-is-neither-harmful-nor-painful/2617/circumcision-who-profits>

¹⁷⁵ <http://www.buzzfeed.com/gabrielsanchez/turkeys-circumcision-parties#.rhP18AwAB>

¹⁷⁶ <https://www.facebook.com/drageesmerveilles/info?tab=overview>

Finally, it is important to know if girls can marry from the religious point of view at an earlier age even if the legal marriage will occur later. Some Islamic countries (usually Sub-Saharan African countries) have a high percentage of girls marrying under the legal age (16 or 17) while in other countries, the situation differs. The US body of USAID brings up the case of Egypt, where the legal age for boys to marry is 18 and 16 for girls. The median age for marriage for females is now 19 in Egypt and there are attempts to increase the minimum legal age for girls to 18. In many countries, the majority of girls are married before the age of 18. However, the situation is improving, as documented in the case of Mali. There is a gradual decrease of underage marriage due to rising levels of women's education and the migration of adolescent girls in search of labour. Because they move from their place of birth in search of work, the migration enables young women to choose the timing of their marriage. This trend of migration challenges family marriage conventions and has resulted in the elders disengaging their control over marriage and young people.¹⁷⁷ This is extremely important for women's empowerment and will impact consumption patterns as the freedom gained in one area will be transferred to another.

Underage marriage changes the perception of a child and an adult. According to international statistics, children are defined as those below the age of 15. However, this is the legal age for marrying in Niger, and 55 % of girls in Mali are married before the age of 16, which implies before the age of 15 for some of them. These girls may still be children from the Western point of view but not in the eyes of those in Niger and Mali as they are already married. Due to war, famine and/or HIV and underage marriages, in Africa, there are many child-headed or female-headed households run by 16 or 17 year olds. And companies should take this into account.¹⁷⁸

The reason is if marketers offer goods for the teenager or 15–18 age bracket, it would be misaligned as many girls in this age group are already married, have their own children or earn their own money. It would be better, in this case, to offer products for girls and women regardless of their age as status is more important than age.

2.2.5.2 Psychological Definition

The final definition of age refers to psychological make-up or how people view themselves. If children are maturing younger, marketers should offer them products for adults and not children. If children tend to follow what their parents impose on them in terms of age, marketers will have to meet the expectations of the parents and not those of the children. Girls identify hair growth, breast enlargement, hip enlargement and menstruation as signs of growing up, while boys view a muscular body, a deeper voice, longer hair and “nocturnal emissions” as proof of their

¹⁷⁷ Véronique Hertrich and Marie Lesclingand, ‘Adolescent migration and the 1990s nuptiality transition in Mali’, *Population Studies*, Vol. 66, No. 2 (Jul. 2012), pp. 147–166.

¹⁷⁸ Blessing Uchenna Mberu: ‘Household Structure and Living Conditions in Nigeria’, *Journal of Marriage and Family* Vol. 69, No. 2 (May, 2007), pp. 513–527.

maturing. One should assume that religion has nothing to do with the children's perception of growing up. However, children attend school (with the exception of *madrassa* or Non-formal Education for adults who have been left out of the formal educational system)¹⁷⁹ and this is where we must take the influence of teachers' and religious leaders' into account. Many markers of adulthood can be used, from physical appearance to behaviour (mature attitude, shyness towards the opposite sex, changes in dressing, shedding of childhood habits, etc.). These behavioural changes are linked to the psychological definition. Four markers have been identified in Indonesia and, if three of them are social (marriage, having a child, entering the labour market), the last is a psychological one: leaving home. Younger generations show a higher tendency of staying home at an older age compared to former generations. This is known as the *Tanguy syndrome* (named after the French movie *Tanguy* showing a young adult who does not want to leave home). According to the results of a survey conducted in Jakarta in 2010, 29% of individuals aged 20–24 left home before the age of 20 while, for the previous generation, 38% of them left home before the age of 20.¹⁸⁰ This means that there is a certain alignment of tendencies with Western countries.

In patriarchal societies, the psychological definition is not that different from the social definition as the social pressure is great and influences self-identification. Muslim societies are not as patriarchal as they used to be for two reasons: the first is because women are working more as men can no longer guarantee women and children lifetime support due to extreme poverty and landlessness as is the case in Bangladesh.¹⁸¹ As such, women have to work more in order to help support the household and this emancipates them. The second reason is child emancipation, especially through social media. In Indonesia, three new categories have appeared recently that are similar to the Western sub-segmentation of teenagers: *remaja* (teenagers), *anak muda* (young people) and *ABG* (*Anak Baru Gede* literally meaning a child who just became big—late adolescents).¹⁸² No particular age is attached to each category, only physical appearance and behaviour is taken into account. What is important here is how children perceive themselves and how they are perceived by others. This will have an impact on consumer behaviour. For example, *FHM Magazine* is available in several Muslim countries: Indonesia, Malaysia,

¹⁷⁹ Michelle T. Kuenzi, 'Nonformal Education, Political Participation, and Democracy: Findings from Senegal', *Political Behavior*, Vol. 28, No. 1 (Mar., 2006), pp. 1–31.

¹⁸⁰ Peter McDonald, Anna Reimondos and Iwu Dwisetyani Utomo: '*The 2010 Greater Jakarta Transition to Adulthood, Policy Background N°3, Markers of Adulthood*', Australian demographic and research Institute, National University of Australia, January 2012, <http://adsri.anu.edu.au/sites/default/files/research/transition-to-adulthood/Policy%20Background%203%20Markers%20to%20Adulthood%20English.pdf>

¹⁸¹ Sania Sultan Ahmed and Sally Bould, 'One Able Daughter Is Worth 10 Illiterate Sons': Reframing the Patriarchal Family' in *Journal of Marriage and Family*, Vol. 66, No. 5, Special Issue: International Perspectives on Families and Social Change (Dec., 2004), pp. 1332–1341.

¹⁸² Lyn Parker, Pam Nilan, '*Adolescents in Contemporary Indonesia*', Routledge, London, 2013, 224 pages.

Pakistan and Turkey. It is labelled as a 'Man's Lifestyle Magazine' and features barely dressed female models. It is extremely famous for its '*The 100 Sexiest Women in the World*' series. Although the magazine is for adults, it can be easily downloaded from the Internet, which leads to speculation on the real age of readers. If teenagers read them, they probably do not think of themselves as children, but as sexually active adults.

How people perceive themselves is also a question of generations. In Islamic countries, there is a strong tendency for children to follow the Islamic teachings (*madhab* or school of *fiqh*) of their parents because of tradition. It is very rare that a *Sunni* becomes a *Shia*, and vice-versa, or that a person suddenly does not want to follow the *Shaf'i* school of thought and prefers to embrace the *Maliki* one. In the event that any of the above happens, the person must have had access to different schools of thought, which is usually impossible in Muslim countries except if the different schools coexist such as in Bahrain, Sub-Saharan Africa or Pakistan. Even then, conversions from one *madhab* to another are uncommon. The situation in Western countries is very different as young Muslims are exposed to all sects of Islam and they might be tempted to follow a more rigorous interpretation of Islam compared to their parents. This is why there are so many young Muslims from Western countries willing to join ISIS or Al-Qaeda. In the great majority of cases, parents did not even know that their children were interested in this radical interpretation of Islam. If first-generation immigrants come from rural areas where religiosity is higher than in the receiving societies, conflicts could happen because of the mismatch between what their children perceive as an ideal society from the mass media they are exposed to in Western countries and what their parents believe is an ideal society. In this case, children may look for a non-religious identification. These Muslims will not actively look for 100% *-halal* or Islamic Finance products but will usually still respect the rituals (Ramadan and no pork products). This mismatch can be reduced if immigrants live in areas of high co-ethnic concentration with strong support from religious communities. The opposite is also true. If the first generation of immigrants come from rural areas where the degree of religiosity was weak or where Islam is considered to be more of a cultural and not a religious phenomenon, children may consider that their parents have departed from the 'true path' of Islam. They will actively search for, mostly via social media, an imaginary Islam that is 'pure' from any culturally specific practice.¹⁸³ The more rigorist the interpretation of Islam, the better it is. These young Muslims will actively look for 100% *-halal* products and put pressure on companies to launch products and services that are in tune with their interpretation of Islam. Even the fact that Western societies sometimes display a hostile attitude towards Islam will not deter their willingness to conform more and more to a rigorist life.¹⁸⁴

¹⁸³ David Voas and Fenella Fleischmann, 'Islam Moves West: Religious Change in the First and Second Generations', in *Annual Review of Sociology*, Vol. 38 (2012), pp. 525–545.

¹⁸⁴ Patrick Haenni, *Islam de marché, l'autre révolution conservatrice*, Seuil, 2005, 110 pages.

Islam definitely influences the three definitions of children. In terms of biological age, religious leaders sometimes limit access to school or to doctors for young girls, so it is impossible to draw statistics that are reliable for brands. Islam also greatly influences sociological make-up by defining what a child is and what an adult is. In addition, Islam influences psychological make-up as children quote religion as a basic source of knowledge in self-identification. It is, therefore, natural that religion readily states what is suitable and what is not for children. On the other hand, children in Muslim countries are influenced by Western media, products and services and, in practical terms, there is a battle between what religious leaders are trying to impose as substitutes to Western products and brands, and what children really want.¹⁸⁵ In various Muslim countries, every child is a television addict and smartphone addict as they provide free entertainment and are windows to the outside world.¹⁸⁶

2.2.5.3 Ethnic Difference and Ethnic Marketing

Segmentation of a country's population is also done from an ethnic origin point of view. In Islamic countries where Muslims represent a slight majority of the population (such as in Malaysia or Lebanon), there is a coexistence of different religious communities, and companies routinely target them separately for products and services with high symbolic meaning. For instance, it is obvious that no travel agent will offer *hajj* for non-Muslims. At the same time, a company such as Coca-Cola can have special offers for Ramadan and other promotions for Christmas in the same country, even if the product is the same. In other words, ethnic marketing in those countries does not pose a problem. However, the situation in Western countries is much more complex as, in countries such as France, ethnic marketing is practically taboo. The official policy of the state is to ban communitarianism, so ethnic groups or minorities are not recognised as such. From a constitutional point of view, there is just one people, the French people, so any form of ethnic differentiation would be rejected.¹⁸⁷ However, this does not mean that companies do not use ethnic marketing. It simply means they cannot openly state that they are doing so. In other Western countries such as the UK, the USA and Canada, where communities are accepted by the political establishment, it is easier for companies

¹⁸⁵ Claire Harding: 'The Influence of the 'Decadent West': Discourses of the Mass Media on Youth Sexuality in Indonesia', *Intersections Gender and Sexuality in Asia and the Pacific*, Australian National University, Issue 18, 2008 retrieved at <http://intersections.anu.edu.au/issue18/harding.htm>

¹⁸⁶ 'Negative effects of Foreign Media' in *The Pakistani Spectator*, August 17, 2010 and Sodos Islam and Carlo Johnson, 'Western media's influence on Egyptian adolescents' smoking behaviour: The mediating role of positive beliefs about smoking' in *Nicotine and Tobacco Research*, Vol.9, N°9 (Jan 2007), pp. 57–64.

¹⁸⁷ One of the few studies on this subject in France has been done by Guillaume Johnson and Sonya Grier, 'Targeting Without Alienating: Multicultural advertising and the subtleties of targeted advertising' in *International Journal of Advertising*, Vol. 30, N°2 (2011), pp. 233–258 and the book from Mai-Lam Nguyen-Conan, '*Le marché de l'éthnique, un modèle d'intégration?*', Michalon, Paris, 2011, 192 pages.

to implement ethnic marketing principles. Some of them do it openly by selling specific products such as food and lifestyle products to different populations, and these products will certainly differ from one community to the other. At the same time, other companies hesitate to do so as they do not want to separate their customers according to their religion or ethnicity.

Separating customers according to religion is rather easy especially if customers are willing to share what their religion is. Malaysia is one of these countries where companies use ethnic marketing and where data exists when it comes to measuring purchasing decisions. There are three main ethnic groups in Malaysia (Malays and other indigenous populations represent about 58 % of the population, the Chinese represent 24 % and people of Indian descent 8 %) and their behaviour differs when buying organic food products, for instance. While the Indian group is interested in health supplements, the Chinese group is interested in food safety and health supplements, and the Malay one with food safety, price and availability.¹⁸⁸ Another example from Nigeria shows that some tribes, namely Igbo and Yoruba, are more inclined to use electronic banking than others (Hausa/Fulani for instance).¹⁸⁹ The situation is clear when ethnic groups profess separate religions so there is no overlapping between ethnic groups and religions. The problem is that, very often, religions are universal so Christianity and Islam can target the same population and part of one ethnic group can be Muslim and the other Christian or Buddhist. If customers from the same ethnicity in the same country belong to different faiths, companies need to explore possibilities to implement a strategy that considers both ethnic and religious differences at the same time. If customers believe that religion is more important than ethnic background (a Muslim belongs to *Ummah* whatever his/her ethnic origin), companies can implement a standardised strategy that covers the entire Muslim population in a given country, regardless of ethnic, tribal and other differences. If, on the contrary, customers believe that ethnic background is more important than their religion (Arabs opposed to Turks in France for instance), companies must adapt their strategies to different ethnic groups even if they profess the same faith such as Islam.

This complex situation of ethnic heterogeneity, which forces companies to adopt a differentiated ethnic strategy, exists in many countries as communities live side by side but rarely mix. This is the case for the Kurdish and Turkish population in Turkey, the Arab and Berber population in Morocco, the Pashtuns and Tajiks in Afghanistan and the different tribes in Senegal and Nigeria. All these ethnic groups will expect companies to address them separately as they speak different languages and have different social and cultural patterns. For instance, more than 86 % of the population in Senegal is Muslim, but ethnic differences still prevail among them.

¹⁸⁸ Su-Huey Quah and Andrey K.G Kwan 'Consumer Purchase Decisions of Organic Food Products: An Ethnic Analysis', *Journal of International Consumer Marketing*, Vol. 22, N° 1 (Dec. 2009), pp. 47–58.

¹⁸⁹ Titus Chukwuemezie Okeke and Chudi Gabriel Okpala, 'A Discrete Analysis of Demography and Electronic banking usage in Nigeria', *Journal of Internet Banking and Commerce*, Vol. 19, N°2 (Aug. 2014), pp. 1–14.

The case of Lebanon is easy to analyse as practically all its inhabitants are considered to be Arabs with the exception of some Armenian, Jewish and other minorities. Some Lebanese, however, especially the Maronite Christians, see themselves as descendants of the Phoenicians/Canaanites/Mardaites and tend to de-emphasise or deny Lebanon's Arab heritage. This identification with pre-Arab civilisations also exists in other religious communities, albeit not to the same extent. *Sunni* and *Alawite* Muslims in Lebanon, as well as Greek Orthodox and rural Roman Catholic Christians, are believed to be of a mixed Levantine (Syrian/Shami) origin. In Israel, the Druze usually identify themselves as Arabs (but not necessarily as Palestinians). However, many Druze living in the Golan Heights consider themselves as Syrian and refuse Israeli citizenship, while the remainder consider themselves Israeli.¹⁹⁰

Despite their differences, these Muslim groups have coexisted for a long time in the same territory and have gradually become accustomed to each other, so companies know how to approach them. What is more complicated is targeting different ethnic groups professing Islam as their religion in Western countries as their coexistence is recent and companies do not have a long track record as to the best way to address them. In countries such as Germany, France and the UK, there is no central body representing Muslims living in these countries, so companies have to invest time and money to enter into discussions with separate groups. There is no unique *halal* standard and certification process, so companies have to decide among dozens of different organisations that might have no contact with each other.¹⁹¹

In North America (the USA and Canada combined), the proportion of Muslims of South Asian and Arab origins are practically equal. Also of note is that the attendance in mosques in the USA is higher for the South Asian and African American Muslims than for those from the Arab lands. Even if the majority of Muslims in the USA speak English (especially for the second and subsequent generations), the language used for prayers in mosques is Arabic and the language that *imams* use for sermons (*khutbah*) is the language of the congregation. In the USA, 70 % of mosques use English during *khutbah*—a dramatic increase from 2000 when only 53 % of mosques used English for their sermons. This means that there are more and more opportunities for mixed attendance as language will not pose a problem. Companies can also target a bigger group with only one language. The

¹⁹⁰ For the complex Lebanese identity in a Western country see John Tofik Karam, 'Another Arabesque: Syrian-Lebanese Ethnicity in Neoliberal Brazil' Temple University Press, 2007, 213 pages.

¹⁹¹ For the diversity of Islam in France, especially in Paris *banlieues*, see Gilles Kepel: 'Quatre-vingt-treize' Gallimard, Paris, 2012, 322 pages; and Gilles Couvreur and Gwenolé Jeusset: 'Musulmans de France, diversité, mutation et perspective de l'Islam français', Editions de l'Atelier, Paris, 1998, 118 pages.

remaining 30 % of *khutbah* use Arabic, Urdu, Farsi, Bosnian, French and Somali, so companies will have to use a differentiated strategy for these communities.¹⁹²

In Australia, Muslim believers originate from 70 different countries but the main populations are not the same as those in the USA. In Australia, they mainly come from Lebanon, Turkey and Afghanistan with the overwhelming majority born in Australia itself.¹⁹³ Contrary to the situation in Europe, where Muslim associations tend to be built around one ethnicity, country or origin, several Muslim organisations in Australia do not cater for a specific ethnic group and tend to federalise the voice of Muslims in Australia. Among them is the Australian Federation of Islamic Councils,¹⁹⁴ which has celebrated 50 years of existence, and is responsible for the *halal* food certification in Australia. The Muslim Women's National Network Australia specifies in its mission statement that it '*welcomes Muslim women of all ages, occupations and ethnicities to join with us in sisterhood*',¹⁹⁵ and mentions that its membership consists of ethnic backgrounds from the Middle East, Southeast Asia, the Pacific Islands, Africa, Europe and America, as well as members who were born in Australia. Ethnic organisations such as the Lebanese Muslim Association, the Australian Turkish Associations Inc., the Australia Indonesian Association, the Australian Bosnian Islamic Centre and the Australian Iranian Community Organisation also exist. The coexistence of pan-Islamic associations and ethnic-based communities is not always harmonious, so companies have to choose carefully which group they engage with. People will be sensitive to the *halal* certification, for instance, as they will immediately assume that a mosque or Muslim association is behind the certificate. The Great Mosque of Paris is usually linked to the Algerian community while the Great Mosque of Every-Courcouronnes is usually associated with the Moroccan influence. Both mosques have their own societies issuing *halal* certificates so if a company like Nestlé chooses which certificate to put on its products, it must know that by choosing one community, it may alienate the other.

The combination of increasing purchasing power and dynamic demographics makes the Muslim world the most interesting group from a marketing point of view. From all the aforementioned indicators, there is definitely a sustainable market in the Muslim world that will continue to grow in the future.

However, a sustainable market does not necessarily mean an accessible and actionable market. That's why the next question is: Do potential Muslim customers want to buy the products and services proposed to them? The answer to this question lies in the analysis of the socio-cultural environment, which is the topic of the next chapter.

¹⁹² Ihsan Bagby : '*The American Mosque 2011*', Islamic Society of North America, 2012, 25 pages, available on <http://www.hartsem.edu/sites/default/files/u41/the-american-mosque-report-2.pdf>

¹⁹³ According to the Australian Department of Social Services, 38 % of Muslims in Australia are born there while 8.9 % come from Lebanon, 6.8 % from Turkey and 4.7 % from Afghanistan. However there is no information about the ethnic origin of the 38 % who are born in Australia. See: https://www.dss.gov.au/sites/default/files/files/settle/multicultural_australia/Muslims_in_Australia_snapshot.pdf

¹⁹⁴ www.afic.com.au

¹⁹⁵ www.mwnna.org.au

The socio-cultural environment is more difficult to analyse than the economic environment because it is not necessarily evaluated using quantitative methods. It is rather easy to assess the total amount of money in circulation as states have a monopoly on scriptural money and the creation of money is regulated by the state. States have the discretionary power to regulate this issue even if there is some delegation of power at the European Union level for the Eurozone. In the past, private companies used to have their own currencies but, today, this is a privilege enjoyed only by states and even Bitcoins have yet to succeed in breaking the monopoly.

As far as demography is concerned, states want to know everything about their inhabitants as they have a duty to plan education and healthcare facilities and even defence systems. As such, they must know the number and distribution of their population. On the other hand, states also collect taxes, especially income taxes. This is an additional, and sometimes primary, motivation for states to count the number of people. The circulation of people from country to country and participation in elections requires ID cards and passports, so the state controls this area as well.

Social and cultural analysis relates to behaviour and the willingness of people in accepting new ideas, products and concepts. In this case, it is very much about qualitative research, behavioural patterns, empirical research, focus groups and interviews, which are mostly, but not always, based on statistics.¹ Quantitative methods are often applied across countries, so it would be difficult to imagine a specific quantitative method for the Muslim world even if there might be debate

¹ For a comprehensive view of qualitative research see: Robert Yin, *Qualitative Research from Start to Finish*, Second edition, The Guilford Press, 2015 and Susan Douglas and Samuel Craig, 'On Improving the Conceptual Foundations of International Marketing Research', *Journal of International Marketing*, Vol. 14, No. 1 (2006), pp. 1–22; and Yves Doz, 'Qualitative research for international business' *Journal of International Business Studies*, Vol. 42, No. 5, Qualitative Research in International Business (June/July 2011), pp. 582–590

about data equivalence issues.² Qualitative research raises challenges because it can be argued that the specificity (in this case religion) of the Muslim world could generate specific qualitative research methods. For instance, results might be distorted if interviewers cannot have access to female respondents, or if some questions about sexuality are taboo, or when peer pressure is very strong in a focus group. Janine Clark raised this question when she investigated field research in the Middle East after September 11. She concluded that it was the authoritarian regime and not cultural (in this case religious) differences that had an impact on field research, so the qualitative methods used in Western countries can be applied without great concern in the Muslim world as well.³ As Western methods are applied in all Muslim countries, some authors are investigating if there is a Western imperialism of research methods and techniques, not only in politics and sociology but also in management.⁴

It is always difficult to measure social and cultural environments because of the plethora of indicators that can be taken into account. GDP used to be a convenient tool to measure human well-being and progress but it limits its analysis to economic factors and ignores cultural and social aspects. A plethora of studies have been proposed to substitute GDP⁵ and a notable attempt to measure social progress is the Social Progress Index (SPI), which covers no less than 50 different parameters in three groups: basic human needs (encompassing nutrition, water, sanitation, shelter and personal safety); well-being indicators (covering access to basic knowledge, information and communication, health and wellness and economic sustainability); and opportunity indicators (including personal rights, personal freedom, tolerance and inclusion and access to advanced education). Harvard professor Michael Porter, the creator of the concept of shared value, created the SPI in 2013, arguing that it made no sense to measure success purely on the idea of growth at a time when countries face massive social upheavals. As a result, the European Union accepted the idea that SPI should be used along with the GDP in assessing the health of nations.⁶

²G. Tomas M. Hult, David J. Ketchen, Jr., David A. Griffith, Carol A. Finnegan, Tracy Gonzalez-Padron, Nukhet Harmancioglu, Ying Huang, M. Berk Talay and S. Tamer Cavusgil, 'Data Equivalence in Cross-Cultural International Business Research: Assessment and Guidelines', in *Journal of International Business Studies*,

Vol. 39, No. 6 (Sep., 2008), pp. 1027–1044

³Janine A. Clark, 'Field Research Methods in the Middle East' in *PS: Political Science and Politics*, Vol. 39, No. 3 (Jul., 2006), pp. 417–423

⁴Banu Özkazanç-Pan, International Management Research Meets "The Rest of the World", *The Academy of Management Review*, Vol. 33, No. 4 (Oct., 2008), pp. 964–974

⁵• For an overview of different studies centered on social well-being see Richard Brinkman and June Brinkman, 'GDP as a Measure of Progress and Human Development: A Process of Conceptual Evolution' in *Journal of Economic Issues*, Vol. 45, No. 2, Papers from the 2011 AFEE Meeting (Jun. 2011), pp. 447–456

⁶'European Commission agrees to use social progress tool alongside GDP', *The Guardian*, 9 April 2015

Rather than seeking to integrate well-being and happiness into the economic agenda, the SPI examines only social and environmental considerations, therefore giving them authority in their own right and enabling them to be compared and contrasted with traditional economic measures. In the chart below, we compiled results (when they exist) from the OIC countries (Table 3.1).

As evidenced from the data, all OIC member countries lag behind Western countries and are sometimes very far away from countries such as France (80 on a scale of 100) and the USA (82). Only the United Arab Emirates (72), Malaysia (70), Kuwait (69) and Albania (68) have results close to that of Western countries while African countries such as Chad (33), Niger (40) and Mauritania (45) are very far away along with countries such as Afghanistan (35), Yemen (40) and Pakistan (45). For some countries like Bahrain, Qatar and Brunei, there are no full results but by looking at the partial data, it is possible to conclude that they would also be close to Western powerhouses. The biggest Islamic countries have disparate results, the best being recorded by Turkey (66), followed by Indonesia (60), Egypt (60), Iran (56), Bangladesh (53), Pakistan (45) and Nigeria (43).

According to another series of indicators, some countries are on par with Western countries. This is the case for Basic Human Needs where the UAE has a result that is practically identical to France and the USA (90), followed by Kuwait (86), Malaysia (86), Saudi Arabia (82) and Albania (80). At the other end of the spectrum, some African countries rank very low such as Chad (28), Sierra Leone (34), Nigeria (39), Niger (40) and Guinea (40). This series of indicators is useful for marketers as it immediately provides an assessment of the opportunities available in countries where infrastructure is limited (access to water, sanitation). If, for instance, electricity is not widely available all over the territory in countries with a low Basic Human Needs score, products such as electrical appliances or needing electrical appliances like deep-frozen products would be hard to sell. Nigeria is now the biggest African economy, but electricity supply is still a problem even in its biggest city, Lagos. This is to such an extent that consumers must buy fresh meat rather than chilled and/or frozen meat.⁷ On the other hand, where access to infrastructure is well developed in countries with a high score, all sorts of sophisticated, energy-saving, recycling and reusable products and packaging will be well received. This correlation seems logical. However, as the example in Ghana shows, energy-saving is important in all countries, not just in those with well-developed infrastructure, and it is possible to market the latest energy-saving household appliances in African countries.⁸

The series of indicators on Well-being indicates a similar group of countries that are on par with Western countries. France and the USA have scores of 78 and

⁷ Ahmed Bulbulia, 'Traffic, religion and electricity... A glimpse into the Nigerian consumer', published on March 3, 2015 www.bizcommunity.com.ng

⁸ Robert Van Buskirk, Essel Ben Hagan, Alfred Ofori Ahenkorah, Michael McNeil, 'Refrigerator efficiency in Ghana: Tailoring an appliance market transformation program design for Africa' in *Energy Policy*, Vol. 35 N° 4 (Apr. 2007), pp. 2401–2411

Table 3.1 Social progress index 2015

Country	Social progress index	Basic human needs	Wellbeing	Opportunity
Afghanistan	35.41	37.17	46.5	22.51
Albania	68.19	80.71	73.64	50.23
Algeria	60.66	78.88	66.22	36.87
Azerbaijan	62.62	76.43	68.03	43.41
Bahrain	n/a	n/a	67.17	46.94
Bangladesh	53.39	61.94	62.73	35.5
Benin	50.04	50.41	58.96	40.73
Brunei	n/a	n/a	n/a	n/a
Burkina Faso	48.82	46.56	57.79	42.11
Cameroon	47.42	48.48	58.15	35.61
Chad	33.17	28.09	44.12	27.3
Comoros	n/a	n/a	55.01	42.51
Cote d'Ivoire	n/a	47.09	n/a	31.58
Djibouti	47.27	64.18	44.02	33.62
Egypt	59.91	77.69	67.59	34.47
Gabon	n/a	61.91	n/a	48.07
Gambia	n/a	57.9	55.36	n/a
Guinea	39.6	40.01	51.2	27.59
Guinea Bissau	n/a	n/a	n/a	n/a
Guyana	60.42	68.8	60.57	51.89
Indonesia	60.47	66.52	69.54	45.35
Iran	56.82	78.42	61.14	30.91
Iraq	48.35	63.11	55.29	26.67
Jordan	63.31	82.63	64.93	42.38
Kazakhstan	61.38	77.17	58.21	48.75
Kuwait	69.16	86.28	73.96	47.35
Kyrgyzstan	58.58	67.87	61.16	48.7
Lebanon	61.85	75.69	65.89	43.97
Libya	n/a	n/a	56.43	n/a
Malaysia	69.55	86.13	74.87	47.66
Maldives	n/a	n/a	n/a	n/a
Mali	46.51	48.48	52.45	38.6
Mauritania	45.85	47.73	59.08	30.73
Morocco	59.56	76.64	64.14	37.89
Mozambique	46.02	43.13	53.49	41.43
Niger	40.56	40.55	48.99	32.15
Nigeria	43.31	39.04	61.51	29.37
Oman	n/a	n/a	70.47	n/a
Pakistan	45.66	56.37	50.71	29.9
Qatar	n/a	n/a	70.6	52.15
Saudi Arabia	64.27	82.87	70.46	39.49
Senegal	56.46	60.35	65.97	43.07

(continued)

Table 3.1 (continued)

Country	Social progress index	Basic human needs	Wellbeing	Opportunity
Sierra Leone	n/a	34.43	n/a	36.16
Somalia	n/a	n/a	n/a	n/a
Sudan	n/a	n/a	n/a	25.14
Suriname	n/a	n/a	75.4	58.02
Syria	n/a	n/a	56.14	24.25
Tadjikistan	56.49	62.58	63.09	43.79
Togo	46.66	45.11	59.4	35.46
Tunisia	64.92	81.13	68.43	45.2
Turkey	66.24	81.5	66.61	50.61
Turkmenistan	n/a	75.82	n/a	n/a
Uganda	49.49	47.91	61.54	39.02
United Arab Emirates	72.79	89.63	74.16	54.59
Uzbekistan	59.71	79.31	54.25	45.56
Yemen	40.31	49.72	50.07	21.12
United States	82.85	91.23	75.15	82.18
France	80.82	91.16	78.83	72.46

Source: <http://www.socialprogressimperative.org>

75 respectively, and some countries from the OIC (the same as for Basic Human Needs) have similar results: the UAE (74), Malaysia (74), Kuwait (73), Albania (73) and Saudi Arabia (70). The lowest scores are again from Africa with Chad (44), Djibouti (44) and Niger (48). The biggest Islamic countries also have disparate results, starting with Indonesia (69), followed by Egypt (67), Turkey (66), Iran (61), Bangladesh (61), Nigeria (61), Pakistan (56) and Iraq (55). Well-being is currently the focus of attention for many governments and multilateral organisations.

A Wealth Inclusive Index has been launched by the UN's International Human Dimensions Program on Global Environmental Change. It combines the social value of manufactured capital, social value of human capital and social value of natural capital. Contrary to the Social Progress Index, which lists all countries in the world, the Inclusive Wealth Index features only two OIC countries (Saudi Arabia and Nigeria). For Saudi Arabia, the country's natural capital is driven primarily by oil reserves that make up the largest part of Saudi wealth. Saudi Arabia's rapid population growth rate, which stands at 2.72 % of average annual growth, produced a low rate of return on its capital asset base per person. Nigeria, on the other hand, is depleting its natural capital, specifically its oil reserves. At the same time, it does not increase its produced or human capital bases fast enough to ensure positive growth in inclusive wealth.⁹

⁹ See the results from 2012 for these two countries on <http://inclusivewealthindex.org/countries-2012>

Another alternative index is the OECD's Better Life Index. It was introduced in 2011 and includes 11 topics: community, education, environment, civic engagement, health, housing, income, jobs, life satisfaction, safety and work-life balance. In that sense, it is close to SPI but covers only OECD countries. Turkey is the only OIC country member that is also part of the OECD. According to 2015 results, Turkey ranks well in only two out of 11 topics: Civic Engagement and Health.¹⁰ The Better Life Index provides separate results per indicator and not an overall score. This is why some researchers have tried to use a composite index to rank countries.¹¹ Even if non-OECD countries are not covered by the report, OECD has asked these countries what their most important concern is in life. It is interesting to note that the OIC countries reported completely different primary concerns in life as is shown by the following chart (Table 3.2):

It appears that OIC members from Asia have a definite appetite for education, much more than other regions in the world, while the GCC countries are much more interested in questions about economy (income and jobs). Finally, where African countries are concerned, the answers usually point to questions of health and safety. This could be useful for marketers to know what products and services would be of interest to individual countries regardless of income measures. In Bangladesh and Pakistan, investment in education will be disproportionate to the income levels because of two reasons: willingness of families to focus on education and external influx of money. This is especially the case in conflict areas or land dispossession-hit areas such as in Bangladesh where education is often seen as an 'investment' so that future generations will escape conflict and be less dependent on agriculture.¹² The allocation of scarce resources is always a difficult task because of prioritisation decisions. In the case of Bangladesh, education seems to rank very high in the decision-making process. In other cases, remittances from migrant workers can ease the allocation decision and migrants from Pakistan and Bangladesh contribute very much in education expenses.¹³

For the group of indicators on well-being in the SPI, information and communication is the key. For marketers, this means that the use of electronic information, distribution and payment will definitely be of importance in countries with a high score (we will review the impacts for the fashion business in the cultural environment section). However, even in countries with a low score, possibilities exist as consumers in these countries have a high propensity to bypass technological layers

¹⁰ <http://www.oecdbetterlifeindex.org>

¹¹ Hideyuki Mizobuchi proposed a composite index based on the BOD (Benefit Of Doubt) concept which assigns the most favourable weight for each indicator under investigation. See 'Measuring World Better Life Frontier: A Composite Indicator for OECD Better Life Index', *Social Indicators Research*, Vol. 118, N° 3 (Sep. 2014), pp. 987–1007

¹² Muhammad Badiuzzaman and Syed Mansoob Murshed, 'Child School Enrollment Decisions, Perceptions and Experiences of Conflict in the Chittagong Hill Tracts of Bangladesh' in *Peace Economics, Peace Science, & Public Policy*, Vol. 20 N° 4, (Dec. 2014), pp. 575–583

¹³ Arif Rabia and Chaudhry Azam, 'The effects of external migration on enrolments, accumulated schooling and dropouts in Punjab', *Applied Economics*, Vol. 47, N° 16 (Jan. 2015), pp. 1607–1632

Table 3.2 What matters most to people in the OIC countries?

Country		Country	
Afghanistan	Work-Life Balance	Libya	Income
Albania	Income	Malaysia	Health
Algeria	Housing	Maldives	Health
Azerbaijan	Work-Life Balance	Mali	Work-Life Balance
Bahrain	Life Satisfaction	Mauritania	Jobs
Bangladesh	Education	Morocco	Education
Benin	Work-Life Balance	Mozambique	Health
Brunei	Work-Life Balance	Niger	Health
Burkina Faso	Housing	Nigeria	Health
Cameroon	Education	Oman	Jobs
Chad	Education	Pakistan	Education
Comoros	Multiple	Qatar	Jobs
Cote d'Ivoire	Safety	Saudi Arabia	Jobs
Djibouti	Multiple	Senegal	Health
Egypt	Health	Sierra Leone	Education
Gabon	Health	Somalia	Multiple
Gambia	Education	Sudan	Education
Guinea	Safety	Suriname	Environment
Guinea Bissau	n/a	Syria	Education
Guyana	Housing	Tadzikistan	Education
Indonesia	Education	Togo	Health
Iran	Life Satisfaction	Tunisia	Education
Iraq	Work-Life Balance	Turkey	Health
Jordan	Education	Turkmenistan	n/a
Kazakhstan	Safety	Uganda	Income
Kuwait	Income	United Arab Emirates	Safety
Kyrgystan	Safety	Uzbekistan	Health
Lebanon	Income	Yemen	Multiple

Source: <http://www.oecdbetterlifeindex.org/responses>

and will have direct access to the latest technology. For instance, in Western countries, it took decades to move from fixed-phone lines to mobile telephones. But in some African and Asian countries, they move directly from no telephones at all to the latest smartphones, so the technology gap can be closed sooner than expected. This access to the latest technology is a marker of social inequalities. Having a mobile phone in Nigeria was a synonym of success and symbol of consumer modernity for many years.¹⁴ As a symbol of modernity, mobile advertising was quite successful, and the same can be said about smartphones today and

¹⁴ Daniel Jordan Smith, 'Cell Phones, Social Inequality, and Contemporary Culture in Nigeria' in *Canadian Journal of African Studies/Revue Canadienne des Études Africaines*, Vol. 40, No. 3 (2006), pp. 496–523

Internet-based marketing. Smartphones in Nigeria cost from \$200–2000. This is in a country where most live on less than \$2 a day. The smartphone is definitely a status symbol, much more than in Western countries.¹⁵ The importance of telecommunications lies not only in providing the possibility of communication between people, but also to conduct business. And it is assumed, especially in developing countries (and the great majority of Islamic countries are developing countries), that the rise of telecommunication could improve well-being by enabling accelerated economic growth.¹⁶

The last series of indicators relate to Opportunity. Results from OIC countries are considerably lower than that of Western countries, probably because indicators relating to political activity and democracy are concepts that are not very well accepted in some OIC countries. If the score in the USA (82) is higher than in France (72), the OIC country with the highest score is far below. The highest scores come from Suriname (58) and Guyana (51), countries that are still heavily intertwined with the Netherlands and France, and, more surprisingly, Qatar (52) and Tunisia (50). The same African countries quoted above are on the bottom of the list: Sudan (25), Chad (27), Guinea (27) and Nigeria (29), followed by war-torn countries such as Iraq (26), Syria (24), Afghanistan (22) and Yemen (21). The biggest Islamic countries show the usual diversity with Malaysia topping the list (47), Indonesia (45), Bangladesh (35), Egypt (34) and Iran (30).

For the first two indicators in the SPI, it is possible to compensate for the low scores with technology and investments. For the last, political engagement and tolerance (especially religious tolerance) are important and these things cannot be bought or paid for. Marketers do not invest in political engagement and religious tolerance. However, the way they act or do not act (especially referring to a good-citizenship approach or CSR), the way they distribute and the way they communicate will be heavily influenced by the scores in the last series of indicators. One example is Coca Cola in Brazil, which uses the SPI as a guideline.¹⁷ On the Social Progress Imperative website, there is a list of initiatives implementing the use of SPI. However, no OIC country has adopted any of these initiatives yet. For the moment, everything is done in Latin America, North America and Europe.

¹⁵ 'Nigeria's BlackBerry addiction offers hope for research in Motion' in *The Guardian*, 15th November 2012

¹⁶ Kala Seetharam Sridhar and Varadharajan Sridhar, 'Telecommunications and Growth: Causal Model, Quantitative and Qualitative Evidence', in *Economic and Political Weekly*, Vol. 41, No. 25 (Jun. 24–29, 2006), pp. 2611–2619

¹⁷ See Coca Cola Coletivo on: <http://www.coletivococacola.com.br/>

3.1 Social Environment

Social environment is based on the definition of society and especially the identification of a basic cell of society: individuals and/or families. An alternative is to use a marketing or statistical term: a household.

Grouping people in communities is a must for companies because they target groups of customers and not individuals. The exception would be luxury goods retailers that sell directly to wealthy consumers where the series of products is limited and sometimes unique, as in the case of art for instance. For fast-moving consumer goods, it is preferable to target groups rather than individuals due to the cost of marketing and communication campaigns. Grouping people according to their behaviour is common in Western countries as well as in Muslim countries. One study encompassing Saudi Arabia, Oman and Kuwait uncovered three distinct segments/clusters: “Principled Purchasers”, “Suspicious Shoppers” and “Corrupt Consumers”, all with different expectations and behavioural patterns.¹⁸ According to the authors, companies focussing on ‘Principled Purchasers’ should emphasise customer satisfaction and honesty in their transactions while “Suspicious Shoppers” are best suited for companies who can create a mutually satisfying relationship in which both parties benefit in the course of conducting business.

Comparing different countries, especially from a social and cultural point of view, might be difficult because of measurement equivalence.¹⁹ All cross-cultural comparisons involve clustering countries based on attitudes and behaviours.²⁰ Among other authors, Hofstede proposed a very useful and much used set of dimensions characterising cultures and societies. In his set, which was initially composed of four dimensions with two more added later on, the first two dimensions refer to society. They determine if the society is more individualistic or collectivistic or if there is more or less power distance. The website www.geert-hofstede.com proposes an updated analysis of a certain number of countries, of which 23 happen to be Islamic countries. This is a significant number (practically half of the OIC countries) but the fact is, in this analysis, we cannot separate Muslims from other populations living in a country. If we refer to Brunei or Nigeria for instance, we will take the entire Bruneian and Nigerian society into account and

¹⁸ Jamal Al-Khatib, Angela D’Auria Stanton and Mohammed Rawwas, ‘Ethical segmentation of consumers in developing countries: a comparative study’, in *International Marketing Review*, Vol. 22, N°2 (2005), pp. 225–246

¹⁹ Eldad Davidov, Bart Meuleman, Jan Cieciuch, Peter Schmidt and Jaak Billiet, ‘Measurement Equivalence in Cross-National Research’, *Annual Review of Sociology*, Vol. 40, (2014), pp. 55–75

²⁰ For a review of methods how to cluster countries according to cultural differences see: Simcha Ronen and Oded Shenkar, ‘Clustering Countries on Attitudinal Dimensions: A Review and Synthesis’, *The Academy of Management Review*, Vol. 10, No. 3 (Jul., 1985), pp. 435–454 and more specifically on Hofstede’s framework: Bradley L. Kirkman, Kevin B. Lowe and Cristina B. Gibson, ‘A Quarter Century of “Culture’s Consequences”: A Review of Empirical Research Incorporating Hofstede’s Cultural Values Framework’ in *Journal of International Business Studies*, Vol. 37, No. 3 (May 2006), pp. 285–320

not just the Muslim population per se. Hofstede recognises the existence of different cultural groups within a country, based particularly on ethnic and religious differences, but for many (practical) reasons, he studies the whole country and not the subgroups existing in these countries.

While there is no study covering all Muslim countries on all of Hofstede's dimensions, regional studies exist on at least one of the dimensions. A significant amount of literature exists, grouping the Arab world as a whole or focussing on Muslim countries in particular.²¹ Apart from regional clusters, comparative studies of some Muslim countries with Western countries exist as well, as with the examples of Nigeria, Iran and Indonesia.²² Finally, studies on just one country also exist, such as in the case of negotiating practices and Hofstede's dimensions in Pakistan or Egypt.²³

3.1.1 Individualism vs Collectivism

As far as the first dimension is concerned (Individualism vs Collectivism—IDV), Hofstede considers that '*Individualism is the degree of interdependence a society maintains among its members. It has to do with whether people's self-image is defined in terms of "I" or "We"*'. In Individualistic societies, people are supposed to look after themselves and their direct family only, so the synonym of success would be individual or core family success. In Collectivistic societies, people belong to '*groups*' that take care of them in exchange for their loyalty and, in this case, collective success or happiness is more important than that of an individual.

Islam is very often identified as a collectivistic religion because of the importance of the '*Ummah*', the Muslim community all Muslims identify with, and

²¹ Fahad S. Al-Olayan and Kiran Karande, 'A Content Analysis of Magazine Advertisements from the United States and the Arab World', *Journal of Advertising*, Vol. 29, No. 3 (Aut. 2000), pp. 69–82 and David Borker, 'IFRS and Socio-Cultural Orientation in Egypt, Iran and Iraq' in *Journal of Accounting and Finance*, Vol. 14, N°15 (2014), pp. 175–185

²² Hugo Zagorsek, Marko Jaklic and Stanley Sought, 'Comparing leadership practices between the United States, Nigeria and Slovenia: does culture matter?', in *Cross Cultural Management*, Vol. 11, N° 2 (2004), pp. 16–34; and Farideh Farazmand, Yu-Te Tu and Hasan Daneefard, 'Is Religious Culture a Factor in Negotiation: A Cross-Cultural Comparison of Iran, Taiwan and the United States', in *Journal of International Business Research*, Vol. 10, N°1 (Jan. 2011), pp. 27–44; John L. Graham, Michael A. Kamins and Djoko S. Oetomo, 'Content Analysis of German and Japanese Advertising in Print Media from Indonesia, Spain, and the United States' in *Journal of Advertising*, Vol. 22, No. 2 (Jun., 1993), pp. 5–15

²³ Hussain Rammal, 'International business negotiations: The Case of Pakistan', in *International Journal of Commerce and Management*, Vol. 15, N°2 (2005), pp. 129–140 and Omneya Yacout and Lamiia Hefny, 'Use of Hostede's cultural dimensions, demographics and information sources as antecedents to cognitive and affective destination', in *Journal of Vacation Marketing*, Vol. 21, N°1 (Jan. 2015), pp. 37–52

because Islam strives for social and economic justice among its members.²⁴ This is why there is compulsory *zakat* (almsgiving) to help the less fortunate in the society and strict avoidance of *riba* (interest rate or usury rate), which is conducive to social injustice. Loyalty in a collectivistic culture is paramount and overrides most other societal rules and regulations. This loyalty is directed towards authoritative persons in the society and religious leaders can play this role. In the case of *Shia* Islam, it is easier as a certain hierarchy exists. The same can be said of *Sunni* Islam, where an *imam* (worship leader), *kadi* (judge), *ustaz* (scholar) or *hafiz* (person who has completely memorised the Qur'an), usually enjoys a strong reputation and followers. These individuals can be prescribers for products and services, especially when they issue a *fatwa*.²⁵ While a *fatwa* is an opinion, to followers it is regarded more like an injunction.

A society fosters strong relationships where everyone takes responsibility for fellow members of their group and the responsibility can be individual or collectivistic. Responsibility in dealing with ethical issues is not a new phenomenon in the Western world even if it not easy to analyse all Western countries and cultures and all business issues linked with ethical considerations.²⁶ This has been long debated by the corporate world, especially in Christian Corporate Culture.²⁷ In Islam, the debate on individual and collective responsibility refers to the Day of Judgment.²⁸ On this Day, Muslims will be held individually accountable for all their acts and get rewarded or punished. Their success in the hereafter depends on their performance in this life on earth. In this case, collective responsibility does not exist and the society should be individualistic as there is no intercession between believers and Allah.

Muslims also believe that everything on earth has been created by Allah, and men do not possess anything, especially nature. They only have stewardship (vice-regency—*khalifah*) responsibility, which is a collective one. In that sense, either through their family or their company's Corporate Social Responsibility (CSR) programme, they must behave as members of the *Ummah* and not just as

²⁴ The question of economic justice will be analyzed in the section about Islamic Finance. Suffice to say that this theme is central to all Islamic countries and especially to former communist countries where social justice did not have any religious motivation. See: Azamat K. Junisbai, 'Understanding Economic Justice Attitudes in Two Countries: Kazakhstan and Kyrgystan' in *Social Forces*, Vol 88, N°4 (Jun. 2010), pp. 1677–1702

²⁵ We will see implications of fatwas on business in the next chapter devoted to political-legal environment.

²⁶ Bodo Schlegelmilch, *Marketing Ethics-An International Perspective*, Cengage learning EMEA, 1997, 256 pages

²⁷ Geert Demuijnck, 'From an Implicit Christian Corporate Culture to a Structured Conception of Corporate Ethical Responsibility in a Retail Company: A Case-Study in Hermeneutic Ethics' in *Journal of Business Ethics*, Vol. 84, Supplement 3: Global and Contextual Values for Business in a Changing World (Feb. 2009), pp. 387–404

²⁸ On the comprehensive analysis of the Day of Judgment and its importance on ethical responsibility in Islam see: Jane Smith and Yvonne Haddad, *The Islamic Understanding of Death and Resurrection*, State University of New York Press, 1981, 262 pages

individuals. The debate about individual (personal) responsibility and collective responsibility will definitely have an influence on Corporate Social Responsibility in Islam, especially with some Islamic countries pushing to make CSR mandatory.²⁹ If it is mandatory for all economic units in a given country, as it has been in Indonesia since 2007, and if the law defines the duty bearer and beneficiaries, there is no room for individual responsibility, which theoretically should be the most important.³⁰ Making CSR mandatory may be a good thing but it is not the panacea. What can happen as with all mandatory rules is the appearance of corruption on one end and cosmetic measures without real impact on the environment on the other end, as is the case in Bangladesh.³¹ The only way to escape an unfavourable environment for CSR from overspread corruption, inefficient government organisations and supervision and inexistence of civil society pressure is for companies to organise themselves and link CSR to Corporate Governance rules.³² In this case, it will be a voluntary decision by the company rather than a consequence of mandatory rules imposed by the government. Again, the basic point of responsibility is final accountability during the Day of Judgment. In order to prepare for it, moral decisions on right and wrong take precedence over economic decisions (cost-effective, profitable operation).³³ CSR will refer to the concept of *Khalifa* (vice-regency), where the individual is regarded as the trustee for God's resources.³⁴ Although private ownership is recognised in Islam, ownership is not absolute, so the 'owners' cannot dispose 'absolutely' of their possessions, especially when it comes to nature and environmental possessions. Islam has a clearer stance on natural possessions and the depletion of natural resources compared to social responsibility by corporations and individuals.³⁵

With the growing concern on corporate governance, CSR has become a hot issue in the Muslim world. In response, the Islamic Reporting Initiative was set up with

²⁹ Geoffrey Williams and John Zinkin, 'Islam and CSR: A Study of the Compatibility between the Tenets of Islam and the UN Global Compact' in *Journal of Business Ethics*, Vol. 91, No. 4 (Feb., 2010), pp. 519–533

³⁰ Patricia Rinwigati Waagstein, 'The Mandatory Corporate Social Responsibility in Indonesia: Problems and Implications', in *Journal of Business Ethics*, Vol. 98, No. 3 (Feb. 2011), pp. 455–466

³¹ Aatur R. Belal and Robin W. Roberts, 'Stakeholders' Perceptions of Corporate Social Reporting in Bangladesh' in *Journal of Business Ethics*, Vol. 97, No. 2 (Dec. 2010), pp. 311–324

³² Mia Mahmudur Rahim and Shawkat Alam, 'Convergence of Corporate Social Responsibility and Corporate Governance in Weak Economies: The case of Bangladesh', *Journal of Business Ethics*, Vol. 121, N°4 (Jun. 2014), pp. 607–620

³³ Timur Kuran, 'The Discontents of Islamic Economic Morality' in Papers and Proceedings of the Hundredth and Eighth Annual Meeting of the American Economic Association San Francisco, CA, January 5–7, 1996, *The American Economic Review*, Vol. 86, No. 2, (May, 1996), pp. 438–442

³⁴ Khalifah can also be translated by stewardship, a concept close to Christian teachings. Rodney Wilson, 'Islam and Business', *Thunderbird International Business Review*, Vol. 48, N°1 (Jan–Feb 2006), pp. 109–123

³⁵ Gillian Rice, 'Pro-Environmental Behavior in Egypt: Is There a Role for Islamic Environmental Ethics?', in *Journal of Business Ethics*, Vol. 65, No. 4 (Jun., 2006), pp. 373–390

the aim of creating a mainstream reporting standard for CSR based on Islamic principles.³⁶ As an example, the company TetraPak in Albania emphasises the importance of milk carton boxes, a recyclable material (the Albanian advertisement is available on www.karrota.net). Theoretically, Muslims, as individually responsible persons, should take care of the environment and its sustainable development and not need external stimulus from the state in order to do it. According to this theory, Islamic countries should show high individualistic scores. However, comparing a Western country (Canada) to two Islamic countries (Cameroon and Tunisia), Spence, Ben Boubaker Gherib and Ondoua Biwolé discovered that entrepreneurs in Canada do not require external stimulus (usually coming from the state) while the opposite is true for Tunisia and Cameroon.³⁷

In collectivistic societies, offence leads to shame and the loss of face, employer/employee relationships are perceived in moral terms (like a family link), hiring and promotion decisions take into account the employee's in-group and management is the management of groups. Belonging to a group can be rather complex in Islam as, in some cases, the group can be a family (sometimes an extended family with thousands of people), a tribe (still very important in some Arab lands and in Africa), *fis* (kin loyalty in Albania) or a clan (as in Asia). From the Western point of view, the definitions of a tribe and clan do not seem clear but to those belonging to a tribe or a competing tribe, the difference is crystal clear. One account from Saudi Arabia talks about the Rashidi tribe, a one-time opponent to the Saudi family for the leadership of the country. In his book, the author describes the nature of a tribe and the close links between the nomads and settled groups.³⁸ Another line of collective belonging might be associated to a branch or sect in Islam. Being a *Sunni* or *Shia* definitely separates two collectives. The same can be said for membership in one *Sufi* brotherhood over another in Senegal. Even if Islam aims to establish a broad community Ummah and, more precisely, destroy clan or kinship allegiance, separate groups still exist in Islam. But attempts are being made to overcome this situation, especially in Sub-Saharan Africa where the *madrasa* teaches in Arabic to overcome social divisions brought about by ancestral ties and ethnicity.³⁹ Associations representing Muslims in the USA such as CAIR (Council on American-Islamic Relations) and ISNA (Islamic Society of North America) also insist on the inclusive character of Islam and present the diversity of Islam in the country. After 11 September 2001, CAIR launched a campaign in the USA that showed a white person, a Hispanic and an Afro-American. It asked a rhetoric question: 'We are all Americans, but which one of us is a Muslim?' The

³⁶ www.islamicreporting.org

³⁷ Martine Spence, Jouhaina Ben Boubaker Gherib and Viviane Ondoua Biwolé, 'Sustainable Entrepreneurship: Is Entrepreneurial Will Enough? A North-South Comparison', *Journal of Business Ethics*, Vol. 99, No. 3 (Mar. 2011), pp. 335-367

³⁸ Madawi Al Rasheed, *Politics in an Arabian Oasis: the Rashidi Tribal Dynasty* (Society and Culture in the Middle East), Taurus, New York, 1991, 300 pages

³⁹ Marie Nathalie LeBlanc, 'The Production of Islamic Identities through Knowledge Claims in Bouaké, Côte d'Ivoire' in *African Affairs*, Vol. 98, No. 393 (Oct., 1999), pp. 485-508

answer was: ‘We all are!’ The campaign was meant to address some stereotypes identifying Islam with just one ethnicity. In the aftermath of September 11, a series of campaigns have been launched in the USA with the aim of fostering American diversity and Muslim identity and avoiding stereotypes and discrimination.⁴⁰ In the country, the problem of the representation of Islam and identification with one ethnicity or race such as ‘Islam equals Arabs’ is strong. This is because the immigration is recent and the number of converts low. The contrary is true in some European lands. Muslims in the Balkan area, for instance, form the majority of the local population while Turks (who brought Islam to the Balkans) represent a very small minority. An analogy can be drawn with Spain, and especially Andalusia, where there is a debate on who should represent and be the face of Islam in Spain: converts (some of whom can identify conversion as old as the conquest of Spain) or new immigrants coming mainly from Morocco?⁴¹ These two Muslim populations have different socio-economic status and aspirations that will have a deep impact on consumer behaviour.

Looking at the table of Islamic countries from www.geert-hofstede.com, there are clearly countries with a higher collectivistic attitude than the others. In the group containing the most collectivistic countries in the 15–20 range on Hofstede’s scale of Individualism Index, we can find countries such as Albania, Bangladesh, Burkina Faso, Ghana, Indonesia, Mozambique, Pakistan and Sierra Leone. These countries come from all continents with an exception, the Arab lands where the score is usually in the 25–30 range. Conversely, some countries experience a high individualistic score such as Morocco, Iran and Lebanon, which are in the 40–45 range, while the highest score can be found in Morocco (46). While it is much higher than that of Indonesia’s (14) it is still far from some Western countries such as the USA (91), France (71) and Switzerland (68).

Here is the ranking of Islamic countries according to two dimensions: Individualism and Power Distance (Table 3.3).

3.1.2 Power Distance Index: PDI

As far as the second dimension is concerned (Power Distance Index—PDI), Hofstede starts with the fact that ‘*all individuals in societies are not equal—it expresses the attitude of the culture towards these inequalities amongst us. Power distance is defined as the extent to which the less powerful members of institutions and organisations within a country expect and accept that power is distributed unequally*’.

⁴⁰ Evelyn Alsultany, ‘Selling American Diversity and Muslim American Identity through Non-profit Advertising Post-9/11’ in *American Quarterly*, Vol. 59, No. 3, Religion and Politics in the Contemporary United States (Sep., 2007), pp. 593–622

⁴¹ Mikaela Rogozen-Soltar, ‘Managing Muslim Visibility: Conversion, Immigration, and Spanish Imaginaries of Islam’ in *American Anthropologist*, New Series, Vol. 114, No. 4 (Dec. 2012), pp. 611–623

Table 3.3 Hofstede's Dimensions and OIC countries: Individualism and Power Distance

Country	Individualism	Power Distance
Albania	20	90
Bangladesh	20	80
Burkina Faso	15	70
Egypt	25	70
Ghana	15	80
Indonesia	14	78
Iran	41	58
Iraq	30	95
Jordan	30	70
Kuwait	25	90
Lebanon	40	75
Libya	38	80
Malaysia	26	100
Morocco	46	70
Mozambique	15	85
Nigeria	30	80
Pakistan	14	55
Saudi Arabia	25	95
Senegal	25	70
Sierra Leone	20	70
Syria	35	80
Turkey	37	66
United Arab Emirates	25	90

Source: www.geert-hofstede.com

The ideal Islamic society is largely egalitarian and should promote equality as it is constantly pointed out with a reference to Islamic Finance.⁴² If inequality exists in Islam, it is not because there are inherent 'haves' and 'haves not', but because Islam rewards skills, effort and risk taking. This is why there is a difference between two concepts: 'equal' and 'equitable', and Islam leans towards equitable and not

⁴² Lena Rethel, 'Whose legitimacy? Islamic finance and the global economic order' in *Review of International Political Economy*, Vol. 18, N°1 (Feb. 2011), pp. 75–98, and Javed Iqbal Shah and Saman Javed, 'Search for a Rational, Equitable and Compassionate Economic System: A Theoretical Analysis of Key Factors' in *Journal of Managerial Sciences*, Vol. 8, N°1 (Jan-Jun. 2014), pp. 27–39

equal societies. Consequently, displaying one's wealth does not pose a problem if the way this wealth has been earned is not suspicious. Advertisements showing luxury items and a luxurious way of life will definitely be accepted in that case.

If Muslim societies are equitable societies, they should transcend the main characteristics of the Low Power Distance society: interdependence between the less and more powerful members of society (almsgiving and brotherhood); hierarchy does not represent unequal power but inequality of roles (the concept of vice-regency); and non-acceptance of privilege and status symbols (abhorrence of hoarding and show-off behaviour). All these elements should make Muslim countries feature low on the Power Distance Index, especially if Islam is identified with fatalism. Fatalism is a situation where the majority of the population considers that nobody can go against Allah's will and that people should not revolt against the current social organisation and hierarchy.⁴³ According to Gabriel Acevado, Muslims do indicate a higher level of belief that cosmological forces control life's outcomes. A study in Malaysia shows that Malay/Muslims display a higher power distance than Indians or Chinese in the same country.⁴⁴ A fatalistic approach may also be explained by the fact that Islam is viewed as a religion fixed in time and space at the moment of the Last Revelation. For many Muslims, '*the doors of Ijtihad are closed*' (the possibility of personal interpretation of the Qur'an).⁴⁵ And if the Qur'an and the Sunna have fixed the type of relationship between people and Allah and/or among people, it means that they have frozen relationships and power distance between those of the same family, between families, clans, tribes, nations and so on. In addition, the Prophet Muhammad is seen as the perfect man all Muslims should imitate. In that respect, the social and cultural relations that prevailed in Mecca and Medina in the seventh century are viewed by some Muslims as the ideal situation so they might be resistant to all kind of innovations, whether in the spiritual or material sphere.

The reference to the Prophet is interesting because he was a member of the Quraysh tribe, more precisely the Hashim clan, and all Muslims know that. At that time, there were other tribes in Mecca but the Quraysh enjoyed the most prestigious position. Even today, when a brand called Qurashi from Saudi Arabia sells perfumes, the name resonates extremely well with Muslims all over the world. The brand is called Abdul Samad al-Qurash (www.asqgrp.com) and it sells high-end oud-based perfumes at 500 points of sale in Saudi Arabia and 10 countries in the Middle East and France. While the company does not focus on the origin of the family on its website, its headquarters are in Mecca and pictures on the website proudly show the leader of the family participating in the Kaaba Sharifa Wash. It is

⁴³ Gabriel A. Acevedo, 'Islamic Fatalism and the Clash of Civilizations: An Appraisal of a Contentious and Dubious Theory', in *Social Forces*, Vol. 86, No. 4 (Jun., 2008), pp. 1711–1752

⁴⁴ Rodrigue Fontaine and Stanley Richardson, 'Cultural values in Malaysia, Chinese, Malays and Indians compared', in *Cross Cultural Management*, Vol. 12, N°4 (Nov. 2005), pp. 63–77

⁴⁵ Wael Hallaq, 'Was the Gate of Ijtihad Closed?' in *International Journal of Middle East Studies*, Vol. 16, No. 1 (Mar., 1984), pp. 3–41

a rare privilege as the Kaaba is washed only twice a year and it is usually the Governor of Mecca, on behalf of the Custodian of the Two Holy Mosques (the King of Saudi Arabia), who performs it.

Hofstede's index is at odds with enduring stereotypes about Islam. It shows that there is a profound misunderstanding about fatalism because what Muslims really believe in is predestination and not fatalism.⁴⁶ Belief in predestination leads Muslims to exert continuous effort and activity in which they find rewards. Unfortunately, the concept has been misunderstood by many and assimilated as a way to justify laziness, irresponsible conduct and fatalism. Results vastly vary from one country to another as Islam does not predetermine a specific social organisation. It can be a monarchy, a democracy or a socialist state, meaning any form of government. According to Steven Fish, there is no typical power distance in Islam except for the depositaries of authority, in this case religious authority.⁴⁷ Central Asian countries are not covered by Geert Hofstede's analysis, but if they were, there would be a high probability that the power distance score would be high because of the Soviet legacy, which preferred a authoritarian regime, and the current situation where autocracy is still the most used form of government.⁴⁸ Contrary to other countries, even if they are part of the OIC, Central Asian countries did not develop a high respect for religious authority unlike most countries in the Middle East.

If a country stands high in the Power Distance Index, it means that its people accept a hierarchical order in which everybody has a place and each position needs no further justification. Hierarchy in an organisation is seen as reflecting inherent inequalities, centralisation is popular, subordinates expect to be told what to do and the ideal boss is a benevolent autocrat. According to Stephen Fish, Muslim countries are democratic underachievers and they tend to be more authoritarian than other countries. In business terms, this can be translated into a high power distance. Subordination is essential in Islam as the term 'Islam' means 'surrender' and 'submission'.⁴⁹ However, it is submission to Allah and not to people, so we cannot assume from the meaning of the term 'Islam' that we will automatically enjoy a high power distance in Muslim societies. Since the lowest score is found in Pakistan (55) and the highest in Malaysia (100), it means that Islamic countries are

⁴⁶ Predestination is one of the six central themes in Sunni Islam along with the belief in Oneness of Allah, the Revealed Books, the Prophets of Islam, the Day of Judgment and the Angels. However, Predestination is rejected by the Shia who do not believe that Allah has set a definite course for human history. Predestination (*Qadara*) is in direct opposition to fatalism (*Djab*).

⁴⁷ Steven Fish, 'Islam and Authoritarianism', *World Politics*, Vol. 55, No. 1 (Oct., 2002), pp. 4–37. There are however authors who believe that there is a serious incompatibility between Islam and liberalism as stated by Masud Choudhury, 'Islam versus liberalism: contrasting epistemological enquiries', in *International Journal of Social Economics*. Vol. 35 N° 4, (2008) pp. 239–268

⁴⁸ Anja Franke, Andrea Gawrich and Gurban Alakbarov, 'Kazakhstan and Azerbaijan as Post-Soviet Rentier States: Resource Incomes and Autocracy as a Double 'Curse' in Post-Soviet Regimes' in *Europe-Asia Studies*, Vol. 61, No. 1 (Jan., 2009), pp. 109–140 and Edward Schatz, 'The Soft Authoritarian Tool Kit: Agenda-Setting Power in Kazakhstan and Kyrgyzstan', in *Comparative Politics*, Vol. 41, No. 2 (Jan. 2009), pp. 203–222

⁴⁹ The term Islam has its roots in the Arabic word 'Salam' which literally means peace.

in the higher tier of power distance compared to Western countries such as the USA (40), France (68), Switzerland (34) and Austria (11). The first group of Islamic countries is comprised of those in the 90–100 range and includes Malaysia, Iraq, Saudi Arabia, Albania, Kuwait and United Arab Emirates. With the exception of Malaysia and Albania, all other countries are from the Gulf (Iraq included). At the same time, some countries compare well against Western countries in terms of score such as Iran (58) and Turkey (66), which both have a lower score than France. The results from Iran are quite interesting as they clash with the usual stereotype of a country that is perceived as a pure theocracy where individuals have very little rights. Hofstede's results show that Iran, on the contrary, has closer scores to the Western countries than many other Islamic countries surveyed. Looking at a survey comparing Egyptian and US executives, it is revealed that both groups value justice, utilitarianism and relativism in predicting their intentions to behave ethically. However, American respondents are more likely to substitute egoism for justice when the behavioural intentions of their peers come into the picture.⁵⁰

Having analysed these two dimensions, it is impossible to conclude that there is a general trend among Muslim countries following one unique path. Just as there is diversity in Western countries, we will find diversity in the Muslim world and the generalisation would not help companies to enter these markets.

Hofstede developed four more dimensions in order to have a more holistic view of the cultural environment: masculine vs feminine values, uncertainty avoidance, long-term orientation and indulgence. Here are the results for the Islamic countries.

3.1.3 Masculine vs Feminine Values: MAS

A high score on this dimension indicates that *the society will be driven by competition, achievement and success, with success being defined by the winner/best in field*. A low score on the dimension means that the dominant values in society are supportiveness, caregiving and quality of life. A low score means that ethics of care (feminine value) are more important than ethics of justice (masculine value).⁵¹ A feminine value indicates that quality of life is a sign of success and standing out from the crowd is not admirable. Masculine values and their opposite (feminine values) have nothing to do with gender differences. Instead, they are the typology of values. If we consider intuition and harmony as feminine values, many men, especially in the business world, adopt a feminine approach. When we say, for instance, 'we have to be friends before being business partners', it is a typically feminine approach where emotions and harmony are placed first, and business

⁵⁰ Rafik Beekun, Ramda Hamdy, James Westerman and Hassan HassabElnaby, 'An Exploration of Ethical Decision-Making Processes in the United States and Egypt' in *Journal of Business Ethics*, Vol. 82, No. 3 (Oct., 2008), pp. 587–605

⁵¹ Warren French and Alexander Weiss, 'An Ethics of care or an Ethics of Justice' in *Journal of Business Ethics*, Vol. 27, N°1/2 (Sep. 2000), pp. 125–136

second. In this case, trust is placed above an opportunistic approach. A study from Bangladesh shows the contrasting approach between Bangladeshi and Western entrepreneurs when it comes to trust and opportunism.⁵² For certain Muslims and outside observers, however, masculinity refers to gender differences and hierarchy, namely the domination of males over females in the society, and there is a large number of Muslim religious leaders who support this point of view. The situation is rather complex because of the multiplicity of attitudes towards females, and a survey of young Muslims in the UK shows that they support patriarchal and aggressive attitude on one end while displaying high respect for females on the other.⁵³

All Islamic countries quoted by Hofstede fall in the 40–60 range with a few exceptions such as Lebanon (65) and Albania (80). While this is in the same range as other Western countries, the definition of success might differ. In Western societies, success is usually defined as material success in this life. As for Muslims, the real existence is the afterlife, so success means the success in the afterlife and not in this life on earth. This is why accountability and the Day of Judgment are of utmost importance. It does not mean that Muslim societies are much more feminine when it comes to the concept of success. Instead, it means that the definition of success will be different and this difference will appear in all elements of the marketing mix. It also means that the concepts of “winner wins all” and “loser loses all” are not common in the Muslim world where the concept of Ummah is very strong and solidarity and social justice are common elements in business, especially when it comes to Islamic finance. The concept of justice (*Adalah*) is strongly emphasised in the Qur’an and it will be pervasive in all business relations and marketing elements, especially pricing strategy. In an ideal Islamic world, there is no cheating and all people involved in a transaction should win. Looking at generosity, a survey analysed Muslims in 25 countries with the assumption that more pious Muslims would be more open to the redistribution of wealth than less pious Muslims because of the scriptural injunction to pay *zakat* for the less fortunate. The results show that more pious Muslims are less likely to favour government efforts to eliminate economic inequality as they prefer to do it on an individual and personal basis.⁵⁴

A common stereotype about Islamic countries is that the machismo culture, where all power belongs to men, prevails. In actual fact, it is both machismo and feminine as far as business and relationships between people are concerned. Some countries do not display a machismo culture at all such as Turkey, which has a

⁵² Abu Saleh, Yunus Ali and Felix Mavondo, ‘Drivers of importer trust and commitment: Evidence from a developing country’, *Journal of Business Research*, Vol. 67, N°12 (Dec. 2014), pp. 2523–2530

⁵³ Peter E. Hopkins, ‘Youthful Muslim Masculinities: Gender and Generational Relations’ in *Transactions of the Institute of British Geographers*, New Series, Vol. 31, No. 3 (Sep., 2006), pp. 337–352

⁵⁴ Thomas B. Pepinsky and Bozena C. Welborne, ‘Piety and Redistributive Preferences in the Muslim World’, *Political Research Quarterly*, Vol. 64, No. 3 (Sep. 2011), pp. 491–505

Table 3.4 Hofstede's Dimensions and OIC countries: Masculinity, Uncertainty, Long-Term Orientation and Indulgence

Country	Masculinity	Uncertainty	LTO	Indulgence
Albania	80	70	61	15
Bangladesh	55	60	47	20
Burkina Faso	50	55	27	18
Egypt	45	80	7	4
Ghana	40	65	4	72
Indonesia	46	48	62	38
Iran	43	59	14	40
Iraq	70	85	25	17
Jordan	45	65	16	43
Kuwait	40	80		
Lebanon	65	50	14	25
Libya	52	68	23	34
Malaysia	50	36	41	57
Morocco	53	68	14	25
Mozambique	38	44	11	80
Nigeria	60	55	13	84
Pakistan	50	70	50	0
Saudi Arabia	60	80	36	52
Senegal	45	55	25	
Sierra Leone	40	50		
Syria	52	60	30	
Turkey	45	85	46	49
United Arab Emirates	50	80		

Source: www.geert-hofstede.org

secular-type government. An analysis from Turkey shows that female education, along with female political participation, increased in municipalities led by the Islamist Party.⁵⁵ Likewise, in Indonesia, Kuwait and Ghana, women are part of the workforce and receive the same level of education as men. Even in Saudi Arabia, the masculinity score is not very high (60) compared to some Western countries like Japan (95), the UK (66) and Germany (66), which have a higher score. In an advertisement for *Quizas* perfume, Spanish company Loewe showed a girl manipulating a boy, making a puppet out of him. The same ad appeared without any modification in Saudi Arabia and other Islamic countries, proving that there is no taboo about the place of women and men in the society (<https://www.youtube.com/watch?v=G0vwTOqFm5s>) (Table 3.4).

3.1.4 Uncertainty Avoidance Index: UAI

The fourth dimension, Uncertainty Avoidance, *has to do with the way that a society deals with the fact that the future can never be known: should we try to control the*

⁵⁵ Erik Meyerson, 'Islamic Rule and the Empowerment of the Poor and Pious', *Econometrica*, Vol. 82, N°1 (Jan. 2014), pp. 229–269

future or just let it happen? This ambiguity brings anxiety with it, and different cultures have learnt to deal with this anxiety in different ways. The extent to which the members of a culture feel threatened by ambiguous or unknown situations and have created beliefs and institutions that try to avoid these is reflected in the UAI score. In business terms, it also reflects the propensity for entrepreneurship as entrepreneurs are confident of the future and believe they can cope with ambiguous or unknown situations. Another concept similar to uncertainty avoidance is VUCA (Volatility, Uncertainty, Complexity and Ambiguity). But these terms reflect different situations as to whether or not we know about whereabouts and expectations of the marketplace or society.⁵⁶

Islamic societies have a dualistic approach when it comes to uncertainty. On one hand, the belief in predestination suggests that Islam helps in accepting uncertainties that an individual cannot defend against. In this case, an individual is comforted in accepting the inevitable. In business situations, Muslims are encouraged to adopt a risk-taking attitude, especially as this attitude is rewarded by Allah. Uncertainty is particularly present in financial activities, especially within Islamic Finance as there is no certain remuneration of capital in the form of fixed-interest rates. The only benefit comes from either a mark-up principle or profit and loss sharing. The very principle of profit and loss sharing in Islamic Finance implies that the magnitude of an eventual loss of profit is unpredictable and not fixed in advance.⁵⁷ Even if ‘risk’ is not equivalent to ‘uncertainty’, similarities exist between them. For these reasons, Muslim societies should display a low Uncertainty Avoidance Index.

At the same time, rules on *halal* and *haram* push Muslims to avoid everything that is *haram*. If they have to buy *halal* products or take credit from a bank, Muslims are not expected to engage in dubious situations as they have to follow the right path. One of the prohibited elements in Islamic Finance is speculation, but consumers and investors are unclear of the real difference between speculation (*gharar*) and risk-taking and uncertainty.⁵⁸ This is why they seek advice from an outsider (a *halal*-certified agency or Shariah Supervisory Board in an Islamic bank), which will comfort them in their decision. For these reasons, Muslim societies should show a high Uncertainty Avoidance Index. If there is a high Uncertainty Avoidance attitude, consumers would seek an insurance policy for any unexpected situation. In this case, the insurance business is rather equivocal as the fatalist approach states that Muslims cannot be insured as everything is in the hands of Allah. The insurance business, however, is prospering and an advertising campaign

⁵⁶ Nathan Bennett and James Lemoine, ‘What VUCA Really Means for You?’ *Harvard Business Review*. Vol 92, No 1/2 (Jan/Feb. 2014), p. 27

⁵⁷ Azzeddine Azzam and Belaid Rettab, ‘Market power versus efficiency under uncertainty: conventional versus Islamic banking in the GCC’ in *Applied Economics*, Vol. 45 N° 15 (May 2013), pp. 2011–2022

⁵⁸ Sherin Kunhibava, ‘Reasons on the Similarity of Objections with Regards to Gambling and Speculation in Islamic Finance and Conventional Finance’ in *Journal of Gambling Studies*, Vol. 27, N°1 (Mar. 2011), pp.1–13

launched in Albania in 2012 for Dardania insurance company shows in a cartoon all things car insurance protects against (accident, fire, etc.).⁵⁹ Political uncertainty in Muslim and Western countries can also generate some defensive attitudes in the political and economic sense. In the political sense, Muslims could be tempted by Islamist ideas, especially in countries where resistance to Islamism does not come from traditional religious authorities as they are weak, such as in the case of Central Asia and the Caucasus.⁶⁰ In an economic sense, Muslims can be tempted by a full *halal* way of life with the most traditional understanding and practically exclude themselves from the majority of the population in a given country. This would have a definite impact on marketing because, in that case, the Muslim population would be treated completely differently from the majority of the population.

Results for UAI show that there are two types of countries within the OIC. On one end, there are countries where the society wants to avoid risk and prefer planning to improvisation. These countries have a rather high uncertainty avoidance score such as Saudi Arabia (80), Egypt (80) and Turkey (85). It is quite surprising to find Turkey in this group as it is one of the most entrepreneurial countries in the Muslim world and certainly the most in touch with Western ideas. On the other end of the spectrum, a group of countries has a very low uncertainty avoidance score. Among them, Indonesia (48), Lebanon (50) and Malaysia (38) are very prominent. Again, diversity is the rule in the Muslim world as it is in Western countries, with some having a high uncertainty avoidance score such as Belgium (94, higher than Saudi Arabia or Turkey), or low uncertainty avoidance score such as the USA (46).

3.1.5 Long-Term Orientation: LTO

The fifth dimension, Long-Term Orientation, describes “*how every society has to maintain some links with its own past while dealing with the challenges of the present and future, and societies prioritise these two existential goals differently. Normative societies that score low on this dimension, for example, prefer to maintain time-honoured traditions and norms while viewing societal change with suspicion. Those with a culture that scores high, on the other hand, take a more pragmatic approach: they encourage thrift and efforts in modern education as a way to prepare for the future.*”

The future cannot be separated from the past as it is a continuum, and this continuum creates antecedents for personal ethical values.⁶¹ Having links with the past is something that Islam favours very much as the *Sunna*, or Prophetic tradition,

⁵⁹ See Dardania insurance campaign video on <http://www.karrota.net/hot>

⁶⁰ Kathleen Collins, ‘Ideas, Networks, and Islamist Movements: Evidence from Central Asia and the Caucasus’, in *World Politics*, Vol. 60, No. 1 (Oct., 2007), pp. 64–96

⁶¹ Jennifer Nevins, William Bearden and Bruce Money, ‘Ethical Values and Long-Term Orientation’ in *Journal of Business Ethics*, Vol. 71, No. 3 (Mar., 2007), pp. 261–274

is debated every day in the Muslim world. The revival of the Golden Age is often performed through public talks such as the talk organised in 2014 in Halifax, Canada, under the name 'The Golden Age of Islam', featuring three scholars speaking in English and Urdu. The poster announcing the talk represents the Sultan Ahmed Mosque (the Blue Mosque) in Istanbul with a quotation from Imam Maliki. The poster can be viewed on <http://www.dawahnorth.org/2014/11/01/the-golden-age-of-islam>.

Another option is featuring preachers on TV stations around the globe. TV stations from the Arab world are definitely the most successful in spreading *da'wa* and promoting shows with religious content. However, other parts of the world, namely Asia and Africa, also have their fair share of TV shows devoted to Islamic teachings, as the example from Mali shows.⁶² All this history-telling refers to the specific event of prophethood, which lasted for 22 years in the seventh century. Other historical periods are also very much venerated such as the Golden Age of Islam, which took place between the eighth and thirteenth century, and the Ottoman Empire, which lasted up to the 20th century.⁶³ The advertisement for the advertising agency FreePicture Films in Saudi Arabia from 2011 depicts the Golden Age of Islam by picturing something between Arab and Ottoman style-royalty where the client is treated like a king (www.freepicturefilm.com). Marketers refer to these specific periods because history is still very much present in the lives of Muslims. This is especially the case in Turkey after the ascent of the AKP (Justice and Development Party) to power. TV series and advertisements are full of references to the glorious Empire and prominent individuals such as Suleiman the Magnificent, as he is known in the West (or Suleiman the Lawgiver as he is known in Turkey). The soap opera is part of a wider tendency called neo-ottomanism or ottoman revival, putting emphasis on brilliant moments of the Ottoman history rather than to the First World War and Atatürk's legacy.⁶⁴ Suleiman is pictured in the blockbuster Turkish soap opera *Muhtesem Yuzgul* (The Magnificent Century), which portrays the life of Suleiman and his wife Hurrem. Four seasons were broadcasted from 2011 to 2013, not only in the Turkish-speaking world but also outside of it (<http://tims.tv/serie/muhtesem-yuzyil>). From this historical point of view, Muslim societies should display a high Long-Term orientation index.

As for the future, having faith in the future enables individuals to establish long-term goals for life or business, while uncertainty in the future pushes individuals towards short-term goals. A very difficult prediction about the future is the situation during wars or high levels of conflict in some Muslim countries. In this case, it is

⁶² Dorothea E. Schulz, 'Promises of (Im)mediate Salvation: Islam, Broadcast Media, and the Remaking of Religious Experience in Mali', in *American Ethnologist*, Vol. 33, No. 2 (May, 2006), pp. 210–229

⁶³ For the Golden Age of Islam see Maurice Lombard, *The golden age of Islam*, American Elsevier 1975, p. 259

⁶⁴ Mustafa Sahin, 'Islam, Ottoman Legacy and Politics in Turkey: An Axis Shift?' in *The Washington review of Turkish and Eurasian Affairs*, January 2011 retrieved on <http://www.thewashingtonreview.org/articles/islam-ottoman-legacy-and-politics-in-turkey-an-axis-shift.html>

impossible for citizens/consumers to imagine their lives in the future and buy durable products as they do not know if they will be able to enjoy full use of the products. They simply do not know if they are going to be alive the next day. The situations in Iraq, Syria, Afghanistan, Nigeria, Sudan and Yemen are certainly not conducive for long-term investments. Furthermore, even countries that enjoy some stability and high income from oil and gas are aware that they have to prepare for the future after the oil crisis and all attention is focussed on the next Big Thing. Dubai is the most advanced in this sense as, after its goal of being a transportation and entertainment hub, the emirate wants to be the hub of Islamic Economy (<http://www.iedcdubai.ae>).⁶⁵

From the Islamic point of view, only Allah knows the future, so it is not only difficult to forecast what may happen but also to prepare for that. Speculation is regarded as a way of gambling on the future and it is definitely forbidden in Islam, so Muslims are considered to be fatalists in the sense that they cannot predict the future, but must adopt a 'wait and see' policy. Once again, results show very high disparity among Islamic countries (if not the highest disparity). It ranges from as low as four in Ghana to as high as 62 in Indonesia. The majority of countries are in the 23–47 range, which means that Islamic countries are relatively open to change, adopt a pretty pragmatic approach when coping with the future and invest in education. These results correspond to some Western countries such as the USA (26) and Australia (21) but not to Belgium (82), Germany (83) or France (63). Geert Hofstede does not provide a score for the United Arab Emirates but empirical studies and a survey covering the packaged food sector show that companies in the UAE are unwilling to engage in long-term relationships.⁶⁶

3.1.6 Indulgence Index: IND

The sixth and final dimension is the degree to which people socialise. *This dimension is defined as the extent to which people try to control their desires and impulses, based on the way they were raised. Relatively weak control is called "indulgence" and relatively strong control is called "restraint". Cultures can, therefore, be described as indulgent or restrained.* If a culture is considered indulgent, it means that there is no restraint on desires and impulses and the likelihood of showing-off, especially displaying one's position in the society, would be strong. The sale of luxury and status products and services would be encouraged. The contrary would be true for restrained societies because of the strong social pressure. It is often said that Calvinist churches adopt a restrained

⁶⁵ Gordon Platt, 'Dubai Seeks Role as Capital of Islamic Economy', in *Global Finance*, Mar. 2013, p. 13 and 'Islamic Finance Roundtable: The new contest to be the capital of Islamic Finance', in *Euromoney*, Feb. 2014, p. 55

⁶⁶ Mohd Laeequddin, 'Supply Chain Partners Selection Criterion in the United Arab Emirates: A Study of Packaged Food Products Supply Chain' in *Paradigm*, Vol. 13, N°1 (Jan./Jun. 2009), pp. 20–27

approach, much more than Catholics for instance.⁶⁷ As far as Islam is concerned, both approaches are present. The Qur'an and the *Sunna* insist that individuals should not be shy in enjoying the pleasures of this world and if they are blessed with the possession of riches they should spend them. In that sense, hoarding or the accumulation of wealth would be considered a sin, so indulgence would be encouraged.⁶⁸ At the same time, both sources fight against excess as an excess of products and services could make people lose themselves and forget their social justice and religious duties. Lastly, we have to understand what socialisation means, and whether it is only physical gatherings or it also covers social media, which is gaining increasing popularity. One example of social media, extravagance and indulgence is the short-lived Facebook and Instagram page '*The Rich Kids of Teheran*', which showed how some rich young adults in Iran do not respect the ban on extravagance with posts on the latest Ferrari cars with swimming pools, young ladies in bikinis and people drinking alcohol.⁶⁹ Despite the Facebook accounts not existing anymore, there are still active Instagram and Tumblr accounts with more than 100,000 followers (<https://www.instagram.com/therichkidsoftehran/?hl=fr> and <http://richkidsoftehran.tumblr.com>).

The results on page 18 again show a huge disparity between countries, going from 0 in Pakistan to 84 in Nigeria. The mean score is around 30, which is close to China but far from Australia (67) or the USA (68).

The general conclusion of the dimensions' analysis is that there is no uniformity in Hofstede's analysis of Islamic countries. The diversity might be due to geographical and economic diversity but also to the school of *fiqh* that is professed in some countries. According to Soraya Tremayne, the *Shia*, especially the Iranian *Shia*, try to accommodate innovations. *Ijtihad*, or the interpretation of the Qur'an by high-ranking clerics (*mujtahed*) allows adjustments to accommodate change within the Islamic doctrine. Once approved by Islamic clergy, new technologies do not require the extensive ethical, moral or legal deliberations by independent bodies such as the ethics committees that are common in more broadly secular societies.⁷⁰ Ayatollah Khomeini himself insisted that Islam was pro science and technology. This is especially true for Iran as the Islamic Revolution was largely a technological revolution based on the massive dissemination of Ayatullah Khomeini's speeches throughout the country via audio cassettes. Recording the speech of a prominent cleric, *mufti* or *sufi* master is a common practice for Muslim believers as it enables

⁶⁷ On conspicuous consumerism and protestant ethic see Arthur Davis, 'Veblen on the Decline of the Protestant Ethic' in *Social Forces*, Vol. 22, No. 3 (Mar., 1944), pp. 282–286

⁶⁸ Since Islamic teaching treats profits as reward for engaging in vital activities, these profits should not be retained. They should be used either as consumption or investment. See Abbas Ali, Abdulrahman Al-Aali and Abdullah Al-Owaidan, 'Islamic Perspectives on Profit Maximization' in *Journal of Business Ethics*, Vol. 117, No. 3 (Oct. 2013), pp. 467–475

⁶⁹ Stephanie Mlot, 'Rich Kids of Tehran Instagram account shuts down' in *PC Magazine*, Oct 10, 2014

⁷⁰ Soraya Tremayne, 'Not All Muslims Are Luddites' in *Anthropology Today*, Vol. 22, No. 3 (Jun., 2006), pp. 1–2

the right interpretation and intonation.⁷¹ Even in the twenty-first century, cassettes are still being used to disseminate speeches and discourses, as in the case of Mauritius.⁷² However, the electronic revolution has put much more emphasis on social media and the possibility of sharing all sorts of files so audio cassettes have become obsolete today. As for the *Sunni*, the Shafi school of *fiqh* is notable because it puts an emphasis on scientific reasoning so the uncertainty would be less of a threat to Malaysia and Indonesia where the Shafi *fiqh* is dominant rather than Saudi Arabia where the *Hanbali* school is professed.⁷³ This is especially true when it comes to economic rationality expressed by Islamic Finance and the initiatives launched by Malaysia and its Shafi school of thought.⁷⁴

Hofstede's model is not the only one existing on the market. Fons Trompenaars and Charles Hampden-Turner also developed a seven-dimension model of culture, which was first published in their book 'Riding the Waves of Culture' in 1997.⁷⁵ If some of their dimensions are similar to Hofstede's such as Individualism vs Communitarianism (Individualism vs Collectivism for Hofstede), Neutral vs Emotional (similar to Masculinity vs Femininity for Hofstede), Sequential Time vs Synchronous Time (similar to the Long-Term orientation by Hofstede), others are very different. The first is Universalism vs Particularism (Rules vs Relationship). According to this dimension, people either consider the respect of rules and laws as the most important aspect of their social lives, or consider that personal relationships are more important than formal rules. Islamic countries are usually seen as countries that put less emphasis on law and more on personal relationships and empathy. This is far from true as the Shariah law, which is common to all Muslims, does not make a distinction between private life and public life so the religious rules have to be applied all the time. This is also valid for another of the Trompenaars-Hampden-Turner dimension: Specific vs Diffuse (How far people get involved). Again, the overlapping of personal life and work/public life is essential in the understanding of Muslim culture, so these countries will be more diffuse than specific.

The place of **family** within the society is of primary importance. According to the World Family Organization and sociologists, the family is the basic unit of

⁷¹ If in general, preachers are male, in some African countries female preachers have a fair presence on the market as in Mali for instance. See Dorothea Shulz, 'Dis/Embodying Authority: Female Radio Preachers and the Ambivalences of Mass-Mediated Speech in Mali' in *International Journal of Middle East Studies*, Vol. 44, N° 1 (Feb. 2012), pp. 23–43

⁷² Patrick Eisenlohr, 'As Makkah Is Sweet and Beloved, so Is Madina: Islam, Devotional Genres, and Electronic Mediation in Mauritius' in *American Ethnologist*, Vol. 33, No. 2 (May, 2006), pp. 230–245

⁷³ Ahmed El Shamsy, 'Rethinking "Taqlid" in the Early Shafi'i School' in *Journal of the American Oriental Society*, Vol. 128, No. 1 (Jan.–Mar., 2008), pp. 1–23

⁷⁴ Daromir Rudnickiy, 'Economy in practice: Islamic finance and the problem of market reason' in *American Ethnologist*, Vol. 41, No. 1 (Feb. 2014), pp. 110–127

⁷⁵ Fons Trompenaars and Charles Hampden-Turner, '*Riding the Waves of Culture: Understanding Diversity in Global Business*' 3rd edition, McGraw-Hill Education, 2012, 400 pages

society.⁷⁶ As such, it might be more important to marketers than individuals. While in economic terms, businesses prefer to use the term household, referring to all people living together regardless of their family relationship, from the sociological and cultural point of view, it is preferable to use the concept of family. Two approaches exist as far as family is concerned: the nuclear family concept and the extended family concept.⁷⁷ The nuclear family means that only the parents and children are included in the family without the grandparents and great-grandparents while, on the next-of-kin level, only biological brothers and sisters are included and not brothers, sisters-in-law or cousins, whatever the lineage. In Western countries with a strong individualistic score, the nuclear family concept is important. This will have an impact on the products and services sold there. In a nuclear family country, the amount of money that can be put in a pool to buy durable products such as cars, washing machines, sewing machines and so on will be limited as the money can come only from parents or children and brothers and sisters. As the fertility rate in Western countries is low, it limits the number of potential contributors to durable products or educational expenses.

In an extended family country, even if the GDP per capita is low, it is still possible to pool money from a wide number of people who believe that they belong to the same family and share a strong solidarity principle between them. The system of *tontine* is widely practiced in some African and Asian societies where members of the same family, even if they live on different continents, contribute for the financing of items or business ventures of other family members. The *tontine* is similar to a mutual fund.⁷⁸ African families are known for their large size⁷⁹ but Asian families (especially Chinese families) also prove to be closely knit. The ethnic-Chinese business in an Islamic environment is often characterised by the central role of the family both in the structure of the firm and in its corporate culture. The centrality of the family in business has its advantages and disadvantages. On one hand, it enables a fast, efficient and flexible process of decision-making. On the other, it often contradicts modern business professionalism. The younger generation of ethnic-Chinese business owners tend to preserve crucial elements of family-centred characteristics. Yet, globalisation drives them to transform their business style, lessening the dependence on family resources and adopting more modern professional ideas. Changes in the current political situation, religious-cultural trend, demography and education contribute to making the transformation

⁷⁶ See mission statement of the World Family Organization on www.worldfamilyorganization.org

⁷⁷ The concept of family is important to marketers especially in countries where several communities coexist as in Israel where Ashekanazi and Oriental Jews coexist with Muslim Arabs. See Yossi Shavit and Jennifer Pierce, 'Sibship Size and Educational Attainment in Nuclear and Extended Families: Arabs and Jews in Israel', *American Sociological Review*, Vol. 56, No. 3 (Jun., 1991), pp. 321–330

⁷⁸ Ralph Goldsticker, 'A Mutual Fund to Yield Annuity-like Benefits', *Financial Analysts Journal*, Vol. 63, No. 1 (Jan.—Feb., 2007), pp. 63–67

⁷⁹ Fatou Sow, 'Muslim Families in Contemporary Black Africa', *Current Anthropology*, Vol. 26, No. 5 (Dec., 1985), pp. 563–570

possible.⁸⁰ An ethnic-Chinese family in Indonesia can span several islands and stretch across a myriad businesses. Nobody knows the amount of wealth the ethnic Chinese command in Indonesia, but it is said to be practically half of Indonesia's wealth. Because of different pogroms in the past (with the most recent in 1999), many ethnic Chinese feel insecure and tend to shift their wealth outside of Indonesia, further impacting the Muslim population. Overseas Chinese used to be the eponym of diasporic networks based on the extended family concept. Today, the situation is more diverse as new diaspora groups tend to establish their preeminence in world trade. Among them, the Turkish and Pakistani networks seem to gain more and more importance, so marketers should put further emphasis on them as they used to focus on the Polish and Mexican diaspora in the past.⁸¹

Families are believed to be the strongholds of culture as they tend to reproduce behavioural patterns, sometimes the same consumer pattern from one generation to the next, and Muslim families are supposed to be more conservative than others. Research shows that this is not true. A survey of Afghan refugee families in Iran, living in three localities (Tehran, Isfahan and Mashhad), shows that second-generation Afghans have different marriage and family behaviours and aspirations compared to the first.⁸² This kind of change is expected for small groups scattered across vast territories, such as the USA where populations are melting, but, in this case, it is just 1.2 million people from a neighbouring country and living in concentrated groups in just three areas. If such a decoupling in generations happens in this case, a similar outcome is expected elsewhere. Muslim populations living side by side with non-Muslim populations in the same country can show different patterns from one generation to another.

The size of Muslim families is often the object of phantasm in Western countries. Even if reality shows that the number of people in a typical Muslim household is not large, there are still stereotypes about large Muslim families. As for supportiveness between family members, it is definitely higher than in some Western countries but not necessarily when compared to communities such as Buddhists in China, animists in Africa or Christians in Lebanon.

Finally, the last sociological element is the definition of a **household**. This unit is of primary importance to marketers because it designates all members of a household living together. Defining a household is not easy for Muslims living in Western countries. The majority of immigrants moving legally to Europe, and especially

⁸⁰ Yahiya Wijaya, 'The Prospect of Familism in the Global Era: A Study on the Recent Development of the Ethnic-Chinese Business, With Particular Attention to the Indonesian Context', in *Journal of Business Ethics*, Vol. 79, N°3 (May 2008), pp. 311–317

⁸¹ Gabriel Felbermayr, Benjamin Jung and Farid Toubal, 'Ethnic Networks, Information, and International Trade: Revisiting the Evidence' in *Annals of Economics and Statistics*, No. 97/98, Migration and Development (Jan./Jun. 2010), pp. 41–70

⁸² Mohammad Jalal Abbasi-Shavazi, Rasoul Sadeghi, Hossein Mahmoudian and Gholamreza Jamshidiha, 'Marriage and Family Formation of the Second-Generation Afghans in Iran: Insights from a Qualitative Study', in *International Migration Review*, Vol. 46, No. 4 (Win. 2012), pp. 828–860

France, come from family grouping, permitting immigrants having legal residence in a given country with a minimal income to invite his/her family to join him/her. This is very interesting from the definition of a household point of view because when they join the person in a Western country a new relationship in the household develops, especially the identification of the prescriber. The first generation of immigrants will not live permanently in Western Europe at the age of retirement. Many of them, especially Moroccans, live half the year in France and the other half in Morocco. They are called *pendulum migrants*. In this case, it is difficult to identify what a household is if all members do not live together on a permanent basis. Who is making decisions in the absence of one member of the household? Research shows that many intra-housing conflicts can appear in this situation.⁸³ Choosing a partner to create a family also has business consequences for marketers. Under the hypothesis that the 'imported partner' from a country of origin does not have the same sophisticated demand for goods and services as the person born and raised in Western Europe, we can conclude that the imported partner will rely on traditional products and services and reduce the level of sophistication observed before. What is happening in reality is quite the opposite as the 'imported partner' usually wants to catch up with the other in developed countries.⁸⁴

People who do not live permanently together such as parents who do not live with their children are not considered as members of a household. However, domestic helpers are included because they live together with a family. The son-in-law or daughter-in-law is also included in the household. A study in Pakistan, for instance, shows that daughters-in-law have a propensity to work systematically harder than daughters of the family of comparable age, height and education.⁸⁵ Contrary to the belief that daughters-in-law represent a burden and more expenses, the opposite is observed and families might be glad to receive a daughter-in-law just for economic reasons alone. The relationship between people in the household is an important element for the marketer because this relationship will identify who is more powerful in the household when it comes to making decisions about which products, services and brands will be chosen for the whole household. If we take the example of reproductive health, the mother is usually the decision-maker. She knows her body and what is good for her and the baby. However, in some countries such as Mali, many other persons intervene such as the husband or the mother-in-

⁸³ Hein de Haas and Tineke Fokkema, 'Intra-Household Conflicts in Migration Decisionmaking: Return and Pendulum Migration in Morocco', *Population and Development Review*, Vol. 36, No. 3 (Sep. 2010), pp. 541–561

⁸⁴ John Lievens, 'Family-Forming Migration from Turkey and Morocco to Belgium: The Demand for Marriage Partners from the Countries of Origin', *International Migration Review*, Vol. 33, No. 3 (Aut. 1999), pp. 717–744

⁸⁵ Marcel Fafchamps and Agnes Quisumbing, 'Social Roles, Human Capital, and the Intrahousehold Division of Labor: Evidence from Pakistan' in *Oxford Economic Papers*, Vol. 55, No. 1 (Jan., 2003), pp. 36–80

law. As such, the young woman has very little power over the decision.⁸⁶ If husbands and mothers-in-law exercise decisive control over such an intimate question as reproductive health, we can reasonably assume that for other questions related to the household, their influence would be important as well. Countries such as Mali produce an important immigration population in Western Europe, and France in particular. There are more than 120,000 migrants from Mali who live in the country. While these residents tend to reproduce the same control patterns in reproductive health as in Mali, French social workers have introduced women to rights that question their husbands' decisions and religious doctrines. This is a problem because for many Muslim men from Mali, a woman's decisions are unethical to Islam as the woman has to obey her husband in all domains including this.⁸⁷ Women thus have to navigate between their husbands' decisions, the social workers discourse, and different interpretations of Islam before finding an answer. In that sense, living in a Western country brings much more complexity in decision-making than in the country of origin.

In many countries, such as Bangladesh, women work more and more so their empowerment is greater and greater. Even if they do not work in a factory, NGO's will help them gain access to microcredits, which will permit them to earn their own money and improve their status within the household.⁸⁸ Microcredits not only serve as funds for starting a business, they also provide a better knowledge about the economy in general and management of the household in particular. A study in Bangladesh shows that microcredit borrowers have a tendency to better control their household budget and, as a result, savings are higher and consumption can be increased.⁸⁹ Once women work and contribute to household incomes, their status and place in the household changes as men would depend on women and this would empower women and make them even higher prescribers than before. A study in Senegal shows that the most active smugglers on the Senegalese-Gambian border are, in fact, women. They are the ones who negotiate with their counterparts on the other side of the border and with the local officials who nominally control the border. In this configuration, men help them, so men have a lower status and

⁸⁶ Darcy White, Michelle Dynes, Marcie Rubardt, Koman Sissoko and Rob Stephenson, 'The Influence of Intrafamilial Power on Maternal Health Care in Mali: Perspectives of Women, Men And Mothers-in-Law', *International Perspectives on Sexual and Reproductive Health*, Vol. 39, No. 2 (Jun. 2013), pp. 58–68

⁸⁷ Carolyn F. Sargent, 'Reproductive Strategies and Islamic Discourse: Malian Migrants Negotiate Everyday Life in Paris, France' *Medical Anthropology Quarterly*, Vol. 20, No. 1, *Medical Anthropology in the Muslim World: Ethnographic Reflections on Reproductive and Child Health* (Mar., 2006), pp. 31–49

⁸⁸ Ruhul Amin, Stan Becker and Abdul Bayes, 'NGO-Promoted Microcredit Programs and Women's Empowerment in Rural Bangladesh: Quantitative and Qualitative Evidence' in *The Journal of Developing Areas*, Vol. 32, No. 2 (Win. 1998), pp. 221–236

⁸⁹ Sayma Rahman, 'Consumption Difference between Microcredit Borrowers and Non-Borrowers: A Bangladesh Experience' in *The Journal of Developing Areas*, Vol. 43, No. 2 (Spr. 2010), pp. 313–326

importance.⁹⁰ Finally, many Muslim women have to juggle between ‘being a good woman’ and ‘dealing with family support’. It is easier for Muslim women to work when they live in a Western country, and evidence from Turkish and Moroccan women in the Netherlands is indicative of a situation we may find in a large number of Western countries.⁹¹ These migrant female business owners use various cultural repertoires to negotiate and manipulate family norms and values in order to seek and hold their position in the public domain effectively, so they constantly manoeuvre between conflict and compliance. From the business perspective, it means that their voice in business and family matters is much higher than in their homeland. Women’s influence is not limited to the choice of products and brands. It can even shape Islamic practices because within the household they usually dictate everything pertaining to family matters. In Africa especially, women’s influence is much greater than it appears when it comes to religious practices in everyday life.⁹²

Knowing the number of people living in a household and who is the head of household is of importance to marketers. This is the job of the population census, where there is a question on who the head of the household is. It is tacitly understood that the head of the household is male (either the father or husband) but in today’s societies, we have more and more complex household structures: single mothers living with their children, single households where the male partner is dead and only the female partner lives in the house and the emergence of LGBT households recognised as such in many Western countries.

In Muslim countries, it is also understood that a male is the head of the household, except when the male partner is dead. Single-parent households are very rare in Muslim countries because the single mother will either join the other family’s household if the husband is dead or go back to her own family. Splitting families are on the rise as divorce is becoming easier. An example from Dubai shows that 26 % more couples split in 2013 compared to 2012. The reasons were the high cost of marriage, exposure to other cultures for mixed marriages, increased independence of women and a disparity between less-educated husbands and more-educated wives.⁹³ The question of single mothers is an important question because in the case of war men might die, so a significant number of Syrian and Iraqi refugees fleeing Syria and Iraq are single mothers. Homosexuality is still a taboo in practically all the Islamic countries, so having LGBT households is virtually impossible and very few countries (Senegal is an exception) have conducted studies

⁹⁰ Cynthia Howson, ‘Women smuggling and the men who help them: gender, corruption and illicit networks in Senegal’, *The Journal of Modern African Studies*, Vol. 50, No. 3 (Sep. 2012), pp. 421–445

⁹¹ Caroline Essers, Hans Doorewaard and Yvonne Benschop, ‘Family ties: Migrant female business owners doing identity work on the public–private divide’ in *Human Relations*, Vol. 66, N° 12 (Dec. 2013), pp. 1645–1665

⁹² Ann McDougall, ‘Hidden in the Household: Gender and Class in the Study of Islam in Africa’ in *Canadian Journal of African Studies/Revue Canadienne des Études Africaines*, Vol. 42, No. 2/3, Engaging with a Legacy: Nehemia Levtzion (1935–2003) (2008), pp. 508–545

⁹³ ‘Divorce rise ‘fuelled by rapid social change’, *The National*, 23rd January, 2013

about homosexuality in their country.⁹⁴ This poses a problem for some international brands because in their countries or other Western countries they promote an LGBT-friendly attitude, which they cannot do in Islamic countries, so the problem of consistency is something they have to cope with.

3.2 Cultural Environment

Cultural environment is the heart of international business as stated in a famous quote from Geert Hofstede: “*The Business of international business is culture*”. For all companies engaged with or in foreign markets, this is a compulsory element to take into consideration.

There is no consensus about the definition of culture. A classical definition of culture can be taken from Tylor and identifies elements of culture such as beliefs, arts, morals, laws, customs and any habits acquired by men as members of society.⁹⁵ If culture is transmitted, there must be a pattern for this transmission. This is what Hofstede calls the software of mind.⁹⁶ He puts much more emphasis on the process of the transmission of culture rather than on content.

There are two types of elements of culture: static elements of culture and dynamic elements of culture. Static elements of culture refer to elements that are hard, if not impossible, to change, while dynamic elements of culture are elements that are very easy to change from one country to the other.

All indexes seen in the previous section about social environment try to go beyond the dictatorship of economic measures in order to assess what people want and desire in the society. In that sense, it is interesting to couple them with the ideal Muslim Society. If the ideal behaviour for men is to reproduce the life and behaviour of the ideal Muslim man, i.e. the Prophet Muhammad, in this case, culture would be static as we have to go back to the relationships established in the seventh century. This approach is exclusive (involving relationships between Muslims only) and not actively open to innovation. From the theoretical point of view, it corresponds to *ideological totalisation* as described by Reed and Adams. This means that Muslims can be tempted to remake society according to a utopian

⁹⁴ Joseph Larmarange, Annabel Desgrées du Loû, Catherine Enel, Abdoulaye Wade and Krystyna Horke, ‘Homosexuality and Bisexuality in Senegal: A Multiform Reality’ in *Population*, Vol. 64, No. 4 (Oct–Dec 2009), pp. 635–666

⁹⁵ “Culture or civilization, taken in its wide ethnographic sense, is that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society” in Edward Burnett Tylor, *Primitive Culture: Researches Into the Development of Mythology, Philosophy, Religion, Language, Art, and Custom*, (Classic Reprint), Forgotten Books, 2012, 486 pages

⁹⁶ Culture is ‘the collective programming of the mind which distinguishes the members of one group or category of people from another’ in Geert Hofstede, *Cultures and Organizations: Software of the mind*, McGraw-Hill, 1991, 296 pages

vision—the time of Prophet. This is contrary to compensatory *reenchantment*, which aims to replace traditional religious meaning-systems.⁹⁷

If, on the contrary, the objective is to promote economic justice, it is essential for Muslims to follow the latest developments in the economy in order to be sure that economic justice is implemented. In that sense, it would be a dynamic approach to culture that is more inclusive and open to innovations.

Static elements of culture cannot be changed by a company because it might be dangerous for a company to initiate such a revolutionary move. A campaign by Benetton showing the Prophet Muhammad in an inappropriate situation, just as the company did with Jesus, would certainly not be acceptable in any Islamic country or by any Muslim community living in a Western country.⁹⁸ Not only would the advertisement be banned, a boycott is very likely to happen. A static element of culture cannot be changed because it is ‘static’ or settled forever. This is especially the case for monotheist religions based on scripture, where the scripture cannot be changed. There are some other static elements of culture such as language, social structures and values, but religion is considered to be the hardest element to change, so companies routinely hesitate to challenge religion and take it as a given thing they have to adapt to.

In the past, there has been a discussion about innate or genetic cultures but, today, everyone agrees that culture is transmitted and not innate. So if culture is transmitted, it is important for companies to see how the transmission of culture is done and if there is any chance for companies to influence the transmission of culture and influence the culture itself in order to serve their own interest. Two main channels of transmission of culture existed in the past: religion and family, while the two most important channels today are education and mass media. We will explore religion and family first, and education and mass media later on.

3.2.1 Traditional Channel of Transmission of Culture: Religion

Religion is always considered to be THE static element of culture, something that marketers cannot and should not try to change. This is especially true for Islam because if it accepts new members through conversion, the opposite is rejected. When a Muslim consciously rejects Islam and embraces another religion or becomes an atheist, it is considered as apostasy, an unacceptable practice and punished by all Islamic countries, sometimes leading to the death penalty. This would be a strong limiting factor for religious change in Islam. It happens sometimes that some Muslims become Christians, as in the case of Iranian *Shia* who

⁹⁷ Isaac Reed and Julia Adams, ‘Culture in the transitions to modernity: seven pillars of a new research agenda’, *Theory and Society*, Vol. 40, No. 3 (May 2011), pp. 247–272

⁹⁸ Mark Barela, ‘United Colors of Benetton: From Sweaters to Success: An Examination of the Triumphs and Controversies of a Multinational Clothing Company’ in *Journal of International Marketing*, Vol. 11, No. 4 (2003), pp. 113–128

immigrated to Turkey and converted to Christianity in the hopes of facilitating their acceptance in Western countries.⁹⁹ But the numbers are very small and Islam is probably the religion with the lowest number of outgoing believers.

Predestination is for *Sunni* Muslims one of the six elements of faith as it accepts free will but not an ‘absolute free will’ of the believer. If we consider that predestination is a static element and free will the dynamic element because it can initiate change out of free will of individuals, it would be difficult for a company to change something in a religion where predestination is as strong as it is in Islam.¹⁰⁰ Attempts to infuse some other (foreign) values and ethics would be rejected. Foreign (Western) values are rejected not only by religion but also by the political structure of the country. An interesting case is Asia, where the so-called Asian values are vigorously defended in countries such as Singapore or Malaysia.¹⁰¹ The debate on the introduction of Western values such as accountability to others, transparency, democracy or resistance to bribes and corruption is not confined to Asia even if Asia groups large countries with a poor performance on the Corruption Perception Index developed by Transparency International.¹⁰² It expands to Africa as well. If Western values stir so much debate in Asia, Islamic ethics have a different treatment. In many South Asian countries such as Malaysia and Indonesia, Islam is considered a domestic religion and, in Singapore, it is one of the dominant religions. In this case, Islamic ethics will be accepted as such and there would not be opposition against them. The question is what is happening in Thailand, the Philippines, Myanmar or China, where Muslim communities often oppose political establishments.¹⁰³ Islamic ethics, in that case, would be perceived as a foreign, if not hostile, set of values and coexistence with the mainstream religion would not be easy. Literature on Islamic ethics is quite considerable and mobilises theologians and philosophers among others, while its translation in

⁹⁹ Sebnem Koser Akcapar, ‘Conversion as a Migration Strategy in a Transit Country: Iranian Shiites Becoming Christians in Turkey’ in *International Migration Review*, Vol. 40, No. 4 (Win. 2006), pp. 817–853

¹⁰⁰ According to Tsaklis and Lassar, predestination may explain why Muslim countries may differ from western countries in ethical actions and perceptions. See J. Tsaklis and Walfried Lassar, ‘Measuring Consumer Perceptions of Business Ethical Behavior in Two Muslim Countries’, *Journal of Business Ethics*, Vol. 89, No. 1 (Sep., 2009), pp. 91–98

¹⁰¹ Čedomir Nestorović, ‘Processes or Results, Where do Asian Leaders Focus?’ in *HQ Asia*, Issue 8/2014, pp. 55–57

¹⁰² The CPI (Corruption Perception Index) is based on surveys giving the perception of corruption in a given country. Many countries from the OIC are poorly ranked by the CPI meaning there is a high corruption. See the 2015 results on: <http://www.transparency.org/cpi2015/results>. Perceptions put aside, some hard data analysis prove that there is high level of corruption as in the case of Pakistan where the political corruption is documented. Asim Khwaja and Atif Mian, ‘Do Lenders Favor Politically Connected Firms? Rent Provision in an Emerging Financial Market’, *The Quarterly Journal of Economics*, Vol. 120, No. 4 (Nov., 2005), pp. 1371–1411

¹⁰³ Gerhard Böwering, ‘Preliminary Observations on Islamic Ethics in the Chinese Context’ in *Journal of International Business Ethics*, Vol. 5, N°2 (Jul. 2012), pp. 3–26

human rights is not so widespread and, when it exists, is more in the category of political science.¹⁰⁴

Secularism and theocracy can have an impact on the religiousness of people. It is safe to say that a theocratic country will produce more religiousness than a secularist government. This is, however, not always true because a strong secular government in France did not limit the appearance of more and more religious groups and the exclusive behaviour of Muslims, while a theocratic government in Iran did not result in significant rise of religiousness in the country. Since theocracy is more present in Iran and Saudi Arabia than in Jordan or Egypt, the degree of religiousness is also higher in the first two countries than in the latter two.¹⁰⁵ In this case, the *Sunni/Shia* split is not relevant. Lebanon is an interesting case because a secularist government contributed to the re-confessionalisation of the *Shiites* and *Druze* in the country. This means that a secular government does not limit the sale of Islamic products and services and can have quite a positive impact on sales.

It is assumed that Muslims are driven more by ethics when compared to Christians, but few studies document this divide between Muslims and Christians. One such study documents a comparison of Christians in Germany and Muslims in Turkey, and it shows that Turkish Muslims exhibit a stronger connection between religiosity and consumer behaviour than Christians in Germany.¹⁰⁶ However, in another study, Tsalikis and Lassar argue that in the two Muslim countries they studied (Turkey and Iran), the overall Business Ethical Index (BEI), which refers to four components (personal/past, vicarious/past, personal/future and vicarious/future), shows that the overall BEI for both countries is on the negative side with Egypt having the widest gap between the personal ethical perceptions and vicarious ones.¹⁰⁷

The degree of religiosity is the most important criterion in analysing consumer behaviour. It may be that the whole population in a given country declares that it belongs to one religion. But declaration and practice are two different things. Practice will have an influence on consumer behaviour, but not declaration. This is why studies on the degree of religiousness are very important. In another survey from Germany, religiosity was examined as an influence on three core elements of (Muslim) consumer behaviour: innovativeness, materialism and the importance attached to adhering to Islamic religious rules on consumption (e.g. the prohibition

¹⁰⁴ Heiner Bielefeldt, "Western" versus "Islamic" Human Rights Conceptions?: A Critique of Cultural Essentialism in the Discussion on Human Rights' in *Political Theory*, Vol. 28, No. 1 (Feb., 2000), pp. 90–121

¹⁰⁵ Mansoor Moaddel, 'The Saudi Public Speaks: Religion, Gender, and Politics' in *International Journal of Middle East Studies*, Vol. 38, No. 1 (Feb., 2006), pp. 79–108

¹⁰⁶ Annas Abedin and Malte Brettel, 'Impact of religiosity on consumer behaviour of Turkish immigrants in Germany', in *American Marketing Association Summer Educators' Conference Proceedings*, Vol. 22, (Jan. 2011), pp. 181–182

¹⁰⁷ John Tsalikis and Walfried Lassar, 'Measuring Consumer Perceptions of Business Ethical Behavior in Two Muslim Countries' in *Journal of Business Ethics*, Vol. 89, No. 1 (Sep., 2009), pp. 91–98

of the consumption of pork). The result is that religiosity is strongly and positively associated with the importance attached to adhering to Islamic religious rules on consumption. Religiosity also had a significantly negative impact on one out of three materialism dimensions. This suggests that marketing strategies targeting Muslims should probably focus more on presenting the utility of the product, rather than trying to appeal emotionally to the benefits associated with the product.¹⁰⁸ A study in Germany examined the role of religion as a source of social trust, and the results show that Protestants tend to be the most trusting. Although Catholic individuals are more trusting than non-religious individuals in Germany, they do not differ from members of smaller Christian groups or Muslims.¹⁰⁹

Segmentation criteria will definitely have an impact on religiosity, and the criteria can be gender, age, academic background, place of living and so on. When it comes to gender, studies show that, in the business world, women tend to profess a higher religiosity than men, especially in the Muslim world as shown by a study conducted by Oumlil and Balloun.¹¹⁰ There is a common belief across many religions (including Islam) that women are more religious than men. However, when we distinguish affective (personal piety) from active (organisational participation) religiousness, Muslim men are more religious than women because they are much more active in organisations.¹¹¹ Another segmentation criterion, race (or ethnic origin) has also a tremendous effect on consumer behaviour, especially for new immigrants trying to integrate into a Western society. A study from Canada shows that social integration (and by extension, consumer behaviour) is determined more by racial minority status for Muslims, Sikhs, Buddhists and Hindus, rather than their religious affiliation or degree of religiosity.¹¹² For marketers, this means that the religiosity of Muslims cannot be the only factor determining their consumer behaviour. Other factors relating to the segmentation criteria have to be taken into account.

The degree of religiousness is also influenced by the existence of just one religion in the country or the coexistence of several of them. In Islamic countries, by definition, Islam is the dominating religion, but it does not mean that other

¹⁰⁸ Helmut Schneider, John Krieger and Azra Bayraktar, 'The Impact of Intrinsic Religiosity on Consumers' Ethical Beliefs: Does it Depend on the Type of Religion? A Comparison of Christian and Moslem Consumers in Germany and Turkey' in *Journal of Business Ethics*, Vol. 102, N°2 (Aug. 2011), pp. 319–332

¹⁰⁹ Richard Traunmüller, 'Moral Communities? Religion as a Source of Social Trust in a Multi-level Analysis of 97 German Regions' in *European Sociological Review*, Vol. 27, No. 3 (Jun. 2011), pp. 346–363

¹¹⁰ A. Ben Oumlil and Joseph Balloun, 'Ethical Decision-Making Differences between American and Moroccan Managers' in *Journal of Business Ethics*, Vol. 84, No. 4 (Feb., 2009), pp. 457–478

¹¹¹ D. Paul Sullins, 'Gender and Religion: Deconstructing Universality, Constructing Complexity' in *American Journal of Sociology*, Vol. 112, N°3 (Nov. 2006), pp. 838–880

¹¹² Jeffrey G. Reitz, Rupa Banerjee, Mai Phan and Jordan Thompson, 'Race, Religion, and the Social Integration of New Immigrant Minorities in Canada', in *International Migration Review*, Vol. 43, No. 4 (Win. 2009), pp. 695–726

religions do not exist. Muslims will accept other religions, especially Abrahamic religions (Judaism and Christianity), but will not celebrate them or are not supposed to celebrate them. Christmas and Easter are (or were) celebrated in Syria.¹¹³ The situation is much more complex regarding pre-Islamic traditions and religions, which do not refer to Abrahamic religions. Religions such as the Ancient Egyptian Religion or Zoroastrianism are considered to be domestic in Egypt and Iran and continue to be respected and, sometimes, celebrated by Muslims themselves. It may happen that some Islamic groups, like the Taliban in Afghanistan and tribal areas in Pakistan, outright reject all pre-Islamic traditions or forms of art such as dance practices in Swat areas in Pakistan.¹¹⁴ They not only reject all Western influence such as music, TV, cameras and recorders, but also wanted to physically destroy all pre-Islamic masterpieces of art such as the Buddhas of Bamyan in 2001. The Buddhas have been declared as 'idols' and, as such, should be destroyed as idolatry is a sin in Islam.¹¹⁵ Even today, some of the most influential preachers such as Youssuf al Qaradawi complain about the pervasive influence of Western (meaning Christian) traditions such as the celebration of Christmas and Valentine's Day in Arab lands,¹¹⁶ with all its commercialisation, mercantilisation or commoditisation of holidays.¹¹⁷ Brunei has been the first country to ban the celebration of public Christmas celebrations on the grounds that 'believers of other religions that live under the rule of an Islamic country—according to Islam—may practice their religion or celebrate their religious festivities among their community under the condition that the celebrations are not disclosed or displayed publicly to Muslims'. This means that there are no Christmas trees in shopping malls, no Christmas promotions in the press or at point of sales.¹¹⁸ The official justification came from the religious affairs ministry, and states that the act of 'public celebration of non-Islamic rituals or festivities can be seen as propagations of religions other than Islam . . . Muslims should be careful not to follow celebrations such as these that are not in any way related to Islam . . . and could unknowingly damage the faith of Muslims'. The impact on Christmas on businesses in Brunei is important as businesses have been asked to take down Christmas decorations and

¹¹³ Andreas Bandak, 'Of Refrains and Rhythms in Contemporary Damascus Urban Space and Christian-Muslim Coexistence' in *Current Anthropology*, Vol. 55, N° 10, The Anthropology of Christianity: Unity, Diversity, New Directions (Dec. 2014), pp. 248–261

¹¹⁴ Shaheen Buner, 'Dancing Girls of Swat Valley' in *World Policy Journal*, Vol. 28, N°3 (Sep. 2011), pp. 73–81

¹¹⁵ Since that time, Afghanistan tries to recollect his past and the National Museum of Afghanistan succeeded in getting some of the pieces back. 'Afghans restore relics, defy Taleban', *The Straits Times*, 14th January, 2014

¹¹⁶ Yussuf Al Qaradawi preaching against the celebration of Christmas in 2011 on Memri TV accessible on: <https://www.youtube.com/watch?v=aaJFPUJWAQQ>.

¹¹⁷ Leigh Eric Schmidt, 'The Commercialization of the Calendar: American Holidays and the Culture of Consumption, 1870–1930' in *The Journal of American History*, Vol. 78, No. 3 (Dec., 1991), pp. 887–916

¹¹⁸ 'Brunei bans public Xmas celebrations', *The Straits Times*, 9th January 2015

advertisements. If the Bruneian example is followed in other Islamic countries, it would be a serious blow for companies that used to bank on this festive season to boost sales. However, this is not likely to happen as Brunei stands apart from other Islamic countries. It is known to apply strict Islamic rules of the *Shariah* with *hudud* characteristics, which is something the great majority of Islamic countries do not practice.

If companies do not want to enter into competition with Islam, they, however, do not hesitate to push the adoption of new celebratory moments such as Christmas and Valentine's Day, albeit not in all countries. In Indonesia, the jeweller Pandora invites clients to celebrate Valentine's moments (the full collection of special Valentine's Day Pandora charms for 2014 in Indonesia can be viewed on <http://puanstoberi.blogspot.sg/2014/02/pandora-charm-valentine-collection-2014.html>), while, in Dubai, the Karma Café creates a special menu for Valentine's Day including a glass of sparkling (wine most certainly). Karma Café celebrates Valentine's Day every year as shown on their website: <http://www.dubainight.com/dubai/karma-kafe/saint-valentine-s-day-karma-kafe-dubai,2,6,12399.html>. Valentine's Day is routinely rejected by *Shariah* scholars on the grounds that it has pagan origins, belongs to a foreign religion and its main aim is the commercialisation of spiritual feelings. In Indonesia, the Majelis Ulama Indonesia (MUI) not only asks Muslims to avoid celebrating it, but also not to engage in business activities with Christians who want to celebrate it.¹¹⁹ According to the Jamiatul Ulama (Council of Muslim Theologians) in Johannesburg, South Africa and the National Fatwa Council in Malaysia, Muslims should even shun from selling flowers, toys or gifts, even to non-Muslims on that occasion as well.¹²⁰ As for Christmas, Muslims can celebrate it in Western countries as the overwhelming presence of Christmas might appeal to young generations and children who might look for conformism in society by transforming Christmas into a second Eid, as done in London among Punjabi Muslims.¹²¹ They certainly do not look for syncretism or the cannibalisation of Islam. They just want to have fun. Syncretism appears when two or several religions are blended in a new spiritual offering or when two celebrations happen at the same time. Because the Chinese and Muslims in Malaysia use both lunar calendars, it may happen that they celebrate Eid and Chinese New Year at the same time, once in a decade usually. A new word appeared on that occasion *Kongsi Raya*, when *Kongsi* is the spelling of *Gong Xi* and *Raya* denotes *Hari Raya* (celebration of Eid for Muslims in Malaysia). Occasionally, the Indian festival of light (*Deepavali*) can also coincide with the Eid celebration and the term used is *Deepa Raya*.¹²² The majority of the

¹¹⁹ 'Muslim organizations warn of 'dark world' of Valentine's Day', *The Jakarta Post*, 13th February, 2014

¹²⁰ 'Valentine's Day business goes on', *Sunday Star*, 3rd February 2013

¹²¹ Venetia Newall, 'A Moslem Christmas Celebration in London' in *The Journal of American Folklore*, Vol. 102, N° 404 (Apr.–Jun. 1989), pp. 186–190

¹²² Malaysia is not the only country where several religious festivals happen at the same time. The example comes from the United States with *Chrismukkah* (Christmas and Jewish New year *Hanukkah*) or *Thanksgivukkah* (Thanksgiving and *Hanukkah*).

population in Malaysia has nothing against a common celebration,¹²³ but some *Shariah* scholars clearly oppose something they consider to be the dilution of Islam and blasphemy.¹²⁴

Syncretism may originate from a deliberative attempt to have a new spirituality or it may incorporate an old belief into a new one as many missionaries did during colonisation when they wanted to cover indigenous populations. It may also occur only because it seems to be more efficient in treating some problems. This kind of pragmatic ‘institutionalised syncretism’ is observed in some Sub-Saharan countries where Islam still tolerates the existence of some older systems of beliefs.¹²⁵ Tolerance for different beliefs is quite common in Muslim countries such as Malaysia or Indonesia and the celebration of non-Islamic festivals attracts tourists to these countries.

In any case, private companies and marketers want to initiate a new spiritual movement. They simply add new celebration moments that enable them to sell more. All companies are present in this field from durable products such as Mercedes cars to fast-food consumer products like McDonald’s or Nestlé. Christmas and Valentine’s Days are very often celebrated in Islamic countries, including Iran, in spite of the fact that it is an Islamic Republic,¹²⁶ and companies like Adidas, Lego, Tangs and Empire shopping malls openly target Christians living in Malaysia. The case of Bangsar Shopping centre in Kuala Lumpur, Malaysia is interesting as it mentions on its Facebook page that it welcomes everyone to the *Elfland*, while CIMB bank is the sponsor of Christmas events at Bangsar. (www.facebook.com/BangsarShoppingCentre). In 2010, the company stated that ‘*everyone dreams of the magic of Christmas*’. This could be problematic in an Islamic country with a 60-% Muslim population, where not everyone dreams about Christmas.

Celebrating Chinese New Year in Malaysia and Indonesia Chinese New Year (CNY) is celebrated as a national holiday in some Islamic countries where significant Chinese minorities live such as Malaysia, Indonesia and Brunei. The usual greeting for this celebration is *Gong Xi Fa Cai* (which can be translated as ‘Wishing you good fortune’) and it can be found on TV, newspapers, shopping malls, streets, and so on. One of the products typically sold for CNY is the *lokam* (mandarin orange) and *pokam* (honey mandarin orange) and their prices usually go up by 10–20 % during the CNY in Malaysia.¹²⁷ Companies do not hesitate to advertise

¹²³ ‘Let’s still celebrate together’, *MStar*, 12th October 2007

¹²⁴ ‘Ulamas want kongsi raya celebrations reviewed’, *The Star*, June 14th, 2006

¹²⁵ Dennis C. Galvan, ‘The Social Reproduction of Community-Based Development: Syncretism and Sustainability in a Senegalese Farmers’ Association’, *The Journal of Modern African Studies*, Vol. 45, No. 1 (Mar., 2007), pp. 61–88

¹²⁶ ‘Iranians celebrate Valentine’s day despite ban’ on BBC News, 12 February, 2012, accessible on <http://www.bbc.com/news/world-middle-east-17032476>

¹²⁷ ‘Mandarin oranges galore for CNY’ in *The Star*, 31 January 2015

during this period as Chinese consumers have a higher purchasing power than the rest of the population. In advertisements created for the occasion, companies quote CNY or present the year of the Goat (2015) or Monkey (2016) or talk about prosperity and abundance, which are common greetings for CNY. McDonald's celebrates the Chinese New Year in Indonesia without mentioning it directly but launching a specific menu called Beef Prosperity. Prosperity is the main keyword for CNY and the special offer is available from 30 January to 28 February 2015, exactly the CNY period. Illustrations for the promotion can be viewed at <http://www.mcdonalds.com.my>.

The second example comes from Chevrolet in Malaysia. The mention of CNY is rather prominent as it spans across the entire screen when one visits the webpage of Chevrolet Malaysia (www.chevrolet.com.my/about_us/newsandevent/2015/1/chevrolet-is-off-to-a-roaring-start-welcoming-2015-with-its-chinese-new-year-sales-campaign). Ford also makes a direct reference to CNY and uses the term *Ang Pow* (the Red Envelope), traditionally used to give money from elders to children during CNY (www.ford.com.my/about/newsroom-result?article=124914180766). The reference to money is even present on the information about interest rates for credit loans, so interest-free banking (meaning Islamic finance) is not compulsory in Malaysia. Among companies that heavily advertise for CNY, Samsung used the traditionally auspicious red colour for its ad, a pictogram of a goat (for 2015) and a traditional representation of Chinese coins arranged to look like the number 8 (again very auspicious), so there is no mistake about the target group they have in mind (<http://www.samsung.com/my/news/local/gallop-your-way-to-prosperity-with-samsung>).

Citibank and Sogo department stores in Indonesia partnered to launch a very visible and outspoken advertisement showing goats, the colour red and a lady in a typical Chinese dress (www.sogo.co.id). What is striking is that RHB, a leading Malaysian bank, also tried to woo wealthy Chinese consumers with an offer featuring golden goat figurines as gifts for consumers banking with them. This practice is understandable for Hong Leong Bank, a bank perceived as a 'Chinese' bank, but was not so expected from RHB. (<https://www.everydayonsales.com/85893/15-feb-8-mar-2015-rhb-cards-chinese-new-year-dining-promotion>).

Getting figures on the return on investment for CNY promotions in Malaysia is not easy, but at least one company reported an increase in sales. This company is Coca-Cola. In 2015, it launched a special promotion with eight different cans representing prosperity for CNY and saw sales increase by 20%.¹²⁸

Brunei is a strict sultanate. However, when it comes to business, the sultanate recognises that its Chinese population is a wealthy one (representing 15% of the total population). In response, the national carrier Royal Brunei came up with promotions for the Chinese New Year without clearly mentioning Gong Xi Fa Cai but by putting Chinese lanterns on their advertising so everyone could make the connection. The ad appeared in February 2013 and the destinations were carefully chosen: Hong-Kong, Shanghai and Malaysian Borneo city Kota Kinabalu, where a

¹²⁸ '2015 PMAA Dragons Winners Announced!', *Marketing Magazine*, 30th September 2015

significant number of ethnic Chinese live (see the ad on <http://singpromos.com/tag/royal-brunei-airlines>).

The most important example of pre-Islamic traditions still alive and heavily celebrated is *Nowruz* or the Persian New Year, which is celebrated by millions of Muslims not only in Iran but in more than 11 countries today. This is a typical pre-Islamic tradition dating back to the Zoroastrian presence in the country and celebrates the spring equinox. In Iran, *Nowruz* is not seen as a religious celebration challenging the Islamic character of the country but rather as a historical tradition that is very much interwoven with the Persian character itself. Since the number of active Zoroastrians in the country is low and Zoroastrianism is recognised as an official religion in the country, authorities not only allow the celebration of *Nowruz*, they also mark it as a national holiday. It is quite paradoxical that Iran, despite being an Islamic Republic, celebrates *Nowruz*, a festival that dates back 5000 years and has nothing to do with Islam. *Nowruz* is celebrated for four days in Iran, making it the longest holiday in the Islamic Republic. It is also celebrated with lavish parties and galas in all countries where Iranians live such as the USA and Canada (see the announcement for the gala in Vancouver (<http://events.kodoom.com/en/vancouver-canada/norouz-gala-dido-bazdid-eid/73965/e/>) or at Beverly Hills, Los Angeles (<http://heyevent.com/venue/pvhan3zp76zdya>). Specific products are displayed for the occasion (the Seven 7 s) and billions of dollars are at stake. There are currently 75 million people in Iran and a typical household is made up of 4.8 persons, so there are 15,625,000 households in Iran. If every household in Iran buys one apple for *Nowruz*, it would mean more than 15 million apples. So there is a market for a minimum of 2430 tons of apples just for the four days of *Nowruz*.

The second pre-Islamic celebration is *Yennayer*, which is the Berber New Year celebrated all along North Africa. Contrary to the Spring Equinox for the Zoroastrians, the Berber New Year is very close to the Gregorian calendar—the calendar used in Western countries. *Yennayer* does not result in lavish celebrations in Algeria, where a significant number of Berbers live, but some form of celebration is observed in Tunisia and Morocco. Surprisingly, the biggest celebration happens in Western countries, notably France, where the Berber population is massive due to immigration (see the celebration in France: <https://www.kabyle.com/agenda/yennayer-2965-festnoz-lacb-bretagne-23848> or in Belgium: <http://www.fadma.be/agenda/nouvel-amazigh-celebre-bruxelles-yennayer-2964>). There are no specific products for *Yennayer* apart from the usual food products that are very common in North Africa such as couscous or *cherchem*. Parties are another story, and thousands gather and spend money eating, dancing and singing, with the most famous singers coming from Algeria, Morocco and Tunisia. Many companies choose to sponsor these events as their brands will be seen on posters announcing the *Yennayer* celebration in France or Belgium.

Finally, pre-Islamic, sometimes forbidden practices, still exist in animism and shamanism. Of course, Africa is the main place where *marabouts* and Islamic scholars coexist and compete, but the same phenomenon exists in Central Asia with the healers. A study from Uzbekistan shows that healing as an imaginal

encounter with spirit agents is still alive today, even more after the collapse of the Soviet Union.¹²⁹ While this practice challenges the scripturalist interpretation of Islam, both religions coexist in Makassar, Indonesia.¹³⁰ Sorcery and superstition still exist in many Islamic countries with horoscope services available in Malaysia, under the name 'Horoskop Arab' and *bomohs*¹³¹ as well as sorceress abuse reports in Abu Dhabi.¹³²

After exploring the coexistence of Islamic and pre-Islamic traditions in the same country, a special focus has to be made on competing Islamic traditions in the same country. The usual competition is the existence of *Shia* and *Sunni* communities or *Sunni* and *Ahmaddiya* communities and so on. In African countries, the *Sufi* brotherhoods coexist with the *Sunni* communities. In Senegal, famous pilgrimage places associated with *Sufism* attract hundreds of thousands of people. The Muslim holy city of Touba, the self-defined 'capital' of the Murid Sufi order in Senegal, is increasingly thriving on its global connectedness with the diffusion of the toponym 'Touba' through the naming of expatriate associations and institutions.¹³³ For *Murides*, Touba is a sacred place. As for some other *Waqfs* associated to a holy place in the Islamic world such as Mashhad in Iran, Touba constitutes an administratively autonomous zone with special legal status within Senegal. Every aspect of its city's life and growth, including education, health, supply of drinking water, public works, open markets management, land tenure and real estate development, is managed by the order independently of the state. As such, the development of business and marketing in Touba is entirely in the hands of local religious authorities. According to the Senegal Tourism Office, the *Grand Magal* annual pilgrimage attracts between one and three million people not just from Senegal but also neighbouring countries and abroad, especially the USA where *Murides* envision Touba as a sacred place. Once their religious duties are complete, devotees visit thousands of vendors who sell food, drink, religious tokens and crafts on the streets of the city. In order to reach Touba, thousands of buses and taxis operate non-stop to ferry the devotees. According to *Journal International*, 1300 policemen and 160 men from the health service are deployed, and the army gives out bread rolls and coffee to ensure the serenity of the moment. To ensure that all plates are full, 3500 tons of rice are distributed, including 2000 tons that are reserved for the poor.¹³⁴ For Senegal, it is clear that companies can capitalise on the *Sufi* tradition

¹²⁹ Johan Rasanayagam, 'Healing with Spirits and the Formation of Muslim Selfhood in Post-Soviet Uzbekistan' in *The Journal of the Royal Anthropological Institute*, Vol. 12, No. 2 (Jun., 2006), pp. 377–393

¹³⁰ William Cummings, 'Scripting Islamization: Arabic Texts in Early Modern Makassar' in *Ethnohistory*, Vol. 48, No. 4 (Fall, 2001), pp. 559–586

¹³¹ 'Not easy to use laws against black magic', *The Star*, 29th November 2010

¹³² 'Mom duped trying to save girl from 'djinn'', *Khaleej Times*, 6th May, 2014

¹³³ Linda J. Beck, 'Reining in the Marabouts? Democratization and Local Governance in Senegal' in *African Affairs*, Vol. 100, No. 401 (Oct., 2001), pp. 601–621

¹³⁴ http://www.lejournalinternational.fr/The-Grand-Magal-Senegal-s-greatest-pilgrimage_a2323.html

and *Murid* brotherhood. Other countries are not so open to Islamic diversity and tend to homogenise Islamic practices, especially in former Soviet countries. The case of Uzbekistan is indicative as, even if shamans still exist, they represent a very minor group of people, while *Sufi* masters used to have a much broader audience before the establishment of the Soviet rule. The new post-Soviet elite in Uzbekistan are trying to reduce Islam to a monolithic practice, ignoring pre-Islamic traditions (in that case the healers) and the *Sufi* legacy in Central Asia.¹³⁵ It would be much safer for companies operating in Uzbekistan to stick to the orthodox interpretation of the Hanafi school of thought rather than refer to the myriad Islamic groups that used to exist in the pre-Soviet era.

3.2.2 New Channels of Transmission of Culture: Education and Mass Media

In all Islamic countries, children spend their time in school, at home watching TV, surfing the net or communicating through social media.¹³⁶ This is why it is important for companies to see if they can influence consumer trends through education or entertainment. If children do not go to a religious school and do not talk about religion with their parents, the possibility of a company intervening in cultural matters is high because the company can be physically present in schools when children spend their time there. Companies are present physically through products provided by the schools themselves such as vending machines selling food and beverages or stationery. Brands are also visible in schools because children bring branded products with them such as smartphones, for instance, or on them such as branded clothes, shoes or school bags. The act of showing off and brand association is important to children and they do not hesitate to show them. Brands are also visible in the equipment the school has (computers, TV sets, chairs, copying machines, stationary, etc.) or through company-sponsored scholarships.¹³⁷ School commercialism or in-school marketing, which started in Western countries, is now present in Islamic countries as well. What used to be a preserved space without mercantile influence is now open for companies' presence and marketing policies. While brands are present in all schools today, their presence in some

¹³⁵ Anita Sengupt, 'The Making of a Religious Identity: Islam and the State in Uzbekistan' in *Economic and Political Weekly*, Vol. 34, No. 52 (Dec. 25–31, 1999), pp. 3649–3652

¹³⁶ According to *Your Middle East* there were in 2013 more Twitter user accounts in Saudi Arabia than in any other Middle East country (6.5 million), and more than 7.7 million Facebook active user accounts. See: http://www.yourmiddleeast.com/features/big-brother-and-social-media-in-saudi-arabia_18928 and Ibrahim M. Al-Jabri, Sadiq Sohail and Nelson Oly Ndubisi, 'Understanding the usage of global social networking sites by Arabs through the lens of uses and gratifications theory', *Journal of Service Management*, Vol. 26, N° 4 (Aug. 2015), pp. 662–680

¹³⁷ Andrew Stark, 'Pizza Hut, Domino's and Public Schools' in *Policy Review*, Issue 108 (Aug/Sep. 2001), pp. 59–71

madrasas is limited as the children wear uniforms (no visible brands on clothes and shoes) and sometimes do not have access to the Internet during school time.

Islam has a “lofty attitude” towards **education** as stated by the Islamic Educational, Scientific and Cultural Organization (ISESCO). An organisation set up by the Organization of Islamic Cooperation in Morocco, it aims to promote education within Muslim countries by “seeking to disseminate constructive educational, scientific, technical and cultural values in order to tackle the challenges and problems of our time”.¹³⁸ There is, therefore, no ideological or theological obstacle in education among Muslims. On the contrary, Muslim states are urged to develop their educational systems in order to catch up with the technological revolutions happening around the world. There has never been an injunction that girls cannot attend school. What actually exists is a diverse application of principles and religious legitimisation of restricted school enrolment for girls that is not backed by ISESCO or any Islamic country. There used to be a strong stereotype that Muslims were supposed to be more concerned about religious education and, therefore, are inclined to open more and more *madrasas* rather than sending children to secular schools. In fact, since the oil crisis in the 1970s and the emergence of a strong middle class in Islamic countries, the number of secular schools is on the rise.¹³⁹ If companies cannot go against the main tenants of Islam, they can still test the limits with borderline advertising campaigns as the new generation is more open to innovation and criticism than before.

Education for girls varies widely among Muslim countries. Iran has maintained a strong commitment to universal primary education since the fall of the Shah. Today, there are more girls than boys in colleges in Iran. Other Muslim countries with good records for educating girls exist as well, but the overall results are disappointing. The Global Gender Gap Report 2014, published by the World Economic Forum, shows the gap between women’s and men’s current access to education through ratios of women to men at primary-, secondary- and tertiary-level education.¹⁴⁰ The results show that Islamic countries are among the worst in the world. If a score of 1.000 means that girls have an equal chance to go to school as boys, countries such as Chad (score 0.574), Guinea (0.648) and Yemen (0.706) are at the bottom of the list of 174 countries compiled by the WEF. On the other hand, some Islamic countries have very good records such as Saudi Arabia (0.986), Indonesia (0.989) and Kazakhstan (0.996), ranking higher than Japan (0.978), Korea (0.964) and Singapore (0.974). In many countries, the old custom of showing a preference to boys over girls in all aspects of life, including education, still exists. In a report about Afghanistan, Oxfam quotes poverty as the main obstacle for girls going to school in Afghanistan while forced marriage or early marriage was the

¹³⁸ www.isesco.org.ma

¹³⁹ Asghar Ali Engineer, ‘Muslims and Education’ in *Economic and Political Weekly*, Vol. 36, No. 34 (Aug. 25–31, 2001), pp. 3221–3222

¹⁴⁰ http://www3.weforum.org/docs/GGGR14/GGGR_CompleteReport_2014.pdf

second reason for not sending girls to school.¹⁴¹ Two countries that continue to have serious problems are Pakistan and India. Although girls' education has been a priority in every five-year plan since Pakistan's founding in 1947, fewer than 30 % of adult women are literate today.

There is an important marketing consequence if girls do not attend school. As female members of the household are prescribers for all items that are bought for the household, packaging information, usage indications, in-store displays and communication must be adapted to the literacy level of the target audience, in this case girls who do not attend school. Contrary to some stereotypes, women have a very important role in household management in Muslim countries especially in Turkey, where they work and consider themselves to be on par with males in the society. They do not hesitate to comment on the role of their husbands in the household and label males as 'responsible' or 'irresponsible'.¹⁴² Obviously, this type of female behaviour is not the norm in a number of other Muslim countries. Companies usually rely on concrete reasoning and pictographic information when they try to reach out to this particular group of consumers.¹⁴³ What is valid for fast-moving consumer goods is also valid for services such as finance. An example from Pakistan shows how difficult it is for bankers to deal with (sometimes) illiterate Pakistani farmers in forward contracts for agricultural crops.¹⁴⁴

Religious schools (*madrasas*) and Islamic Universities are gaining more and more importance in countries where the public educational system does not exist or, if it exists, the quality is low, so everything is in the hands of the religion. In countries where *madrasas* have the upper hand, the influence of individual companies would be very low. The type of school (a secular vs a religious school) has an impact on the perception of different products because education is not only about literacy but also the fundamental knowledge given to children especially about the place of religion in the society. There was a time in Western countries when all education was in the hands of religion, and the Church, Temple or *Madrasa* was in charge of education. The type of education is important because in many Muslim countries there is a choice of sending children either to a religious school (*madrasa*) or secular one. The content and style of education is not the same. For Muslim identification, learning Arabic in a *madrasa* is definitely a plus where social strata is concerned. In some cases as in Pakistan, the educational sector has

¹⁴¹ See Oxfam: 'High Stakes, Girls' Education in Afghanistan' Joint Briefing Paper 24 February 2011, available at <https://www.oxfam.org/sites/www.oxfam.org/files/afghanistan-girls-education-022411.pdf>

¹⁴² Hale Cihan Bolak, 'When Wives are Major Providers: Culture, Gender, and Family Work', in *Gender and Society*, Vol. 11, No. 4 (Aug., 1997), pp. 409–433

¹⁴³ Madhubalan Viswanathan, José Antonio Rosa and James Harris, 'Decision Making and Coping of Functionally Illiterate Consumers and Some Implications for Marketing Management' in *Journal of Marketing*, Vol. 69, No. 1 (Jan., 2005), pp. 15–31

¹⁴⁴ Ahmad Kaleem and Saima Ahmad, 'Bankers' perception towards Bai Salam method for agriculture financing in Pakistan', in *Journal of Financial Services Marketing*, Vol. 15, N°3 (Dec. 2010), pp. 215–227

been largely privatised and religious education has been given so much room for expansion to such an extent that education is barely controlled by the state.¹⁴⁵ In another case, *madrasas* are perceived to add value to villagers in Bangladesh as learning Arabic in *madrasas* will enable students to move and find better jobs in the Gulf. In this case, there is a purely instrumental factor in receiving education from a *madrasa* instead of a secular school.¹⁴⁶

Islamic education can be obtained in school (*madrasa*) or within the family. In the second case, knowledge received in the family is more of a ritual nature rather than an essential explanation about the genesis of some cultural patterns or '*tafsir*' (exegesis of the Qur'an). Because of family transmission of culture and historical traditions, there exists a huge variety of rituals among Muslim people where the scripture is the same cohesive element.¹⁴⁷ This variety can be found in worship, sacrifice, alms, etc. In all countries where education is still mostly in the hands of religion, it will be very difficult for a company to introduce a new concept, especially if it does not follow the general teaching of the religion. One company alone cannot impose a religious change in a given country (even more in a Muslim country). If one company cannot trigger a cultural change in a given country, a concomitant action initiated by a group of companies can result in a change especially if we talk about the business culture. According to Karl Sauvant, the ability of foreign affiliates to influence and shape a host country's business culture—and through it the entire cultural and social system—is based on their direct capacity to add to and shape the production apparatus of the host country and, on the impetus they give to the creation of a supporting (foreign-controlled) business service structure geared to meet the needs of foreign affiliates.¹⁴⁸ If this analysis was valid in the 1970s when communication was not as globalised as it is today, it is even more valid now.

As far as **mass media** (TV stations, radio stations, websites, newspapers, magazines, etc.) are concerned, they usually belong to private companies. These private companies decide what cultural content is (musical shows and reality television like *Arabs Got Talent* or *Big Brother Arabia* for instance), and advertisements are omnipresent. The possibility of influencing a cultural change

¹⁴⁵ Matthew Nelson, 'Dealing with Difference: Religious Education and the Challenge of Democracy in Pakistan', in *Modern Asian Studies*, Vol. 43, No. 3 (May 2009), pp. 59–618

¹⁴⁶ Mohammad Niaz Asadullah and Nazmul Chaudhury, 'Religious Schools, Social Values, and Economic Attitudes: Evidence from Bangladesh', in *World Development*, Vol. 38, N°2 (Feb. 2010), pp. 205–217 and Nitya Rao and Munshi Hossain, 'Confronting poverty and educational inequalities: Madrasas as a strategy for contesting dominant literacy in rural Bangladesh', in *International Journal of Educational Development*, Vol. 31, N°6 (Nov. 2011), pp. 623–633

¹⁴⁷ John Bowen, 'On Scriptural Essentialism and Ritual Variation: Muslim Sacrifice in Sumatra and Morocco' in *American Ethnologist*, Vol. 19, No. 4, *Imagining Identities: Nation, Culture, and the Past* (Nov., 1992), pp. 656–671

¹⁴⁸ Karl Sauvant, 'Multinational Enterprises and the Transmission of Culture: The International Supply of Advertising Services and Business Education' in *Journal of Peace Research*, Vol. 13, No. 1 (Mar. 1976), pp. 49–65

is much higher today than before because of the availability of satellite TV channels and Internet websites and the tendency to imitate or replicate Western formats such as real TV or adapt popular shows such as *Star Academy* in the Arab lands¹⁴⁹ or *Sesame Street* with an inclusive approach in a divided Nigeria.¹⁵⁰ There is an ambiguous attitude towards Western countries, especially the USA. When interviewed, people in the Middle East usually reject the US policy in the Middle East and any cultural imperialism coming from the USA.¹⁵¹ But, at the same time, they prefer American products (including entertainment and media) over all other products. A cultural change can happen with the introduction of a specific format tailored for mass media such as talk shows like Oprah Winfrey or Ellen DeGeneres on one hand, and the introduction of TV channels on the other. In the second case, Viacom is present in many Islamic countries through MTV, Nickelodeon and Comedy Central franchises.¹⁵² These channels directly dictate what popular culture is, and very often there is few, if any, change in the global programmes. MTV is making an effort to feature local artists from the Arab lands, Indonesia and Pakistan as well as local comedy stars from the same countries. For Nickelodeon, however, the content is mainly Western (in this case American) as local productions are not strong or attractive enough to be broadcasted by Nickelodeon.

Big Brother Arabia *Big Brother: The Boss* or *Big Brother Arabia* was a short-lived show aired in 2004 by MBC (Middle East Broadcasting Centre) from Saudi Arabia. MBC expected that the entire Arab world, from Morocco to Saudi Arabia, would embrace the Dutch television programme developed by Endemol. As in all Big Brother franchises, six boys and girls from various Arab countries lived together in a big house and the audience was invited to vote for evictions until a winner is found. However, this posed a big problem due to the gender segregation in Saudi Arabia and some other Arab countries. The house was indeed segregated for the male and female housemates. They had separate bedrooms, bathrooms and prayer rooms and it was not possible for either to come and go between these areas. However, in order to maintain the dynamism of Big Brother, some parts of the house were accessible to both genders such as the kitchen and garden areas. Parts of the house (e.g. the women's bedroom) were monitored by female camera operators only. Five times a day, Big Brother would announce to the housemates the time for prayer. The show was discontinued after the first few episodes over concerns about the non-respect of gender segregation. It is assumed that since the inhabitants of the

¹⁴⁹ Marwan M. Kraidy, 'Star Academy' as Arab Political Satire' in *International Journal of Middle East Studies*, Vol. 40, No. 3 (Aug., 2008), pp. 369–371

¹⁵⁰ *Sesame Street* in Nigeria becomes *Sesame Square* and features Christian and Muslim characters, which is not easy to manage in Nigeria. See Naomi Moland, 'Can Multiculturalism Be Exported? Dilemmas on Diversity on Nigeria's Sesame Square' in *Comparative Education Review*, Vol. 59, No. 1 (Feb. 2015), pp. 1–23

¹⁵¹ Matthew Gentkow and Jesse Shapiro, 'Media, Education and Anti-Imperialism in the Muslim World' in *Journal of economic Perspectives*, Vol. 18, N°3 (Sum. 2004), pp. 117–133

¹⁵² Kerry Capell, 'The Arab World wants Its MTV' in *Businessweek*, 22 Oct 2007, pp. 79–81

big house would openly talk about religious issues, it was considered to be a dangerous initiative, keeping in mind that MBC is a Saudi broadcaster.¹⁵³

Mass media in Muslim countries used to be tightly controlled by the state after the countries gained independence. Today, the proliferation of satellite TV channels and websites makes that control more difficult. The multiplication of possibilities of information, knowledge and entertainment means there are practically no limits, even for countries that are considered to be among the most conservative, such as Saudi Arabia. The country used to have a very controlled and insulated domestic media landscape. However, recent liberalisation engendered a number of conflictual dynamics, which can be influential for consumer behaviour and consumption pattern.¹⁵⁴ The positive aspect is that Western brands are now present in all countries through mass media and the Internet. This opens the possibilities for international brands to have a higher influence in Islamic countries, a phenomenon that did not exist in the past. On the other hand, consumer identities and behaviour become more difficult to assess as consumers themselves are sometimes lost in the maelstrom of images and messages, as in the case for Iran.¹⁵⁵

All countries would like to have an influence on education and mass media as they know that these are the most important channels of transmission of culture today. As far as Islamic countries are concerned, some of them are closer to the theocratic model, such as Saudi Arabia, Islamic Republic of Iran and Islamic Republic of Pakistan, so the influence of religion on education and mass media will still be heavy. In Saudi Arabia, for instance, gender segregation continues to have a huge impact on distribution strategies and networks as well as on advertising images shown in the country. An official religious police and censorship established by the country exists under the name of the Committee for the Promotion of Virtue and the Prevention of Vice.¹⁵⁶ This Committee will closely monitor the distribution of foreign magazines and the content of TV programmes. It will especially scrutinise advertisements appearing in magazines and on TV. It is not rare to find advertisements totally barred with thick black felt pens, indicating that officials in the Committee considered the image inappropriate. All the money paid by the company is wasted in that case. In the whole GCC, readers of magazines are used to barred images. In a stroke of genius, Wonderbra decided to capitalise on this practice in a campaign in Dubai. Instead of a classical picture showing a model wearing a bra, they intentionally barred the bra (and the breast) of the model with a thick black pen and exaggerated the barring in order to emphasise that, with

¹⁵³ 'Big Brother comes to the Arab world', BBC, 22 February, 2004

¹⁵⁴ Mohamed Zayani, 'Transnational Media, Regional Politics and State Security: Saudi Arabia between Tradition and Modernity', *British Journal of Middle Eastern Studies*, Vol. 39, No. 3 (Dec. 2012), pp. 307–327

¹⁵⁵ Aliakbar Jafari, 'The Impact of Cultural Globalisation on the Interrelatedness of Identity Construction and Consumption Practices of Iranian Youth', in *Advances in Consumer Research – European Conference Proceedings*, Vol. 8 (2008), pp. 539–541

¹⁵⁶ www.pov.gov.sa

Wonderbra, breasts will appear bigger. The advertisement can be viewed on www.adforum.com/award-organization/6651680/showcase/2007/ad/6690054. As in other advertising campaigns, art directors can turn bans around by suggesting features and ideas rather than showing them outright. Today's social media (Twitter, microblogs, Instagram) gives enormous possibilities in bypassing censorship initiated by State bodies such the abovementioned Committee.¹⁵⁷ This is a huge dilemma for companies as social media is mainly used by a young, technology-savvy population that is not very much interested in mainstream media. It would make sense for all companies targeting this segment of the population to switch their advertising budget to social media. But the problem is that social media is sometimes identified as opposition groups like in Iran,¹⁵⁸ and companies may face a backlash from the official structures in the country if they are perceived to sponsor opposition social media networks.

In other secular countries like Turkey, there is no official religious police trying to force Muslims to observe rituals such as fasting during Ramadan or quitting products such as tobacco and alcohol. However, even if religious police do not exist, social pressures can be very strong, pushing people to adopt a conventional observance of rites in public even when in private the observance is not that strong. In that case, it is rather delicate for companies to openly challenge social and ritual behaviour where social pressure is strong.

3.2.3 Static Element of Culture: Language

Language falls in the category of static elements of culture not because languages are engraved in stone and cannot change. It is because the change mechanism is slow and a single company cannot influence it easily on all aspects: syntax, grammar, vocabulary, and so on. A company alone cannot change the language in a country, but a political decision can alter it significantly. This has been done in Islamic countries in at least two instances, when Turkey under Atatürk and Iran under Reza Shah initiated state-sponsored language reforms intending to purify Turkish and Persian from the Arabic influence. They set up specific institutions to do so (the Persian Academy or *Farhangestan* in Iran and the Turkish Language Society or *Türk Dil Kurumu* in Turkey).¹⁵⁹ While the first generation will usually continue to use the old language, subsequent generations, aided by compulsory public education, will gradually switch to the reformed language and marketers will follow the trend. The direct consequence of the language reform in Turkey is a shift

¹⁵⁷ 'Beat the censor', in *The Economist*, 8th February 2014, pp. 47–48

¹⁵⁸ Annabelle Sreberny and Gholam Khiabany, 'Becoming Intellectual: The Blogestan and Public Political Space in the Islamic Republic' in *British Journal of Middle Eastern Studies*, Vol. 34, No. 3, Iranian Intellectuals (1997–2007) (Dec., 2007), pp. 267–286

¹⁵⁹ John R. Perry, 'Language Reform in Turkey and Iran' in *International Journal of Middle East Studies*, Vol. 17, No. 3 (Aug. 1985), pp. 295–311

from Arabic writing to Latin alphabet so, today, it is easier for Google to reach Turkey using a Latin alphabet rather than Yandex (Cyrillic-based search engine from Russia) or Baidu from China (which uses Mandarin).

Marketers usually do not care about the status of the language in a given country. What matters most is the language consumers will use when they buy products, when they read what is written on the packaging or in the advertisements and billboards and the language they listen to on radio, television or the Internet. Language is of paramount importance to communication because of the four dimensions of language relevance in communication proposed by Schramm and Roberts.¹⁶⁰ If Singlish is spoken by the target audience in Singapore, marketers will use this language even if it does not have an official status in Singapore. The only limit is when a country supports its own language and forces marketers to translate all messages into the language of the country, including its motto and tagline, as is the case in France with the *Loi Toubon* law (after the former Minister of Culture), which was adopted in 1994. All messages in France have to be translated in French (Table 3.5).¹⁶¹

From a marketing point of view, there are three options as far as languages are concerned: a *lingua franca* (common language to several countries), several languages within a country and one country/one language system.

The use of one language in several countries is very much associated with the influence of former colonial powers. This is why there are so many countries where the official language is French, English, Spanish or Portuguese, with more or less acceptance from the population. From the list of official languages in the OIC countries, it is clear that the dominant language in the Islamic world is Arabic (22 out of 57 countries of the OIC), while the second dominant language is French (13 countries), followed by English (nine countries).

Political decisions can have a direct influence on the use of a given language. In central Asia, all countries switched to their own languages even though the majority of people still speak Russian. In North Africa, for instance, the French language was a dominant language, even after decolonisation. The enforcing of Arabic as the one and only national language has been a permanent move by the Algerian leaders after the liberation especially after the adoption of laws in 1989 and 1996 asking for the Arabisation of the country, while the change happened in 1983 in Morocco.¹⁶²

¹⁶⁰ The four aspects are: (1) the communicator's native language complemented by foreign language capability; (2) the message encoded in a particular language; (3) spoken and written language present in the channels of communication; and (4) the receiver's native language and foreign language capability. See Wilbur Schramm and Donald Roberts, *The Process of Effects of Mass Communication*, (revised edition), University of Illinois Press, 1971, 1024 pages

¹⁶¹ Christine Vanston, 'In Search of the Mot Juste: The Toubon Law and the European Union' in *Boston College International and Comparative Law Review*, Vol. 22, N°1 (Jan. 1999), pp. 175–193

¹⁶² Joshua D. Angrist and Victor Lavy, 'The Effect of a Change in Language of Instruction on the Returns to Schooling in Morocco' in *Journal of Labor Economics*, Vol. 15, No. 1, Part 2: Essays in Honor of Yoram Ben-Porath (Jan., 1997), pp. 48–76

Table 3.5 Official languages in the OIC countries

Country	Official languages (s)
Afghanistan	Pashto, Dari
Albania	Albanian
Algeria	Arabic
Azerbaijan	Azerbaijani
Bahrain	Arabic
Bangladesh	Bengali
Benin	French
Brunei	Malay
Burkina Faso	French
Cameroon	French, English
Chad	French, Arabic
Comoros	French, Comorian, Arabic
Cote d'Ivoire	French
Djibouti	French, Arabic
Egypt	Arabic
Gabon	French
Gambia	English
Ghana	English
Guinea	French
Guinea-Bissau	Portuguese
Guyana	English
Indonesia	Indonesian
Iran	Persian
Iraq	Arabic, Kurdish
Jordan	Arabic
Kazakhstan	Kazakh, Russian
Kuwait	Arabic
Kyrgyzstan	Kyrgyz, Russian
Lebanon	Arabic
Libya	Arabic
Malaysia	Malay
Maldives	Dhivehi
Mali	French
Mauritania	Arabic
Morocco	Arabic
Mozambique	Portuguese
Niger	French
Nigeria	English
Oman	Arabic
Pakistan	English, Urdu
Qatar	Arabic
Saudi Arabia	Arabic
Senegal	French

(continued)

Table 3.5 (continued)

Country	Official languages (s)
Sierra Leone	English
Somalia	Somali, Arabic
Sudan	Arabic, English
Suriname	Dutch
Syria	Arabic
Tajikistan	Tajik, Russian
Togo	French
Tunisia	Arabic
Turkey	Turkish
Turkmenistan	Turkmen
Uganda	English, Swahili
United Arab Emirates	Arabic
Uzbekistan	Uzbek
Yemen	Arabic

Source: compilation by author

According to the constitutions of Tunisia, Morocco and Algeria, Arabic is the official language of each of the three countries. Yet all three have adopted a bilingual system of education in which French dominates in the secondary schools and universities.¹⁶³ This means that Arabic is the common language but French is the language of the elite. In this case, a company will use Arabic if it sells fast-moving consumer goods addressing the majority of the population while it will turn to French when it addresses elite urban populations, for instance in the case of luxury products. A study in India focussing on the use of Hindi, English and mixed-language slogans by foreign multinational companies, indicates that the consumer perception of English and mixed language slogans for luxury goods is higher than in Hindi.¹⁶⁴ No study of this kind is available for North African countries, but empirical surveys of magazine advertisements for luxury brands in these countries show that it is practically always done in French. The opposite is true in the Gulf, where countries such as United Arab Emirates gained independence only in 1971, but advertisements for the same brands are mainly in Arabic and not in English. Even if the great majority of Emiratis speak English and accept it as a *lingua franca* for advertising, they still prefer to use Arabic as a way of preserving the Arabic language and culture.¹⁶⁵ Arabisation alienates the recognition of local languages

¹⁶³ Charles A. Micaud, 'Bilingualism in North Africa: Cultural and Sociopolitical Implications' in *The Western Political Quarterly*, Vol. 27, No. 1 (Mar., 1974), pp. 92–103

¹⁶⁴ Aradhna Krishna and Rohini Ahluwalia, 'Language Choice in Advertising to Bilinguals: Asymmetric Effects for Multinationals versus Local Firms' in *Journal of Consumer Research*, Vol. 35, No. 4 (Dec. 2008), pp. 692–705

¹⁶⁵ Catherine Nickerson and Belinda Camiciottoli, 'Business English as a Lingua Franca in Advertising Texts in the Arabian Gulf: Analyzing the Attitudes of the Emirati Community', in *Journal of Business and Technical Communication*, Vol. 27, N°3 (Jul. 2013), pp. 329–352

other than Arabic, such as the language spoken by the Berber population living in Kabylia (Amazigh). However, the policy is not the same in all Maghreb countries because, in 2004, there was the reintroduction of Amazigh in some Berber-populated areas in Morocco.¹⁶⁶

The use of Arabic as a *lingua franca* was very common in the Muslim world. As Islamic Empires developed and stretched from Andalusia in Spain to China, the Arabic language was implemented everywhere as the official language, even in the Ottoman Empire, though the rulers were mainly of Turkish descent. Arabic is the native language of more than 290 million people, mainly in the Middle East and North Africa. However, when we consider Arabic as a second language, in addition to first language speakers, the figure is closer to 420 million.¹⁶⁷ Arabic is part of the right-to-left (RTL) language family, which includes *Farsi*, *Urdu* and *Pashto*, so when it comes to machine translations, there are challenges due to the richness of metaphor, the complexity of sentence composition, and the difficulty in handling punctuation marks and special characters in editing Arabic text with HTML and XML.¹⁶⁸ This is a particular problem for companies such as Twitter. Not only did the company have to open its services to RTL languages as it did with Arabic, Farsi and Hebrew, it also had to cope with the 140-character limit.¹⁶⁹ The second problem with RTL languages is the dimension of time.¹⁷⁰ When consumers view advertisements in which product images are positioned congruently with their spatial representation of time, they have more (or less) favourable attitudes toward the product, so it becomes important for marketers to have a clear appreciation of the spatial representation of time in their advertising campaigns. The last problem common to Arabic and Farsi is font recognition and video text detecting, which are very much used in searching databases.¹⁷¹ So for marketers, there is a question of efficiency as they have to decide whether to use English or Arabic/Farsi websites

¹⁶⁶ Paul Silverstein and David Crawford, 'Amazigh Activism and the Moroccan State' in *Middle East Report*, No. 233 (Win. 2004), pp. 44–48

¹⁶⁷ Arabic language is no immune to fragmentation into different dialects, the number of them so great that it necessitates a four-volume *Encyclopaedia of Arabic Language and Linguistics*, edited by Kees Versteegh, Leiden: Brill, 2008.

¹⁶⁸ Manal Amin, 'The challenges of Arabic MT' in *Multilingual*, Vol. 20, N°6 (Sep. 2009), pp. 38–40

¹⁶⁹ 'Support for Right-to-Left Languages Comes to Twitter' in *PC Magazine*, March 2012 and 'Twitter Adds Support For Arabic, Farsi, Hebrew and Urdu, Now Available In 28 Languages' in *Adweek*, March 7, 2012 available at <http://www.adweek.com/socialtimes/twitter-right-to-left-languages/460725>

¹⁷⁰ Boyoun Chae and JoAndrea Hogg, 'The Future Looks "Right": Effects of the Horizontal Location of Advertising Images on Product Attitude' in *Journal of Consumer Research*, Vol. 40, N°2 (Aug. 2013), pp. 223–238

¹⁷¹ Hamzah Luqman, Sabri Mahmoud and Sameh Awaida, 'Arabic and Farsi Font Recognition: Survey' in *International Journal of Pattern Recognition & Artificial Intelligence*, Vol. 29, N° 1, (Feb. 2015), pp. 1–23 and Mohieddin Moradi and Saeed Mozaffari, 'Hybrid approach for Farsi/Arabic text detection and localisation in video frames' in *IET Image Processing*, Vol. 7, N° 2, (Mar. 2013), pp. 154–164.

and translations due to the limited number of hits appearing on the first page of a research engine list.

It is understood that Arabic is the main language in the Arab lands. However, as in the case of Amazigh in North Africa, some other (minority) languages still coexist with Arabic. This is the case for Swahili-speaking Omanis, who returned from Zanzibar and East Africa,¹⁷² as well as the use of Kurdish in many Arabic countries such as Iraq or Syria. The use of minority language in advertising is required when the community is isolated and does not speak the official language of the country. However, the example of Spanish for Hispanics in the USA shows that advertising exclusively in Spanish has a decreased effect towards the advertisement.¹⁷³ Despite this, it has not prevented companies in the USA from continuing to use the minority language on the assumption that a native-language advertisement is more likely to elicit self-referent thoughts about family, friends, home or homeland, which, in turn, may lead to more positive attitude measures and behavioural intentions.¹⁷⁴

The situation in the USA is different from Syria or Iraq, so it remains to be seen if the same effect will be experienced in these two countries if a company communicates in Kurdish as a minority language. Finally, as the language is also the liturgical language of Islam, because the Qur'an has been written in Arabic and in all mosques around the world the recitation of the Qur'an is still done in Arabic, it makes it exposed to 1.6 billion people even if the majority do not speak Arabic fluently. The real test for spreading Arabic would be to use it in Western countries where Arabic-speaking populations live, especially in Europe, North America and Australia. A test has been done by bus company Tisséo in Toulouse, France. The company decided to translate a verse from the Portuguese poet Miguel Torga in six languages, including Arabic, and post them on their buses. The verse in question is 'Universal is local without walls', but it was not translated in French. No one noticed the other five translations, except for the Arabic one, which initiated a harsh debate, indicating that using Arabic for communication in France is not easily accepted.¹⁷⁵

There are also other languages originating from Islamic countries, which have spread to several countries as well. Four cases are worth mentioning. The first one is the case of the Malay/Indonesian language called *Bahasa*. Differences between the Malay and Indonesian variant are very small, so the same language can be used in Singapore, Brunei and parts of the Philippines and Thailand where Bahasa-

¹⁷² Marc Valeri, 'Nation-Building and Communities in Oman since 1970: The Swahili-Speaking Omani in Search of Identity' in *African Affairs*, Vol. 106, No. 424 (Jul., 2007), pp. 479–496

¹⁷³ Scott Koslow, Prem Shamdasani and Ellen Touchstone, 'Exploring Language Effects in Ethnic Advertising: A Sociolinguistic Perspective' in *Journal of Consumer Research*, Vol. 20, No. 4 (Mar., 1994), pp. 575–585

¹⁷⁴ Jaime Noriega and Edward Blair, 'Advertising to Bilinguals: Does the Language of Advertising Influence the Nature of Thoughts?' in *Journal of Marketing*, Vol. 72, No. 5 (Sep., 2008), pp. 69–83

¹⁷⁵ 'A Toulouse, une pub en arabe passe moins bien qu'en norvégien ou en martien', *La Dépêche du Midi*, 14th March, 2015

speaking communities exist. Bahasa Melayu is the official language of Malaysia, Indonesia (under the name Bahasa Indonesia), Brunei and Singapore (one of the four official languages of Singapore). It has been used as a homogenisation policy after independence, allowing all people to communicate and build a nation.¹⁷⁶ The total number of people speaking Bahasa is estimated at 270 million. In Indonesia, it is the native language for only 23 million people. However, it is the second language for more than 140 million people, so marketers use Bahasa aggressively when they address the entire Indonesian market except for localised products and services. In that case, one of the 700 languages in Indonesia can be used. This is why Nestlé can use the same packaging in several countries in South East Asia by putting only two languages on them: English and Bahasa. Bahasa is used to address the entire population in these two countries, while English is spoken by an elite population, so companies have to choose between the two languages.¹⁷⁷ The third language in both countries is Mandarin. Even if the Chinese represent minority populations in both countries, it is a very wealthy minority, so companies use disproportionate budgets (when compared to the number of people) for communicating in Mandarin in Malaysia and Indonesia. In short, companies would opt for English so no community would feel offended, as proven by a study conducted in Malaysia comparing how Malays and Indians react to an advertisement in English in Malaysia.¹⁷⁸

The second is the Turkish language. Spoken as an official language in Turkey and some areas of Cyprus and Macedonia, the Istanbul dialect is a language spoken by about 70 million people. However, if we add the group of Turkic languages spoken in Caucasus and Central Asia as well as the Middle East, the total number of people speaking one form of Turkic language is close to 170 million. It is not only present in Turkey but also in former Soviet republics such as Kazakhstan, Turkmenistan, Kyrgyzstan, Azerbaijan and Uzbekistan. For many people living in these countries, identifying a first language is difficult because the community-building process is not necessarily based on a language as David Latin mentioned from analysing six post-Soviet republics.¹⁷⁹ During the Soviet era, Turkic languages have been gradually pushed aside in place of Russian. However, since the independence of Central Asian countries, the Turkish language is slowly

¹⁷⁶ Thomas Williamson, 'Incorporating a Malaysian Nation' in *Cultural Anthropology*, Vol. 17, No. 3, (Aug., 2002), pp. 401–430

¹⁷⁷ Putting several languages on the packaging may increase consumers' value perception as it is demonstrated by Mahesh Gopinath, Myron Glassman and Prashanth Nyer, 'How Culture of Targeting Impacts the Evaluation of Products with Multilingual Packaging', *Psychology and Marketing*, Vol. 30, N°6 (Jun. 2013), pp. 490–500

¹⁷⁸ Ernest de Run, Elanjothi Manickam and Jee Teck-Weng, 'Testing Real World Advertisements Languages Cues Impact on Dominant and Non-Dominant Ethnic Groups: Comparing Malays and Indians in Malaysia' in *International Journal of Business & Society*, Vol. 11, N°2, (Jul. 2010) pp. 71–86

¹⁷⁹ David Laitin, 'What Is a Language Community?' in *American Journal of Political Science*, Vol. 44, No. 1 (Jan., 2000), pp. 142–155

returning, under the influence of Turkey and its soft power in the form of TV series, among other things. The total number of people who speak one form of Turkic language as their first or second language is close to 200 million, including those who live in Western countries such as Germany, which has an important Turkish population. Since the Turkish language is written in a Latin script contrary to Arabic or Urdu, it is easier for foreign companies to adapt their websites to this script compared, for instance, to the complexities of the Arabic language in machine translation. MNC websites in Turkey only translate their original websites and do not adapt the content to local conditions.¹⁸⁰

Other languages also overlap countries, as is the case for Urdu, which is spoken in Pakistan and India. Even if Urdu is the mother tongue of only 7% of Pakistani inhabitants, it has become the official language of the country and a lingua franca due to the variety of different indigenous languages. Urdu is also used in Muslim-populated areas of India. As the language is very close to Hindi, it would be possible for companies to use Urdu when they target Hindi-speaking populations living together with Urdu-speaking populations in India. In addition, Urdu is a common language in the Gulf, especially in the UAE and Saudi Arabia because of the high number of foreign workers who live there. All in all, Urdu is spoken by 65 million native Urdu speakers in Pakistan and India, and 94 million more use it as a second language, mainly in Pakistan. The issue of languages between India and Pakistan or within India and Pakistan have always been delicate because language has had openly political consequences. If a company communicates in Urdu in parts of India where there is a low number of Urdu-speakers, it will not be easily accepted, contrary to the use of Punjabi, which is spoken by about 100 million people and enjoys a real acceptance in both countries,¹⁸¹ making it possible to use while targeting some parts of India and Pakistan. Movies, magazines and TV channels usually target populations on both sides of the border with common languages. Marketers use Urdu in order to reach all those using Urdu as a first or second language, so the most popular advertisements in Urdu are classified ads in local newspapers. An example from Kashmir in 2014 shows that *Kashmir Uzma*, the leading daily in Urdu, had 18 poll-related advertisements and *Daily Aftab* had 17 poll-related advertisements, while the leading newspaper in English, *Greater Kashmir*, received only four advertisements. One of the biggest advertisements in Greater Kashmir was issued by Finance Minister and National Conference candidate from Chrar-e-Sharief Abdul Rahim Rather. He, however, used the Urdu language for the advertisement in the English newspaper.¹⁸² It is clear that if companies want to reach the greatest audience in the valley, they have to issue

¹⁸⁰ Ramazan Nacar and Sebnem Burnaz, 'A cultural content analysis of multinational companies' web sites' in *Qualitative Market Research: An International Journal*, Vol. 14 No. 3, (2011), pp. 274–288

¹⁸¹ Alyssa Ayres, 'Language, the Nation, and Symbolic Capital: The Case of Punjab', in *The Journal of Asian Studies*, Vol. 67, No. 3 (Aug., 2008), pp. 917–946

¹⁸² 'Candidates in Kashmir prefer Urdu newspapers for poll ads' in *The Indian Express*, 7th December 2014

advertisements in Urdu, even in an English newspaper. As Tahir Naovi puts it, companies have to ‘vernacularise’ their advertisements, even for the most famous ones such as Coca Cola in their campaigns in Pakistan.¹⁸³ Urdu is the official language and *lingua franca* in Pakistan, so companies feel safe using it. However, since Urdu itself is a minority language and a symbol of Pakistani identity and national integration, other ethnic groups may perceive it as yet another form of colonisation.¹⁸⁴ So, the dilemma for the marketer is to choose between a politically safe situation (using Urdu) and differentiated language strategy to be closer to different ethnic groups in Pakistan (using other languages such as Punjabi or Pashto as provincial languages or Brahui or Saraiki as regional languages).

Farsi or Persian is another *lingua franca* as it is the official language in three countries (Iran, Afghanistan under the name Dari Persian and Tajikistan under the name Tajiki Persian), in addition to sizeable minorities in Iraq, Azerbaijan and some Gulf states. All in all, about 110 million people speak Farsi in Iran and Azerbaijan. The place of the English language in Iran is controversial as the language is associated with the USA. If before the Islamic revolution Iran was the most Americanised country in the Middle East, the pendulum swung back to the opposite direction in the 1980s. The situation today is different from that of the 1980s, and there is more and more acceptance of English within the country especially in the advertising industry. In an analysis of the *Khanevadeh Sabz* and *Zendegi* magazines published in Iran, results indicate that English has consistently been utilised in Persian magazine advertisements, representing attention-getting, persuasion, international brands, prestige, modernity, globalisation, premium quality, fun, innovation and creativity.¹⁸⁵ However, English is only employed to introduce the name and email address of a company, and when slogans in English appear in Persian magazine advertisements, they mostly consist of easy-to-read vocabulary. All four methods are used in Iran: *ST-based* (in which the translator translates all words of an English advertisement but changes some parts to adjust it according to Persian language), *Literal translation* (in which the translator translates all the words of an English advertisement but keeps the format of the English advertisement to show its foreignness), *TT-based translation* (in which the translator retains the meaning of English advertisement but uses another form to express it in Persian or presents the advertisement in another form that conveys the same meaning) and *Transference* (untranslated retention of the original, which highlights the foreignness of the product being advertised and relies on the source culture’s attractiveness to the target audience).¹⁸⁶ Creativity in advertisements in

¹⁸³ Tahir Naovi, ‘Cultural Politics of Hope and Coke: Media, Marketing and Citizenship in Pakistan’ in *Economic and Political Weekly*, Vol. 40, N°40 (Oct. 2005), pp. 4316–4319

¹⁸⁴ Tariq Rahman, ‘Language, Power and Ideology’ in *Economic and Political Weekly*, Vol. 37, No. 44/45 (Nov. 2–15, 2002), pp. 4556–4560

¹⁸⁵ Gooniband Shooshtari Zohreh and Allahbakhsh Monireh, ‘Mixing English in Persian Print Advertising Discourse’ in *International Journal of Society, Culture and Language*, Vol. 1, N°2 (Jun. 2013), pp. 82–103

¹⁸⁶ Najme Bahrami Nazarabadi, ‘Strategies for translation of English advertisement into Persian’, May 2010 available at <http://www.translationdirectory.com/articles/article2157.php>

Iran as well as in other Islamic countries is a necessity because marketers have to reconcile two types of competing and conflicting ideologies: one based on advertising and the other inspired by Islamic values. In post-revolutionary Iran for instance, advertisers are not allowed to manipulate the pictures of women for their intended publicity of commercial products, so they will employ pictorial metaphors to redress the balance.¹⁸⁷

The implications of using a *lingua franca* for business is obvious. If a company can use the same packaging and communication campaign from one country to the other, it will reduce its costs. If French is used as a *lingua franca* in all francophone countries (including Islamic countries in Africa), Arabic, Turkish, Bahasa or Urdu can also be used as *lingua franca*.

A Modern Tower of Babel: Western Union The issue of language is very important for companies such as Western Union (WU) because they target populations in the language that they speak and not necessarily in the official language of a given country. This is why, WU will address the Pakistani minority in Urdu in the UK, the Algerian population in France in Arabic/French and the Turkish population in Germany in Turkish. All their leaflets are carefully crafted in the language people speak and the personnel working for Western Union will usually speak the language of their clients. As there is no common language for the Muslim population living in any Western country (people speaking Arabic will cohabit with people speaking Turkish in France, Germany or Belgium; people speaking Urdu will cohabit with people speaking Bengali in the UK), Western Union has emerged as a company that practises real ethnic marketing in all the countries in which it operates. There is probably no other company in the world with a wider network of operations. Today, the company is present in 200 countries (more members than the United Nations) with a total of 500,000 agent locations, so they practically speak all the languages their customers speak. As some Islamic countries are among the poorest in the world, Western Union is transferring money to them via local agents who must speak the local languages.

Source: Western Union company facts at http://corporate.westernunion.com/Corporate_Fact_Sheet.html

The second possibility is when there are several languages in use in one country. Many Islamic countries are in this situation where the official language that serves as the *lingua franca* is in fact the native language for a minority of the population in Indonesia (Bahasa) and Pakistan (Urdu). In other cases, the official language (when there is just one) is dominant but there are still dozens of different languages within the country. This happens in Asia, with India as the most prominent example,¹⁸⁸ but

¹⁸⁷ Mohammad Amouzadeh and Manoochehr Tavangar, 'Decoding pictorial metaphor Ideologies in Persian commercial advertising' in *International Journal of Cultural Studies*, Vol. 7, N°2 (2004), pp. 147–174

¹⁸⁸ Tej Bhatia, 'Advertising in rural India: Language, Marketing Communication and Consumerism', Tokyo, Tokyo University of Foreign Studies, 2000, 333 pages

also in Nigeria as there are more than 180 languages in the country and three of them serve as *lingua franca*—hausa, igbo and yaruba—when it comes to indigenous languages.¹⁸⁹ To this list of indigenous languages, English has to be added for the upper-class Nigerians. This means that many people in Nigeria speak several languages so, depending on the target and positioning of the brand, a language or several languages will be used in the country. It is in the interest of a company to reduce the number of languages on its packaging and in its distribution and communication campaigns, but it happens very often on some Indonesian islands or tribal areas in Pakistan that people do not speak the official language of the country at all. In that case, the use of the local language, especially in communication (both visual and oral), is a necessity.

Finally, the case of just one language per country is practically non-existent. Of course, Arabic is used in many MENA countries with a high percentage of people speaking only Arabic. If we take the example of Saudi Arabia, one of the most homogenous Islamic countries where Arabic is spoken by the native population, we still have expatriate communities that speak their own language such as Tagalog (from the Philippines), Rohingya (from Myanmar) or Urdu. Since these languages are completely different from Arabic, it is rather rare to find people originating from the Philippines speaking Arabic fluently (and especially writing and reading it). As a result, ethnic marketing based on language should be adopted when there are non-Muslim communities living in Islamic countries such as Manilatowns in Sabah, Kuala Lumpur in Malaysia, the districts of Karama and Satwa in Dubai or Al-Khobar in Saudi Arabia. Similarly, Muslim expatriate populations live side by side with native Muslim populations but speak a different language in areas, such as Little Pakistans in Penang, Kuala Lumpur in Malaysia, Muscat in Oman or Jeddah in Saudi Arabia, with their own products, sellers and buyers and communication campaigns.

Owing to the availability of the Internet and satellite TV channels, there is no real need for Filipinos and Pakistanis to adapt to the local conditions in Saudi Arabia, especially if they do not plan to settle permanently in the country. They will continue to practice their native language, and marketers will address them in this language. As for the diaspora living in countries with melting-pot practices such as the USA or Canada, the tendency to learn the host language is strong and marketers can use an undifferentiated approach with the same language (English mostly and sometimes French for Quebec or Spanish in some American states) as they do for the other populations living there.

After examining the static elements of culture, we will now focus on dynamic elements of culture. The dynamic elements of culture do not face a high resistance to change.¹⁹⁰ On the contrary, change is welcome, especially in the case of art,

¹⁸⁹ Mobolaji A. Adekunle, 'Multilingualism and Language Function in Nigeria' in *African Studies Review*, Vol. 15, No. 2 (Sep., 1972), pp. 185–207

¹⁹⁰ Ben Halpern, 'The Dynamic Elements of Culture' in *Ethics*, Vol. 65, No. 4 (Jul., 1955), pp. 235–249

fashion and entertainment. In that case, consumers always look for something new and actively search for novelties. One example of change factors is fast-food as it introduces a change in how a meal is conceived, who is preparing it, who is serving it and how much time we spend on a meal. The introduction of the fast-food concept changes all that and if, in some countries such as France, the introduction of the American fast-food concept was not easy, this was not the case in a series of Muslim countries where it was very much welcomed, such as the case in Egypt.¹⁹¹

3.2.4 Dynamic Elements of Culture: Art, Symbols of Beauty and Fashion

In this section, we will focus on three dynamic elements of culture: art, because different forms of art (whether it be literature, sculpture or theatre) rely on creativity and this, in turn, can induce a cultural change in a given country; symbols of beauty, because this will induce a change as to how people perceive themselves and their body and boost some businesses such as plastic surgery or cosmetics; and fashion, which does not focus on the body itself but on clothes, shoes and other accessories.

3.2.4.1 Arts

As Luis Furqan points out, there is no secular art as opposed to religious art for Muslims. There is no secular politics that are different in jurisdiction or goal from religious politics, and no secular actions that are in contrast or in opposition to religious duties.¹⁹² The Muslim considers his life to be a unity. His religious ideology is, at the same time, a political, economic, social and aesthetic ideology. In that sense, religious art and secular art are not opposed as it is in Western countries. There are no specific places and times for religious art, it is present in the everyday activities of a Muslim. It also means that art is present everywhere and not only in museums, theatres or libraries. This is why themes such as faith and love can be present in the same place and at the same time. It might be disturbing from a Western point of view but marketers are invited to use all sorts of arts (including 'religious art') in the business life or in advertising for instance. In Western countries, companies would refrain from using religious references for various reasons while, in an Islamic country, religion is part of the everyday life so artistic 'religious' references in the business world do not pose a problem.

Arts are usually divided into three categories: visual arts, literary arts and performing arts. The list of different arts evolves over time but classical arts still

¹⁹¹ Marko Grunhagen, Carl Witte and Pryor Susic, 'Effect of US-based franchising in the developing world: a middle-eastern consumer perspective', in *Journal of Consumer Behaviour*, Vol. 9, N°1 (Jan/Feb 2010), pp. 1–17

¹⁹² Lois al Faruqi, 'The Aesthetics of Islamic Art' in *The Journal of Aesthetics and Art Criticism*, Vol. 35, No. 3 (Spr. 1977), pp. 353–355

remain the most important ones. In this section, we will refer to two classical representations of arts such as drawing and music and a modern type of art: cinema.

The question of drawing, especially pictorial art, does not pose a problem in Islam, except in the case of the representation of human features, which could lead to idolatry.¹⁹³ This question is hotly disputed by the *Shia* believers. Human bodies are routinely represented, even for Ali and his sons Hasan and Hussain, on murals, flags, the Internet and elsewhere. There is, today, a large consensus within *Sunni* Islam not to represent the human body in art, especially Allah or Muhammad. When cameras and TV sets appeared on the market for the first time, there was a dilemma if these new devices were in fact idolatrous products. Should they be condemned as such or not? Polaroid and Kodak introduced a cultural change at that time. They made representations of the human body available to everyone. Today, this problem does not exist and all audio-visual devices are authorised everywhere, even if some groups like the Taleban still have a defiant stance towards anything associated with a representation of the human body.

The Taleban forbade the use of TV and cinema (the 7th Art) in spite of the fact that in many Muslim countries cinema is extremely well present. Inspired by Bollywood success, cinema in Pakistan and Bangladesh has garnered a great number of followers, and local industries such as Lollywood (cinema industry from Lahore in Pakistan) and Dhaliwood (cinema industry from Dhaka in Bangladesh) produce a fair number of films per year. The peculiarity of Bollywood is that it addresses the entire Indian subcontinent and there are no differences between Muslims, Hindus, Christians or Sikhs. They all watch Bollywood movies because of the shared elements: the language adaptation, the centrality of the family and styles and codes in the movies. Bollywood is a global phenomenon because it follows people originating from India in all countries where these people live, whether it be the Gulf or the UK.¹⁹⁴ On another continent, Nigeria is the largest movie-making country in Africa (the industry is nicknamed Nollywood) and, if the number of movies produced is huge (more than 900 per annum) compared to the number of screens in the country (about 100), this is because the majority of movies are made for the video market or for TV channels for the whole African market.¹⁹⁵ The unprecedented rise of Nollywood in the past two decades attests to its success in uniquely telling African stories from the perspectives of Africans, a storytelling role that had for too long been left in the hands of many who portrayed the continent as the bastion of dangers and backwaters of human civilisation. Finally, in Iran, the movie industry suffered an initial blow after the Islamic Revolution but, gradually, restrictions have been lifted and the Iranian cinema industry today is one of the

¹⁹³ The reference to idolatry is present in the Qur'an mainly in verse 6.74 'Lo! Abraham said to his father Azar: "Takest thou idols for gods? For I see thee and thy people in manifest error"

¹⁹⁴ Nazima Parveen, 'Hindi and South Asian Communities in UK' in *Economic and Political Weekly*, Vol. 38, No. 36 (Sep. 6–12, 2003), pp. 3753–3754

¹⁹⁵ Olabanji Akinola, 'The Rebirth of a Nation: Nollywood and the Remaking of Modern Nigeria' in *The Global South*, Vol. 7, No. 1, Nollywood and the Global South (Spr. 2013), pp. 11–29

Table 3.6 Snapshot of the most important Muslim countries in the film industry

Country	Number of screens	Produced films	Admissions	Turn over in millions of US\$
Nigeria	100	987	460,083	800
Bangladesh	425	78	43,450,000	6
Pakistan	319	35	n/a	15
Iran	428	26	18,332,000	28
Turkey	2093	61	43,935,000	234
Egypt	294	42	31,000,000	74
Malaysia	639	26	59,500,000	167
Indonesia	763	75	27,900,000	114

Source: various sources compiled by author

most intriguing in the world and quite polemical in Iran itself.¹⁹⁶ Iranian films are regularly broadcasted in the most important movie festivals in the world, much more than any other productions coming from the Muslim world. Egyptian, Turkish (*Yesilcam*), and Malay/Indonesian cinema also draw a large number of followers. In all, cinema in the Muslim world is very much alive, and can give marketers opportunities in investing either as pure advertisements or product placement in movies. Bollywood is famous for its product placement because it started as early as the 1960's with brands such as Coca Cola and ended with McDonald's and Pizza Hut.¹⁹⁷ Nollywood movies resisted for years to product placement but they too surrendered recently with three scenes dedicated solely to the advertisement of Procter & Gamble in *Finding Mercy* (2013) or Unilever brands in *Jenifa 3* (2011).¹⁹⁸ Product placement is popular and it represents more than 50 % of revenues for Nollywood producers. As they want to be part of the global industry, they need bigger budgets and bigger revenues, so product placement is here to stay (Table 3.6).¹⁹⁹

According to the figures above, Nigeria produces the biggest number of movies but the average turnover per movie is about US\$ 80,000, while Turkey produces only 61 movies per year but the average turnover per movie is more than US\$ 384,000. The champion, however, is Malaysia with an average turnover per movie of US\$ 6.4 million.

¹⁹⁶ Ziba Mir-Hosseini, 'Iranian Cinema: Art, Society and the State, *Middle East Report*, No. 219 (Sum. 2001), pp. 26–29 and S. Zeydabadi-Nejad, 'Iranian Intellectuals and Contact with the West: The Case of Iranian Cinema' in *British Journal of Middle Eastern Studies*, Vol. 34, No. 3, Iranian Intellectuals (1997–2007) (Dec., 2007), pp. 375–398

¹⁹⁷ Bimaldeep Kaur, 'Product Placement in Movies: The Bollywood Experience' in *Global Journal of Finance and Management*, Vol. 6, N° 1 (2014), pp. 53–58

¹⁹⁸ Efeturi Doghudje, 'Product Placement in Nollywood: "Got to have it" or "Make it stop," in *Premium Times*, March 1, 2014

¹⁹⁹ Kunle Afolayan, "New Nollywood" in *Black Camera*, Vol. 5, No. 2 (Spr. 2014), pp. 53–73

One form of art is especially praised in all Islamic countries: calligraphy, the representation of nature and geometrical patterns. All buildings in the Muslim world have some sort of geometrical or floral decoration, and this form of art has been recognised as outstanding by the outside world. Many companies use these references for their campaigns especially in Islamic banking, where banks rely only on geometrical patterns to communicate their *Shariah*-compliant or *Shariah*-based products and services. A special edition centred on calligraphy (mainly Arabic calligraphy) and marketing is available on <http://desigg.com/creativity-collection-in-calligraphy> and <https://www.behance.net/gallery/4892549/calligraphy-poster>

Literature, and especially poetry, in Islam is very much praised. This is because the Qur'an itself is considered to be an aesthetic production *par excellence* from a literal and poetic point of view. Many stories talk about people who converted to Islam only because of the beauty of the recitation. This is why the Qur'an recitation is an encouraged activity and many contests exist not only for remembrance of the Qur'an but also the melody used in its recitation. Literature and poetry refer as much to the practice before and after the advent of Islam. It is not rare to find famous poets from the pre-Islamic time being performed publicly in some countries, especially the pre-Islamic *qasidah* form of poetry.²⁰⁰

3.2.4.2 Music

Music has extensively been used in marketing for communication purposes on radio, television, cinema and, now, on the Internet. It is also an integral part of the retail environment, with the aim of creating a specific retail experience and keeping consumers longer at the point of sale.²⁰¹ It is, therefore, not a surprise if companies invest in music as they invest in other important segments such as message in communication or Point-of-Purchase displays.

What is valid for Western countries should be valid for Islamic countries as well. However, music is a controversial subject as a minority of Muslims abstain from all forms of music as it can make believers lose their mind. For them, all forms of music are banned and, if music is accepted, it can only be vocal or with traditional instruments. In that case, the theme can only be a spiritual one and this has given birth to a variety of songs called *nasheed* or *ilahije* (the term used in Balkan area). Spiritual Islamic music is especially cherished by the *Sufis*, and they are gaining more and more global visibility as shown by performances of the *mawlawiyya*, or "Whirling Dervish," music and dance by ensembles from Turkey, Malaysia and Syria, and singers and musicians from the Balkans (mainly Albanian and Bosnian ensembles) as in the example of Nesidu-l-huda (the Bosnian variant of *nasheed*).²⁰²

²⁰⁰ Suzanne Pinckney Stetkevych, ed., *Reorientations: Arabic and Persian Poetry*, Bloomington, 1994, 269 pages and Michael Zwettler, *The Oral Tradition of Arabic Poetry: Its Character and Implication*, Ohio State University Press, 1978, 310 pages

²⁰¹ Gordon Bruner II, 'Music, Mood, and Marketing' in *Journal of Marketing*, Vol. 54, No. 4 (Oct., 1990), pp. 94–104

²⁰² Jonathan Shannon, 'Sultans of Spin: Syrian Sacred Music on the World Stage' in *American Anthropologist*, Vol. 105, N°2 (Jun. 2003), pp. 266–277

Dervishes are present in all former Ottoman Empire lands and especially in the Balkans, after they were expelled by Atatürk. This is why there are so many of them in Albania and in all Albanian-populated areas such as Kosovo, Montenegro or Macedonia.

Using music to spread Islam, especially in Africa, was very common and effective. This is due to the remarkable diversity of Islamic sonic forms, as ritual practices adapt to local socio-cultural. The flexibility of Islamic music plays a critical role in such adaptations as musical materials stemming from the Middle East fuse with local musical structures to create “unity in diversity”, which characterises Islam in Africa. Musical fusion may be attributed to a strong oral tradition coupled with decentralised religious authority, particularly in *Sunni* Islam, imposing minimal formal ritual and doctrine.²⁰³ Musical fusion is also an essential element in Indian music, which culminated in Northern India in the nineteenth century. According to Jon Barlow and Lakshmi Subramanian, Indo-Islamic Hindustani music originates from a unique blending of *Sufi* mystical practices and Hindu devotional music.²⁰⁴ This is why a leading *ghazali* (love song) *Sufi* singer and composer such as A R Rahman is not only well accepted by the Muslims but the whole Indian population. While he is most known for film song-writing, his concerts of *Sufi* music and songs attracted thousands of people, whether in Sydney or Dubai, during the *Sufi* Weekend in 2014.²⁰⁵ For marketers, this is good news because they do not have to differentiate music according to the communities of consumers they want to serve. Another example of blending is the emergence of *rai* music in North Africa and especially in Algeria.²⁰⁶ At one time forbidden in Algeria because of its controversial lyrics, this music also combines Western and Eastern influences, and singers usually switch from Arabic to French so, to some extent, *rai* singers are popular even within a non-Arabic speaking population. As such, marketers can use some famous *rai* singers such as Cheb Khaled, Cheb Mami, Cheb Halid or Cheb Sahraoui. The usual marketing association with singers is to sponsor their concerts. An example is the sponsorship of Cheb Khaled’s return to the stage in Algiers in 2014. The sponsor was Ooredoo, the biggest mobile telephone network in Algeria.²⁰⁷

²⁰³ Michael Frishkopf, ‘Islamic Music in Africa’ as a Tool for African Studies’ in *Canadian Journal of African Studies/Revue Canadienne des Études Africaines*, Vol. 42, No. 2/3, Engaging with a Legacy: Nehemia Levtzion (1935–2003) (2008), pp. 478–507

²⁰⁴ Jon Barlow and Lakshmi Subramanian, ‘Music and Society in North India: From the Mughals to the Mutiny’ in *Economic and Political Weekly*, Vol. 42, No. 19 (May 12–18, 2007), pp. 1779–1787

²⁰⁵ ‘AR Rahman delights a capacity crowd with a night of classic Sufi favourites’, *The National*, 20th December 2014

²⁰⁶ Hana Noor Al-Deen, ‘The Evolution of Rai Music’ in *Journal of Black Studies*, Vol. 35, No. 5 (May., 2005), pp. 597–611

²⁰⁷ <http://www.ooredoo.dz/ooredoo/media-rp/communiqués-de-presse/ooredoo-sponsor-officiel-du-concert-evenement-de-cheb-khaled/>

The second option for marketers is to launch their own music channel or TV show. This is the strategy used by Coca-Cola in several countries, including Pakistan and the Middle East. Under the name Coke Studio, Coca-Cola puts together local and international artists. Coca-Cola is, of course, the sole brand present during the show, capturing the entire audience. And the audience can be huge as the Facebook page of Coke Studio Middle East has more than 5,200,000 likes, while Coke Studio in Pakistan has more than 6,000,000 likes in January 2016. The effect of Coke Studio in Pakistan has a direct effect on sales and market shares. According to *The Wall Street Journal*, Coca-Cola seriously challenges the dominant position of Pepsi Cola (30 % against 65 % of market share) and one clear strategy for Coca-Cola is to use Coke Studio in approaching Pepsi.²⁰⁸

The majority of Muslims accept all kinds of music, even those from Western countries (MTV is popular among all Muslims worldwide), and song contests such as *American Idol* or *Arabs Got Talent* in the Arab world are extremely appreciated. In 2013, *Arabs Got Talent* featured an American singer, Jennifer Grout, who did not speak Arabic learned an Arabic song by heart. She made a ground-breaking debut as she entered the finals and the whole audience was supportive of her efforts.²⁰⁹ As a guide to the matter, a *fatwa* from the Grand Mufti of Al-Azhar stipulates that listening to music and performing it is allowed unless it leads to sinful and *haram* activities.²¹⁰ The musical scene today is extremely varied between traditional singers such as Imad Rami from Syria, Ahmed Bukhatir from United Arab Emirates, bands such as Le Silence des Mosquées from France and newcomers such as Mahir Zain from Sweden, Sami Yusuf from Iran/Azerbaijan and the Raihan band from Malaysia. For many of them, songs and music are the best way to ensure *da'wa*, the spread of Islam worldwide because the Qur'an itself is meant to be recited in a melodious voice (taghamni), albeit without exaggeration and in a natural manner and without training in accordance to the rules of music. For many, drawing a line between 'singing' the Qur'an and reciting it beautifully is not easy.²¹¹

There is no official list of the best singers in the Muslim world. However, by looking at a number of websites proposing their list of the most preferred singers, there is a compilation. It does not mean that all of them sing purely Islamic music the way Kamal Uddin from the UK or Ahmed Bukhatir do without any instruments. Many of them sing Oriental-style songs or hip-hop and rap, but they are considered the biggest influencers today, especially for a young audience. Any company

²⁰⁸ Natalie Zmuda, 'Pakistan's Image Hits Positive Note thanks to 'Coke Studio' in *Advertising Age*, 13th June, 2011, 'Coke Gains on Pepsi in Pakistan: 15 Bottles per person and Counting' in *The Wall Street Journal – Eastern Edition*, 21 July 2010 and <https://www.facebook.com/CokeStudioBel3arabi> and <http://www.cokestudio.com.pk/season7/>

²⁰⁹ 'Show Discovers Surprising New face in Arab Music, and It's American', *The New York Times*, 14th December 2013

²¹⁰ The fatwa is available on <https://islamictext.wordpress.com/music-azhar-fatwa/>

²¹¹ Michael Frishkopf states that the term 'Islamic music' is quasi-oxymoronic because many strict Muslims regard music as haram. However, he also gives many examples when the melody of ritual and non-ritual performances in Islam can be categorized as music. Op.cit.

Table 3.7 Most influential Muslim singers and bands

Artist	Origin, genre	Twitter followers
A R Rahman	India (ghazal)	7,990,000
Abida Perveen	Pakistan (sufi)	2381
Ahmed Bukhatir	United Arab Emirates (nasheed)	58,900
Akon	United States (R&B, hip hop)	n/a
Atif Aslam	Pakistan (rock, pop, sufi)	15,500
Dawud Wharnsby Ali	Canada (nasheed)	155,000
Goher Mumtaz	Pakistan (pop, rock sufi)	5242
Hamza Namira	Egypt (Oriental, Arabic music)	3,370,000
Imran Khan	Pakistan/Netherlands (R&B, hip hop)	287,000
Kamal Uddin	United Kingdom (nasheed)	2321
Lupe Fiasco	United States (rap, hip hop)	1,310,000
Maher Zain	Sweden (R&B, soul, Islamic music)	1,200,000
Mirza Moazzam Baig	India (pop)	n/a
Mishary Rashid Alfasny	Kuwait (nasheed)	7,120,000
Mohammad Rafi	India (ghazal, sufi)	n/a
Native Deen	United States (hip hop, nasheed)	8,444
Opick	Indonesia (Islamic music)	108,000
Sami Yusuf	Iran/Azerbaijan (Islamic pop)	451,000
Seven8Six	United States (nasheed)	n/a
Tamer Hosny	Egypt (Oriental, Arabic music)	22,400
Yuna	Indonesia (indie pop)	1,340,000
Yusuf Islam	United Kingdom (folk-pop, nasheed)	36,900
Zain Bhikha	South Africa (nasheed)	17,900
Zayn Malik	UK, former member of <i>One Direction</i>	14,700,000

Source: Compilation from various websites and *Twitter* by the author

sponsoring Sami Yusuf or Maher Zain today will gain immediate awareness from millions of Muslim consumers worldwide. Maher Zain has 20 million friends on Facebook and Sami Yusuf has 500,000 followers on Instagram. Some of them are not very active on social media but, when they are, their number of followers is in the range of millions. *Nasheed* and *ghazal* are the most popular genres of Islamic music worldwide. *Nasheed* is a song accompanied, or not, by percussion instruments and occasionally modern instruments. It has Islamic content and can be found in all Muslim countries as well as Western countries where Muslims live. France is a case in point, as it is the home of the biggest Muslim population in the West, so *nasheed* will be popular among them to such a point that Amel Boubakeur talks about the Islamic Society of Spectacle (ISS), where music is the main part of it (Table 3.7).²¹²

²¹² Amel Boubakeur, 'Islam militant et nouvelles formes de mobilisation culturelle', *Archives de sciences sociales des religions*, N°139 (2007), pp. 119–138

The globalisation of formats and musical trends is progressively entering all Muslim societies, even the most secluded ones. An example we can quote is the presence of reggae music in Uyghur Xianjian, China²¹³ or the emergence of Punk Islam. The punk scene is mainly represented by Taqwacore (*taqwa* meaning piety) and artists who appear in the scene under the collective name of Taqwacore present themselves as hard devotees and punk musicians at the same time.²¹⁴ The scene is composed mainly of young Muslim artists living in the USA and other Western countries, many of whom openly reject traditionalist interpretations of Islam, and thus live their own lifestyle.²¹⁵

3.2.4.3 Symbols of Beauty

Symbols of beauty generally refer to physical representations of men and women. In this case, marketers have two opportunities: selling beauty or using beauty to sell. Using beauty to sell refers to using communication strategies with top models who represent the standard of beauty. However, in the Muslim world, it can be dangerous to be too beautiful or handsome as male model Omar Borkan Al Gala from the UAE can attest when he was denied entry to Saudi Arabia in 2013 because he was too good looking.²¹⁶

When the company sells beauty, it helps consumers to be beautiful, so it will sell beauty products.

The second option is to sell the physical representation of beauty in the form of dolls, posters or books. In both cases (selling beauty or beauty products), marketers have to know if there is a universal symbol of beauty they can use from one country to the other. If the answer is yes, there is a possibility of launching a unique collection of beauty products or a type of doll representing beauty. If not, there should be a variety of collections catering to different types of beauty (self-tanning products on one end and whitening products on the other for instance) and different types of dolls for each and every culture in the world. The Barbie doll used to be a unique symbol of beauty for the entire world²¹⁷ but, today, the situation is different.

3.2.4.4 The Battle of Dolls

The Barbie doll holds a virtual monopoly worldwide for girls who are looking to buy not only a doll but also a role model. She is curvaceous, flashy and loaded with sex appeal. This is exactly why the Barbie doll became a problem in some Muslim

²¹³ Rachel Harris: 'Reggae on the Silk Road: The Globalization of Uyghur Pop' in *The China Quarterly*, No. 183, Culture in the Contemporary PRC (Sep., 2005), pp. 627–643

²¹⁴ 'Face of Punk Islam', *The Straits Times*, 16th August 2011

²¹⁵ Any McDowell, 'Warriors and Terrorists: Antagonism as Strategy in Christian Hardcore and Muslim 'Taqwacore' Punk Rock' in *Qualitative Sociology*, Vol. 37, N°3 (Sep. 2014), pp. 255–276 and <http://www.taqwacore.com>

²¹⁶ 'Meet Emirati expelled from Saudi for being 'handsome'', at www.emirates247.com

²¹⁷ For the global standard of beauty see Geoffrey Jones, 'Blonde and Blue-Eyed? Globalizing Beauty, c.1945-c.1980', *The Economic History Review*, New Series, Vol. 61, No. 1 (Feb., 2008), pp. 125–154

markets, and the reason why there are several dolls that are direct substitutes for Barbie and Barbie-like dolls today. The alternatives to Barbie dolls do not emphasise physical attractiveness (beauty), which affects both cognitions about individuals and their interaction patterns. What they portray is the status of women in society and that beauty is not necessarily expressed in physical attractiveness but mainly in the fulfilment of duties a woman has in the society. The question of status and role is central in the definition of beauty for Muslims.²¹⁸ At the same time, the tyranny of the standards of beauty is difficult to escape and some empirical investigations reported in surveys show that being beautiful directly translates to higher earnings and marriage probabilities. In an example from the USA, obese women are clearly discriminated compared to women who are in the 'recommended' weight-for-height range.²¹⁹ In the Muslim world, the definition and attitude towards obesity may not be the same, but the idea of 'recommended' beauty still exists (even if it is different) and if people (in this case, women) do not fit in the 'recommended' range, retaliation will follow. In short, the obsession of being in the 'recommended' range is universal, whatever the definition of the range is.

Unlike Christianity, Islam does not consider sex a problem. Nevertheless, feminine sexuality is considered to be destructive because it can generate conflicts and trouble. In order to prevent social chaos, men must be protected from active feminine sexuality. The trouble created by the feminine art of seduction can only be avoided by reducing the contact between men and women as much as possible. For instance, when women appear in public, they have to hide their nudity including their hair (considered to be one of the most powerful of their seduction attributes). A complete doll is *haram* under strict Islamic law for two reasons. It is *haram* because, unless a part of the body is missing on the doll, the doll is not *halal* (permitted). It would be considered as idol worship. It is also *haram* because of the sexuality it can represent.

However, there are only a few Muslim countries that actually forbade Barbie dolls. One of them is Saudi Arabia, which considered the Barbie doll as a threat to morality and Muslim values, complaining that the revealing clothes are offensive to Islam.²²⁰ A similar edict from the Kuwait College of Islamic Sharia declared in 1995 that "*This she-devil has polished nails and wears skirts above the knee*", and thus should be banned.²²¹ Since then, the doll has been accepted everywhere and such *fatwas* do not have the resonance they used to have at the moment of their proclamation. In other countries, religious leaders either issue warrants or *fatwas* but do not forbid the sale of Barbie dolls. Today, there are a series of dolls that

²¹⁸ Murray Webster, Jr. and James Driskell, Jr., 'Beauty as Status' in *American Journal of Sociology*, Vol. 89, No. 1 (Jul., 1983), pp. 140–165

²¹⁹ Susan Averett and Sanders Korenman, 'The Economic Reality of the Beauty Myth' in *The Journal of Human Resources*, Vol. 31, No. 2 (Spr. 1996), pp. 304–330

²²⁰ <http://www.msnbc.com/news/977700.aso?vts-100920030646>

²²¹ 'Banned – But not In Boston' in *Newsweek*, 24 April, 1995

Table 3.8 Muslim alternatives to Barbie dolls

Name	Origin	Year	Internet source	Price in US\$
Razanne	U.S.	1996	http://www.noorart.com/shop_category/razanne_doll_toys	15.98
Sara	Iran	1999	http://dara-sara.com	15.98
Fulla	U.A.E.	2003	www.fulla.com	39.99
Jamila	Germany	2006	https://www.youtube.com/watch?v=jHiLUrZTFvk&hl=en-GB&gl=SG	19.99
Saghira	Morocco	2007	http://www.saghira.com	9.99
Salma	Indonesia	2007		39.99
Arrosa	Indonesia	2010	http://www.arrosa.net	39.99
Shola	U.S.	2013	http://playmatestoys.com/brands/hearts-for-hearts-girls	59.95
Romeisa	U.K.	2014	www.deenidolls.com	34.99

Source: Compilation by author

compete with the Barbie doll: Laila from Cairo, Razanne from the USA, Sara from Tehran and so on.²²² The phenomenon is a global one that stretches from Indonesia to Morocco and all Western countries where Muslims live. This was pointed out by the Muslim magazine *Emel* in 2010 when it put a *hijabi* doll on the cover of its March 2010 issue.²²³ The majority of these dolls were launched in the last decade of the twentieth century. After some initial success, there was a pause on the market. Today, the market is active again with new dolls such as Samira, Romeisa and Shola, ending with an experiment from the UK with a faceless doll. This last doll is indicative of products catering to the most conservative Muslim consumers who take the question of aniconism (the creation of living beings) seriously and do not want a face representation. At the same time, some media in the UK cried foul on the initiative and asked for the banning of the doll.²²⁴ Prices from www.muslimtoysdolls.com show that all dolls fall in the US\$ 9.99–59.99 range (Table 3.8).

The Razanne doll was the first to enter the market and comes with a prayer rug, modest dress and a removable hijab in order to “reflect the virtues of a proper, young Muslim woman, such as modesty, piety and humility”.²²⁵ There is also In-Out Razanne, with a traditional Muslim attire when she is outside of her home and a short flowery dress that Razanne can wear when she is inside her home and

²²² ‘Meet Barbie of Arabia’ in *US News and World Report*, 6 of September, 1999 and ‘Cairo Journal; It’s Barbie vs. Laila and Sara in Mideast Culture War’ in *The New York Times*, 2 June, 1999 and a chapter ‘The Islamic Barbie, Marketing Muslim Children’s Dolls’ in Peter Morey and Amina Yaqin, *Framing Muslims*, Harvard, 2011, pp. 182–190

²²³ ‘This Little Dolly Went to Market’ in *Emel*, March 2010

²²⁴ ‘Islamic doll’ for children launched in Britain with no FACE in line with strict Sharia rules on depiction of Prophet and his contemporaries’ in *Daily Mail*, 15 December 2014

²²⁵ <http://www.acfnewsources.arciftefijion/razanne.htmf>

only in view of the men in her family. Razanne was created by NoorArt Inc, which is based in Livonia, Michigan, and targets Muslims all over the world. The doll comes in three types: fair-skinned blonde, olive-skinned with black hair, or black skin and black hair. According to NoorArt, almost 30,000 such dolls are sold per year and prices range from US\$ 9.99 for a single doll to US\$ 24.99 for a set like Teacher Razanne that includes a briefcase and other accessories.

The second doll that has entered the battle with success is the Emirati/Syrian-based Fulla doll. She is named after a type of jasmine that grows in the Levant. Although she has an extensive and beautiful wardrobe (sold separately), Fulla is usually displayed wearing her modest “outdoor fashion.” Fulla’s creator, NewBoy Design Studio, introduced her in November 2003, and she has quickly become a bestseller all over the region. The success of the Fulla doll is closely associated with accessories and derivative products such as Fulla breakfast cereal, Fulla chewing gum or Fulla bicycles, all in trademark “Fulla pink.” There are more than 200 accessories, including prayer rugs, prayer beads, portable Karaoke players, in-line skates, party dresses and beach balls. With the amazing number of accessories, the Fulla doll is fast becoming the Hello Kitty of the Muslim (mainly Arab) world.

The prescribers in the Muslim markets are mainly parents. It is, therefore, essential that parents do not get upset by what they perceive as Western-inspired changes in views on sexuality and on the role of women. In other words, Fulla is more than a doll. She is a bulwark against a fast-changing world in which traditional social controls are weakening. On children’s satellite channels popular in the Arab world, Fulla advertising is incessant, especially on Spacetoon, a TV channel dedicated to children in the Middle East (programmes in Arabic and Farsi) and Indonesia.²²⁶ In a certain number of countries such as Tunisia in 2006, the Fulla doll with a hijab was not welcome because of the official ban of the hijab, whether on people or dolls. In fact, there was a kind of witch-hunt on Fulla dolls in Tunisia for a certain time.

The other dolls launched in Muslim markets include Dara and Sara from Iran. As they are produced only in local Iranian costumes, they are not very appealing to other Muslim markets. In response to Razanne, Fulla, Dara and Sara, Mattel launched a Moroccan Barbie and a collector’s doll named Leyla. Leyla’s elaborate costume and tale of being taken as a slave in the court of a Turkish sultan are intended to convey the tribulations of a Muslim girl in the 1720s. This latest toy poses a problem as the only way Mattel portrays a Middle Eastern Barbie is either as a belly dancer or a concubine. This only contributes to the stereotype of Muslim women as seen by Western manufacturers. As expected, the initiative was not a great success.²²⁷

²²⁶ Léna Lutaud « Barbie mise au tapis par sa rivale voilée » *Le Figaro*, 16 January 2006

²²⁷ ‘Meet the Islamic Barbie’, in *The Guardian*, 30 September 2004

3.2.4.5 Beauty Products

Beauty products are divided into three categories: perfumes, skincare products and make-up products. When it comes to perfumes, we have problems associated with ingredients, the first being alcohol and the second being animal-derived ingredients (musk or ambergris for instance). For many perfumes, especially luxury perfumes, the formula is top secret. This is the most important asset of a perfume company along with its brand value. There is a widespread assumption that perfume companies protect their formula from their competitors. But the reality is, brands are protecting their brand name, packaging, and logos, and not the formula itself. As consumers do not know the ingredients of perfume, there have been many phantasms. A famous case was that of Chanel N°5 when the company Chanel was ‘attacked’ by an NGO called Robin Hood, which was aiming for the preservation of the Amazon forest. Robin Hood had accused Chanel of using a rare sort of wood from the Amazon in its formula for Chanel N°5. The NGO did not want Chanel to disclose the whole formula, but only to say if this sort of wood was part of the ingredients. Chanel’s answer—no comment. Chanel did not want to disclose its formula nor its ingredients.²²⁸

When it comes to alcohol, all perfumes contain a great amount of alcohol. This is an essential component in perfumes as it helps to preserve the fragrance. In Islam, intoxicants are forbidden and alcohol is considered as an intoxicant so alcohol should be prohibited. Many Islamic countries pay close attention to the fruit juices or soft drinks that are on sale in their nations. The usual limit for alcohol content is 0.05 % of alcohol because, for many fruit juices, fermentation is a natural process and it is hard to obtain 0 % alcohol. That being said, everything above 0.05 % would be considered *haram* in countries such as Kuwait or United Arab Emirates and the sale of these products would be strictly monitored and controlled. So why is a product containing 80 % of alcohol on sale in the country? The reason is that this product is not supposed to be consumed. It is for external use just as alcohol is used in medicine for cleaning the instruments and machines. As an additional precaution, companies package their perfumes in spray bottles rather than splash bottles in these countries. While contradictory *fatwas* on this subject exist, so far no country has forbidden the sale of perfumes on its territory.²²⁹

The second issue is animal-derived ingredients in perfumes, especially ambergris, which is a cachalot secretion. This poses a problem because all products issued from the orifices of animals are considered to be *haram* and improper for use and many perfumes use ambergris in their compositions. But, again, this ambergris is diluted in alcohol that is not intended for drinking, and so is deemed to be *halal*. The alternative to Western perfumes exists in the form of traditional Arabic agarwood

²²⁸ <http://www.monitor.net/monitor/9809b/copyright/perfumepiracy.html> and ‘The EU’s threatening to ban one of Chanel’s N°5 main ingredients... So, what’s really in the world’s favorite perfume’ in *Daily Mail*, 6 November 2012

²²⁹ Two websites collecting fatwas on various issues produce completely contradictory rulings on perfumes. While www.islamawareness.net mentions a fatwa authorizing perfumes, www.islamqa.info mentions the opposite.

(oud) perfumes and Arabic gum for the preparation of products. Brands of oud perfumes include *Qurashi* and *Amouage*, but even they sometimes use ambergris as a basenote.

As for skincare and make-up products, the same problem exists: animal-derived ingredients, especially collagen (that might come from pig sources); alcohol content; animal testing and so on. Collagen is essentially animal fat. But the question is what animal it comes from. Collagen is a base for many skincare products. The second ingredient is alcohol, which is also present in many skincare products. The alternative exists in the form of *halal* cosmetics, *halal* shampoos, wet wipes, baby cosmetics and hygiene products. Malaysia, in particular, is going far in this direction and all companies (Western and local) are present in this field: Johnson and Johnson, Unilever, etc. Some specialised companies such as OnePure and Sahfee have even been established, surfing on the demand for this type of products.²³⁰ *Halal* shampoos and hair colouring products are popular because hair has always been considered the main seduction element of a female body and there are countless references on the use of hair to seduce men in the Muslim world. In some countries, especially the Indian subcontinent, men also routinely dye their beards and it is not rare to find elderly men with long beards dyed red, yellow or in another colour.²³¹ Given the importance of hair, some countries have determined what is the right (correct) hairstyle, as in the case of Iran. Moral police from the country have identified some hairstyles for men that are *halal*. All others are considered to be improper from the Islamic point of view.²³²

In the domain of beauty products, there is clear domination by western brands because of the brand appeal and, so far, no new company, either from the Western world or Islamic countries, has succeeded in challenging well-established western brands. As such, western brands feel safe and do not intend on launching new (*halal*) products on the market, both in the luxury (Chanel or Dior) or mass-market segment (L'Oréal or Max Factor for instance). One reason for this is the backlash that might be generated if the general public knows that the brands have launched *halal* products. Another possibility that could happen is the expectation for the brands to also launch kosher beauty products or Hindu, Buddhist or Christian beauty products, which does not make sense and would introduce religious segmentation variables in a business that prides itself on being global. While these companies have whitening product lines or self-tanning lines, they cater for ethnic/racial differentiation but not religious segmentation. That said, these products have a temporary effect, so the experience is constantly renewed and repeat purchases flourish.

Some services, such as plastic surgery, deliver a permanent effect. The influence of some female singers in the Arab world has a huge impact on girls and women

²³⁰ www.onepurebeauty.com and <http://sahfee-halalcare.com>

²³¹ 'Khalid Sheikh Mohammed is using berries to dye his beard orange, say officials as they deny terrorist has been given henna' in *Daily Mail*, 23 October 2012

²³² Rena Effendi, 'Young in Tehran' in *World Policy Journal*, Vol. 27, N°4 (Win. 2010), pp. 74–85

who would like to emulate them.²³³ Plastic surgery, of course, is used for face procedures such as lips enhancement and, in the case of Iran, there is a massive demand for nose correction and girls often report that in order to be married they must undergo plastic surgery. According to *Time* magazine, Iran is the Muslim country with the most number of plastic surgery operations in one year. At least 1 % of the total population in the country (750,000 people) decided to undergo some form of plastic surgery in 2013. The price of a nose correction is US\$ 2000, while tummy tucks are approximately US\$ 1200–2800. A facelift can range from US\$ 1200–2400, while a forehead lift can go up to US\$ 6000.²³⁴ The Western standard of beauty is extremely prevalent in Iran and the Arab lands. Even if this ideal does not reflect the Middle East’s ideal type of beauty, the Western domination is on the way.

3.2.4.6 Fashion

Islam invites its followers to be free from materialistic thinking with assurance from the Prophet Muhammad that Allah does not look at their bodies and faces, but into their hearts. Following this concept, women’s dress in Islam is based on a principle of “modesty”. Webster’s New Universal Unabridged Dictionary defines modesty as the “freedom from exaggeration or excess.”

All around the pre-Islamic Mediterranean, modesty was considered as the primary female virtue for an ordered human society.²³⁵ Female physical beauty was viewed as an incendiary and corrupting influence that could lead to lawlessness, social disorder and anarchy. Islam followed this tradition and “invites” Muslim women to wear the hijab (even though there are countries like Iran and Saudi Arabia with strict dress codes). In Arabic, the hijab does not mean “head-covering” or “scarf”. It means “barrier” or “screen.” The following verses of the Qur’an explain the relation between women and the hijab:

And say to the believing women that they should lower their gaze and guard their modesty; that they should not display their beauty and ornaments except what (must ordinarily) appear thereof; that they should draw their veils over their bosoms and not display their beauty except to their husbands, their fathers, their husband’s fathers, their sons, their husbands’ sons, their brothers or their brothers’ sons, or their sisters’ sons, or their women, or the slaves whom their right hands possess, or male servants free of physical needs, or small children who have no sense of the shame of sex; and that they should not strike their

²³³ Sandra Beth Doherty, ‘Cosmetic Surgery and the Beauty Regime in Lebanon’ in *Middle East Report*, No. 249, Shrinking Capital: The US in the Middle East (Win., 2008), pp. 28–31

²³⁴ Joel Stein, Katy Steinmetz and Steven Borowiec, ‘Nip, Tuck or Else’ in *Time*, 29 June 2015, pp. 40–48 and Wendy Hung, ‘Beauty Obsession! 9 Countries Travelers go for Plastic Surgery’ in *JetSet Times*, 10 February, 2014

²³⁵ Modesty is also part of a broader concept of separating private and public life while reserving modesty for public appearance. See Eli Alshech, ‘Out of Sight and Therefore Out of Mind: Early Sunni Islamic Modesty Regulations and the Creation of Spheres of Privacy’ in *Journal of Near Eastern Studies*, Vol. 66, No. 4 (Oct., 2007), pp. 267–290

*feet in order to draw attention to their hidden ornaments. And O ye Believers! Turn ye all together towards Allah, that ye may attain Bliss.*²³⁶

In another verse, the Qur'an insists on modesty aimed at protecting women from being bothered: *'O Prophet! Tell thy wives and daughters, and the believing women, that they should cast their outer garments over their persons (when abroad): that is most convenient, that they should be known (as such) and not molested. And Allah is Most-Forgiving, Most Merciful'*.²³⁷

The idea of modesty emphasised in this verse encompasses all aspects of life and calls for decency, humility and moderation in speech, attitude, dress and total behaviour. It is also a tool preventing women from being molested or harassed by men.²³⁸ However, one point is not clear: what is beauty and who defines it. The reference to ornaments seems clear, but not for beauty itself.

Defining Modesty and Decency in Turkey As Turkey is a secular Republic, the legislation in the country does not define what modesty is from a religious point of view. Instead, it prefers to focus on discrimination and decency. The sensitive approach to issue of decency in advertising has led to various advertisement prohibitions and restrictions by the Turkish Advertisement Board. The very existence of these prohibitions shows that the decency and protection of consumers are considered to be more important than creativity and marketing in Turkey. The basic legal requirements for advertisements in Turkey are regulated by the Act on Establishment and Broadcasting of Radio and Television; the Regulation on Fundamentals and Procedures of Broadcasts of Radio and Television Establishments; and the Regulation on the Principles and Fundamentals of Practices Regarding the Commercial Advertisements and Announcements and the Consumer Protection Law.

In line with the Consumer Protection Law numbered 4077, advertisements shall be in compliance with the applicable laws and the general principles as determined by the Advertisement Board, general ethics, public order, individual rights and good faith principle, and the advertisements shall also not be contrary to the national and moral values of the public and Turkish family structure. Among the elements of the Law relative to modesty and religion, we found:

The advertisements shall not be based on discrimination related to religion, language, race, creed, philosophical opinion and sex and shall not be abusing of the above cited values. The advertisements should definitely not contain statements or scenes abusing sexuality and shall not contain pornographic scenes either. The advertisements shall not abuse public fears and superstitious beliefs.

²³⁶ Qur'an 24:31

²³⁷ Qur'an 33:59

²³⁸ Aisha Wood Boulanour, 'The Notion of Modesty in Muslim Women's Clothing: An Islamic Point of View' in *New Zealand Journal of Asian Studies*, Vol. 8, N°2 (Dec., 2006), pp. 134–156

Where fashion is concerned, the Advertisement Board banned Pepsi Cola in Turkey in 2008 because of a campaign announcement in its website that said “Photos of participants with turbans will not be accepted”. The Advertisement Board ruled that such an announcement causes discrimination and damages the personality rights of those with turbans because of their religious beliefs. The board also said in a statement that the rejection of pictures with women wearing headscarves was a violation of personal rights and promoted discrimination, and fined the company based on a law on the protection of consumer rights. In another case, the Advertisement Board penalised a health institution because its advertisements emphasised that its gynaecology department is composed of women doctors only and that patients can feel comfortable. This was viewed as a form of gender discrimination.

Sources:

Law No. 6112 of 15 February 2011 on the Establishment of Radio and Television Enterprises and their Media Services available at <http://www.wipo.int/wipolex/en/details.jsp?id=10735>; ‘Advertising watchdog fined Pepsi over headscarf’ in *Today Zaman*, 3 April 2008; Consumer Protection Law numbered 4077, amended by Act 4822 available on <http://en.hukuki.net/index.php?topic=70.0;wap2>

The marketing aspect of the hijab addresses all P’s of marketing. As for the product, it is important for marketers to know what extent they can introduce new concepts and brands without triggering rejection from consumers and/or their environment. Besides resistance to change,²³⁹ the existence of distribution channels and networks and relative freedom of communication are of the utmost importance.

3.2.5 Resistance to Change

Opinions diverge on the compulsory use of the hijab. Some Islamic countries consider it mandatory while others only see it as a tradition. If a woman adopts the hijab, it includes a certain conduct as well—the way she walks, talks and behaves. Young women who wear blue jeans and head-coverings are considered by conservative Muslims to be using the hijab in a hypocritical way and are called *kasiyat ’ariyat*, meaning they are both “covered and naked at the same time”.²⁴⁰ The four schools of *fiqh* in *Sunni* Islam differ on female veiling. Three of the schools of thought (*Shafi’*, *Maliki* and *Hanbali*) say that the face veil is mandatory. In the *Hanafi* school, however, it is not.²⁴¹

²³⁹ Resistance to change can also originate from non-cultural elements such as the reliance on governments for the needs of the population or reliance on a main source of income in a given country. This is particularly the case in Saudi Arabia. See ‘Saudi Arabia – Spending power’, *The Financial Times*, 30th May, 2013

²⁴⁰ See the video from Imam Anwar Al Awlaki on Youtube: <https://www.youtube.com/watch?v=Ei57V9K1hW0> and ‘The Clothed, The Naked’ in *The Brunei Times*, 30 April, 2010

²⁴¹ Roald S., *Women in Islam: The Western Experience*, London, Routledge, 2001, 339 pages

The hijab is a modest covering of the head and the body of a woman according to the following principles:

- Loose clothing (the clothing must be loose enough so as not to show the shape of the body)
- Thick material (the garment must be thick enough to hide the shape of the body and the colour of the skin)
- Modesty (the dress should not be ragged or fancy, it should be clean and dignified looking)
- Suitability (hijab is for women only)

Resistance to change can come from a consumer who does not want to change or an environment that puts pressure on the consumers. If the resistance comes from a consumer, the hijab is usually identified as a symbol of Muslim identity. A woman who covers her head makes a statement that she is a member of the Muslim community and that she follows a particular code of moral conduct. To her, wearing a veil is a mission statement on the same ground as praying or fasting.²⁴² The modern use of the hijab is rather complex to analyse. According to Nancy Smith-Hefner, the new veiling is neither a traditionalist survival nor an antimodernist reaction but rather a complex and sometimes ambiguous effort by young Muslim women to reconcile the opportunities for autonomy and choice offered by modern education with a heightened commitment to the profession of Islam.²⁴³ This distinction is important in Western countries where there are choices between many different attire possibilities.

There is no standard and unique response to the question on why women wear the veil. A survey in France that was conducted among Muslim women just after the adoption of the headscarf law prohibiting the use of it in public schools, identified three groups of women: women who defend the scarf on the basis of individual liberty and cultural identification, women who are not comfortable discussing secularism/religious implications of the veil and women who defend the law by saying that it is a question of integration within the French society.²⁴⁴ In Islamic countries, especially rural areas, the veil is inseparable from its multiple and apparently unrelated expressions of shame and honour beyond the normally identified contexts of dress and female concerns. In the case of Pakistani Punjab for instance, religion is not necessarily the most important marker nor the single most important reason why the veil is adopted. According to Anjum Alvi, it entails implicit dualities and religion is just one among the other influencers for veil

²⁴² Daniel Winchester, 'Embodying the Faith: Religious Practice and the Making of a Muslim Moral Habitus' in *Social Forces*, Vol. 86, No. 4 (Jun., 2008), pp. 1753–1780

²⁴³ Nancy Smith-Hefner, 'Javanese Women and the Veil in Post-Soeharto Indonesia', in *The Journal of Asian Studies*, Vol. 66, N°2 (May 2007), pp. 389–420

²⁴⁴ Caitlin Killian, 'The Other Side of the Veil: North African Women in France Respond to the Headscarf Affair' in *Gender and Society*, Vol. 17, No. 4 (Aug., 2003), pp. 567–590

adoption.²⁴⁵ According to Sobh, Belk and Gressel, highly conspicuous consumers in the Middle East try to accommodate Western modernity and Islamic conservatism with outer garments that act as a ‘cloak of invisibility’ for luxurious Western wear beneath and ‘mimetic excess’ that responds to the envy of Western consumption.²⁴⁶

Thanks to globalisation, fashion is everywhere, and Muslim countries are not the exception. Muslim women do not conform to certain designs anymore. They are involved in developing new styles of Islamic fashion or hybrid forms of fashion incorporating Islamic elements. They used to be caught between two antagonistic moves: Western fashion, which usually exposes most of the body, and the Islamic rigorist one, which tends to hide everything. Muslim women carefully developed their own style by combining both of these approaches. Very often, they use the “traditional dress” as opposed to the pure Islamist interpretation of the Qur’an and focus on ethnic influences rather than religion itself. This is why fashionable kaftans and other types of dress in Iran or Afghanistan can help them to avoid *burqas* or *niqabs*. Across the Muslim world, women shop for a range of Islamic clothing from black *abayas*²⁴⁷ in feather-light chiffon or heavy cotton to exquisitely embroidered *galebeyas* and ornately beaded and sequined hijabs. The hijab is now designed to the standards of international fashion.

If women represent half of the Muslim population, it means that women constitute a large and lucrative market that has not been fully tapped yet. Western companies such as Hermes or D&G already serve this large market and have launched scarves that are not just for Muslims. This might contradict the concept of modesty that is required of women and, indeed, it is hard to reconcile modesty and prominent logos appearing on headscarves. However, the “fashionable fundies” do not hesitate to combine what they believe to be straight religious attire and fashion trends that have to be followed.

Differentiation is a key point in segmenting this market. This distinction can be made by money, age and level of religious involvement. From that, we have a great phenomenon called “the new hijab chic”. This is not just a meeting of tradition and modernity but a sign that modern Muslim women want it both ways. In a remarkable essay written by Sandikci and Ger, women put strong emphasis into selection, arrangement and securing the headscarf. A specific trend around the headscarf has

²⁴⁵ Anjum Alvi, ‘Concealment and Revelation: The Muslim Veil in Context’ in *Current Anthropology*, Vol. 54, No. 2 (Apr. 2013), pp. 177–199

²⁴⁶ Rana Sobh, Russell Belk and Justin Gressel, ‘Mimicry and modernity in the Middle East: fashion invisibility and young women of the Arab Gulf’ in *Consumption, Markets & Culture*, Vol. 17 Issue 4, (Jul. 2014) pp. 392–412 and Carla Jones, ‘Materializing piety: Gendered anxieties about faithful consumption in contemporary urban Indonesia’ in *American Ethnologist*, Vol. 37, N°4 (Nov. 2010), pp. 617–637

²⁴⁷ The abaya is the traditional form of hijab, or modest Islamic dress, for many countries of the Arabian peninsula.

been developed in Turkey, and is known as “Tersettur” (religiously appropriate modest clothing).²⁴⁸

Only two countries have made the hijab compulsory: Saudi Arabia and Iran. In these two countries, the veil is obligatory regardless of faith while, in Indonesia, only the Aceh Province has made the hijab compulsory for Muslims living there. If the hijab is compulsory, there is no way for women not to wear it so marketers have to adapt to this situation. There is, however, many ways to wear the hijab and make it fashionable. Iranian female students are masters in wearing the hijab in a way that is accepted by the *khwaharan* (sisters or gate keepers at Iranian universities) while being attractive at the same time.²⁴⁹ The hijab is not precisely defined and the diversity of the Muslim world ranges from the *galebayas*, *abayas* and scarves of the Arab world to the *chador* or *manteau* (coat) and *russari* (scarf) of the Persian world to the *chuni* and wispy fabric accompanying the *shalwar kameez* in the Indian subcontinent to an assortment of veils and *burqas* worn in South East Asia and Africa. They all fall under the rubric of hijab (loose clothing topped by a headscarf). As the Qur’an does not precisely state what Muslim women can wear, they have a choice based on the circumstances. But modesty is definitely compulsory.²⁵⁰

Just as the veil is sometimes forbidden in a certain number of Western countries, it is also the case in some Muslim countries. The best example is Turkey, where the veil is forbidden in public places, especially at the University. Due to the secular concept imposed by Ataturk, this practice is not questioned even if many women do not observe the rule and continue to wear it. A rapid change has occurred in Turkey, passing from a stigma attached to veils at the beginning of Ataturk’s era, when it was identified as a backward tradition and rural origin. It has since become an attractive choice for some middle-class women and transformed into a fashionable and ordinary part of clothing for many today. In Egypt, there is also a longstanding tradition of expelling the hijab from the public life, and Cheikh Tantawi, former Grand imam of the Al-Azhar mosque in Cairo, showed his support for the French law banning the use of headscarves in the public sphere.²⁵¹ The definition of a public/private sphere in both Muslim and Western societies is a question of debate.²⁵² This is why his decision resulted in a heated controversy with other *Shariah* scholars such as Yusuf Al-Qaradawi who did not agree with his position.

²⁴⁸ Ozlem Sandikci and Guliz Ger, ‘Veiling in Style: How Does a Stigmatized Practice Become fashionable?’, *Journal of Consumer Research*, Vol. 31, N°1 (Jun. 2010), pp. 15–36

²⁴⁹ Mitra K. Shavarini, ‘Wearing the Veil to College: The Paradox of Higher Education in the Lives of Iranian Women’, in *International Journal of Middle East Studies*, Vol. 38, No. 2 (May, 2006), pp. 189–211

²⁵⁰ Terms used are *iffa* (modesty), *tahar* (purity) and *taqwa* (righteousness)

²⁵¹ Robert Hefner and Muhammad Qasim Zaman, *Schooling Islam: the culture and politics of modern Muslim education*, Princeton University Press, 2007, 296 pages

²⁵² Ellen McLarney, ‘The Islamic Public Sphere and the Discipline of Abad’, in *International Journal of Middle East Studies*, Vol 43, N°3 (Aug. 2011), pp. 429–449

3.2.6 Distribution and Communication

Whatever the product (apparel included), three channels of distribution exist: exclusive, selective and mass, and all three are present in the fashion business. Fashion brands, however, are extremely present in the exclusive and selective channels of distribution. The exclusive channel refers to points of sale selling just one brand, making it exclusive to this brand. It can be a brick-and-mortar shop such as Cartier and Chanel in the luxury line or Mango and Zara in fast-fashion. Here is a list of stores operated by four fast-fashion retailers (Mango, Zara, H&M and Uniqlo) and one traditional fashion brand (M&S) in Muslim countries (Table 3.9).

Table 3.9 Fast-fashion distribution chains in the Muslim world

	Mango	Zara	H & M	Uniqlo	M & S
Albania	2	1			
Algeria	3	1			
Azerbaijan					1
Bahrain	2	2	3		2
Bangladesh				9	
Benin	1				
Cameroon	1				
Egypt	7	7	10		4
Indonesia	15	13	8	8	18
Iran	7				
Iraq	1				
Ivory Coast	2				
Jordan	2	2	2		2
Kazakhstan	15	4			1
Kuwait	4	6	9		5
Kyrgyzstan	1				
Lebanon	7	7	10		1
Lybia	3				2
Malaysia	17	9	17	19	5
Morocco	6	4	3		1
Nigeria	3				
Oman	2	1	3		1
Pakistan	2				
Qatar	5	2	3		2
Saudi Arabia	31	29	34		20
Senegal	1				
Syria	2				
Tunisia	4	2			
Turkey	88	37	34		48
United Arab Emirates	14	11	24		13

Source: Websites of companies compiled by the author

Exclusive distribution can also be a corner within a department store. For instance, Galeries Lafayette (Jakarta, Casablanca and Dubai), Macy's (Abu Dhabi) and Bloomingdale's (Dubai) offer hundreds of brands the opportunity to operate inside their walls. The number of mono-brand stores per country can be extremely interesting when assessing the opportunities represented in a given country. If in Azerbaijan there is just one shop and in Turkey there are more than 200 of them, there is a high probability that market opportunities in Turkey are higher than in Azerbaijan. On the other hand, there are no shops in Iran, probably not because the market does not exist but more likely because of sanctions against the country. The countdown of shops suggests that the most attractive country is Turkey, followed by Saudi Arabia, Indonesia, Malaysia and United Arab Emirates. This grossly mirrors the classification in terms of GDP, except in the case of Malaysia and UAE, which stand a little bit lower in terms of GDP.

Selective distribution means that brands select the points of sale where they are going to be present. But in these points of sale, other brands are also present. This is a typical channel for multi-brand shops. Brands are very careful in selecting their points of sale because they do not want to be side by side with brands that do not have the same positioning, especially in the luxury sector. Perfumes are routinely sold in multi-brand shops such as Sephora, Douglas or Marionnaud where brands like Chanel or Hermès coexist with Dior or Shiseido. Sephora has 13 stores in Malaysia, 23 in Turkey, 14 in Saudi Arabia, 14 in United Arab Emirates, two in Qatar, two in Bahrain and one in Kuwait. Douglas, the biggest perfumery chain in Europe, is present in only one Muslim country, Turkey, with 14 points of sale. Working with chains presents pros and cons but, for the majority of brands, there are more positive than negative elements. It is not necessary that multi-brand shops belong to a chain. There can also be single multi-brand shops selling fashion clothes. The magazine *Ahlan!* identified 10 top fashion boutiques in the UAE selling little-known brands such as House of Harlow, CiCi London or Ingie Paris. All these shops are located in Dubai (West LA, Spontiphoria, Bambah, O-Concept Dubai, Socialista, Sophie's Closetn Studio 8, Symphony or ValleyDez).²⁵³

As an alternative to brick-and-mortar shops, online distribution is expanding rapidly in Islamic countries. One good reason for this expansion is that companies do not have to set up physical shops everywhere or source for distributors. In Muslim countries, there is usually a long channel of distribution with a higher number of intermediaries than in Western countries. The higher the number of middlemen, the greater the escalation of prices and, in turn, the higher the prices to the consumer. Buying on the Internet, without middlemen, obviously brings prices down. Consumers do not have to visit shops to browse and try the products, especially some delicate products such as underwear. All salespersons in Saudi shops are men so if a woman would like to buy some lingerie, she would be really embarrassed to ask men she does not know to display the products. According to businesses in Riyadh, about 85 % of Saudi women are wearing the wrong bra size

²⁵³ <http://www.ahlanlive.com/top-10-fashion-boutiques-in-the-uae-513571.html>

because it is impossible to try them before purchasing.²⁵⁴ Looking at products on the Internet is easier and more accessible. The Internet gives people power, and this has been documented by the Arab Springs since 2011. The Information and Communication Technologies (ICT), especially mobile phone use, led to a revolution in all Arab Spring countries.²⁵⁵ It is hard to imagine that once people gain access to power in the political sphere that they will not try to replicate it in the business arena. Given that they have been very active in waging protests, they might be as active in informing themselves, choosing the offer and actually buying through mobile devices. Since they have formed activists groups for a political agenda,²⁵⁶ they could just as well put pressure on companies if a certain offer or communication is not done the way they think it should be done. In that sense, even the most conservative group will find this platform extremely conducive for the exchange of information and the avoidance of state-controlled or state-monitored media.

But selling online has its limits as well. The first is the access to the Internet for desktop computers on one hand and mobile computers and smartphones on the other. Digital marketing and Flash Players are a must today especially for companies entering the fashion business. As far as Internet access is concerned, countries in the OIC present a vastly contrasting situation, ranging from 90 % of the population being Internet users in Bahrain (higher than in the USA or in France) to just 1.5 % in Somalia. The highest percentages are found in countries with the highest GDP per capita such as the GCC countries but, even there, some differentiation exists with the UAE (88.1 %), Bahrain (90) and Qatar (85.3) on one end and Saudi Arabia (60.5), Oman (66.4) and Kuwait (75.5) on the other. Only 10 countries have 50 % or more of its population using the Internet, and 10 countries (mainly in Africa) have less than 5 % of its population using the Internet. All other countries are somewhere between 5–55 %. While these figures might seem low, the situation has improved a lot, especially in Africa. According to the Oxford Internet Institute, almost all North African countries doubled their population of Internet users (Algeria being a notable exception) in the last three years. Kenya, Nigeria and South Africa also saw massive growth. However, it remains that over half of Sub-Saharan African countries have an Internet penetration of less than 10 %, and have seen very little growth in recent years.²⁵⁷ If only 8.11 % of the population has access to the Internet in Cameroon, there is a high probability that these 8 % are the wealthiest and most educated people in the country, so Internet access is in fact a useful segmentation tool for companies. Companies would be interested to find

²⁵⁴ Craig S. Smith “Underneath, Saudi Women Keep Colourful Secrets” in *The New York Times* 8 December 2002

²⁵⁵ Muzammil M. Hussain and Philip N. Howard, ‘What Best Explains Successful Protest Cascades? ICTs and the Fuzzy Causes of the Arab Spring’, *International Studies Review*, Vol. 15, No. 1, Special Issue (Mar. 2013), pp. 48–66

²⁵⁶ Jonathan A. Obar, Paul Zube and Clifford Lampe, ‘Advocacy 2.0: An Analysis of How Advocacy Groups in the United States Perceive and Use Social Media as Tools for Facilitating Civic Engagement and Collective Action’, *Journal of Information Policy*, Vol. 2, (2012), pp. 1–25

²⁵⁷ <http://geography.oi.ox.ac.uk>

more about this 8 % of the population. In all countries, the number of Internet users has increased dramatically except in those experiencing conflicts and wars, so presenting collections online has become more and more interesting for companies. However, the use of animations, video and interactive content would be limited because of the broadband speed. The UAE is the only country in the world having a broadband speed similar to the USA. All other countries fall far behind, with some of them having a broadband speed that can barely load certain webpages, not to mention animations and videos.

As far as social media is concerned, contrasting situations exist. Facebook is not the only social media platform and the young Arab population is using many other platforms including YouTube and blogs.²⁵⁸ Mobile telephone operators identify the popularity of social media and Facebook among their clients, and advertise by capitalising on Facebook. An example is Algeria where Ooredoo (the mobile operator) launched an advertising campaign that has Facebook adding Ooredoo users as friends because of the 3G++ high-speed Internet (see the banner on www.ooredoo.dz/3g). As with other factors, disparity exists. There are Facebook-addicted countries displaying the same level of online activity as France such as United Arab Emirates (41 % of the population having a Facebook account), Malaysia (45 %), Brunei (60 %), Jordan and Turkey (39 %), and countries where less than 1 % of the population have Facebook accounts such as Turkmenistan (0.21 %), Tajikistan (0.51 %) and Chad (0.41 %). Some big countries such as Bangladesh (2.01 %) and Pakistan (4.11 %) also have low social media connectivity. For companies engaged in digital marketing, particularly in the fashion business where trends change very fast, it is essential to identify and gain access to communities of potential consumers, whether through the company or direct to the consumers. However, all virtual communication does not yield the same importance for practitioners. A survey in Turkey involving 126 Public Relations professionals found that emails are the most adopted social tools while virtual world applications are the least adopted.²⁵⁹ Finally, the attitudes of consumers toward mobile advertising applications are not the same compared to Western countries.²⁶⁰ Attitudes in the USA are more positive than those in Turkey. This means that successful mobile advertising campaigns in the USA might not enjoy the same success in Turkey despite a heavy use of the Internet and social media. This can be attributed to the different use of smartphones and applications. There is sufficient history of smartphone usage to differentiate populations in neighbouring countries such as Turkey and Iran (Table 3.10).²⁶¹

²⁵⁸ Adrian Gully, 'It's Only a Flaming Game: A Case Study of Arabic Computer-Mediated Communication', *British Journal of Middle Eastern Studies*, Vol. 39, No. 1 (Apr. 2012), pp. 1–18

²⁵⁹ Ozlem Alikilic and Umit Atabek, 'Social media adoption among Turkish public relations professionals' in *Public Relations Review*, Vol. 38, Vol. N°1 (Mar. 2012), pp. 56–63

²⁶⁰ Oylun Altuna and Faruk Konuk, 'Understanding consumer attitudes toward mobile advertising and its impact on consumers' behavioural intentions: A cross-market comparison of United States and Turkish consumers' in *International Journal of Mobile Marketing*, Vol. 4, N°2 (Dec. 2009), pp. 43–51

²⁶¹ Bijan Aryana and Torkil Clemmensen, 'Mobile Usability: Experiences From Iran and Turkey' in *International Journal of Human-Computer Interaction*, Vol. 29, N°4 (Apr. 2013), pp. 220–242

Table 3.10 Internet access in the OIC countries

Country	Internet users %	Facebook users %	Broadband speed	Mobile subscribers %
Afghanistan	5.91	1.21	2.51 Mbps	70.66
Albania	60.01	35.41	7.56 Mbps	116.16
Algeria	16.9	11.01	2.71 Mbps	100.79
Azerbaijan	58.7	9.91	5.61 Mbps	107.61
Bahrain	90.01	33.1	n/a	165.91
Bangladesh	24.51	2.01	10.31 Mbps	74.43
Benin	11.8	1.81	1.46 Mbps	93.26
Brunei	75.4	60.31	6.31 Mbps	112.21
Burkina Faso	5.31	0.81	1.48 Mbps	66.38
Cameroon	8.11	2.81	n/a	70.39
Chad	2.71	0.41	n/a	35.56
Comoros	6.51	2.71	n/a	47.28
Cote d'Ivoire	5.01	n/a	n/a	95.45
Djibouti	10.01	6.51	n/a	27.97
Egypt	43.7	14.51	2.66 Mbps	121.51
Gabon	39.3	8.21	3.96 Mbps	214.75
Gambia	19.01	5.31	1.22 Mbps	99.98
Guinea	1.61	0.61	1.71 Mbps	63.32
Guinea Bissau	3.11	n/a	n/a	74.09
Guyana	40.21	16.6	3.15 Mbps	69.41
Indonesia	28.11	20.11	4.84 Mbps	125.36
Iran	55.7	n/a	3.99 Mbps	84.25
Iraq	9.21	8.21	4.79 Mbps	96.11
Jordan	44.2	39.31	4.14 Mbps	141.8
Kazakhstan	54.01	3.91	16.63 Mbps	184.69
Kuwait	75.5	33.71	8.84 Mbps	190.29
Kyrgyzstan	39.21	1.91	12.84 Mbps	121.45
Lebanon	70.5	38.31	2.83 Mbps	80.56
Libya	16.51	13.91	5.77 Mbps	165.04
Malaysia	67.01	45.21	6.03 Mbps	144.69
Maldives	44.11	34.71	n/a	181.19
Mali	2.71	1.41	2.88 Mbps	129.07
Mauritania	6.21	3.21	5.12 Mbps	102.53
Morocco	56.01	15.81	4.86 Mbps	128.53
Mozambique	5.41	1.41	3.21 Mbps	48.01
Niger	1.71	0.41	n/a	39.29
Nigeria	38.01	3.91	5.76 Mbps	73.29
Oman	66.4	18.91	1.81 Mbps	154.65
Pakistan	13.31	4.11	2.98 Mbps	70.13
Qatar	85.3	34.4	11.67 Mbps	152.64
Saudi Arabia	60.5	22.1	10.13 Mbps	184.21
Senegal	20.91	5.21	3.51 Mbps	92.93

(continued)

Table 3.10 (continued)

Country	Internet users %	Facebook users %	Broadband speed	Mobile subscribers %
Sierra Leone	1.71	1.41	n/a	65.66
Somalia	1.51	1.21	n/a	49.38
Sudan	22.7	n/a	n/a	72.85
Suriname	37.01	19.21	3.42 Mbps	161.07
Syria	26.2	n/a	1.56 Mbps	56.13
Tadjikistan	16.01	0.51	14.88 Mbps	91.83
Togo	4.81	1.71	1.51 Mbps	62.53
Tunisia	49.01	31.01	4.34 Mbps	115.6
Turkey	46.31	39.41	11.73 Mbps	92.96
Turkmenistan	9.61	0.21		116.89
Uganda	23.01	1.71	6.07 Mbps	44.09
United Arab Emirates	88.1	41.71	23.71 Mbps	171.87
Uzbekistan	38.21	0.51	2.66 Mbps	74.31
Yemen	20.01	n/a	n/a	69.01
United States	87.01	52.91	22.33 Mbps	95.53
France	83.31	38.71	30.97 Mbps	98.51

Source: www.internetworldstats.com and International Telecommunications Union (ITU) at www.itu.int

An alternative to Internet sales could be mobile phone sales. In that respect, countries in the OIC present a much brighter situation because there are more than 100 % mobile subscribers in a large number of countries. In other words, many people have two or more mobile phones on prepaid or postpaid subscription. Countries such as Gabon (214 %), Kuwait (190 %), Saudi Arabia (184 %) and Kazakhstan (184 %) have results that are much higher than those in France or the USA. While the lowest results are once again in Sub-Saharan Africa, even in these countries, the penetration is always more than 35 %, which represents huge opportunities for mobile phone sales. The reasons for having several mobile phone subscriptions are numerous. One reason is that people want several phone numbers for use in their private and business life. Another possibility is that, in some countries, there is no equal coverage for different areas. One network might provide good coverage in Borneo Island and another in Java, Indonesia, so people living or working on these two islands will tend to have two subscriptions in order to have access to a telephone all the time, even with different numbers. In this case, sales or business deals will be announced via SMS and not emails. So even though all communication and sales promotions will still be done virtually, it might not necessarily be via the Internet. Mobile phones and smartphones do not cover the same businesses. While a rudimentary mobile phone is excellent for SMS selling, smartphones require a much higher Internet capacity. Islamic countries do not fare poorly in this respect. The United Arab Emirates is, for instance, the world leader in

smartphone penetration with a rate of 78%. This means that many people have multiple smartphones with several subscriptions.²⁶²

The second limitation for online sales is the payment system. If credit cards are not widespread in the country or payment systems such as Paypal do not exist in the country, the only possibility is to reserve or book the products in advance and collect payment on delivery or when the customer visits the point of sale in order to collect the item. This is a typical example of the Mail-Order-Business with the only difference here being that the order is made via SMS or online instead of the post office. Another alternative is payment through money transfer companies such as Western Union, where the items are sent upon collection of the money. In all countries, cooperation between the telecommunication companies, banks and regulators is crucial for the development of online payment.

MasterCard developed the Mobile Payment Readiness Index, taking into account 50 parameters including consumer readiness, which measures how familiar, how willing to use and how frequently consumers are currently using mobile payments. This Index covers 34 countries in the world, among them the most promising countries from the Muslim world. The Muslim countries covered by the MasterCard Index are roughly the same as those covered by Globaleddge for the Market Potential Index. The Index runs on a scale from one to 100, where 100 represents a complete replacement of plastic cards by mobile devices. No market has reached 50 and the highest scores are present in Singapore (45.6), Canada (42.0) and the USA (41.5). As far as Islamic countries are concerned, seven of them are covered by the report and two of them are in the Top 10 (United Arab Emirates with a score of 37.9 and Saudi Arabia at 37.5). Malaysia also has a high score of 34.5, which is higher than Germany (31.6) and France (31.2). Nigeria is with Kenya, and South Africa, the only Sub-Saharan country in the list, scored 31.3 followed by Egypt (30.2), Turkey (28.8) and Indonesia (24.0).²⁶³ It is obvious that companies interested in m-commerce (mobile payment commerce) would target these seven countries first because they have the infrastructure and readiness to use mobile payment.

The third limitation for online sales is the size of the country and supply-chain-management. There are more than 17,000 islands in Indonesia, so delivery can be a nightmare in the country, and it is understood that it can be done only on the biggest and most populated islands. The same thing can be said of Saudi Arabia, where the greatest part of the country is covered by deserts so the delivery will usually be done by plane first and land after. The only institution having a fair network within the country is the Post Office. And in 2011, the Saudi Post Office launched its own E-Mall portal, enabling customers to not only buy goods but also deliver them through the extensive Post Office network (www.e-mail.com.sa).

The economic environment and social and cultural environments define how consumers can and will behave when presented with a new product, brand or

²⁶² 'Mobile majority: smartphone penetration hits 78% in the UAE', www.nielsen.com, June 2014

²⁶³ The full report can be downloaded at <http://mobilereadiness.mastercard.com>

concept. If both these environments are positive for the marketer, a sustainable and profitable market exists. However, it does not mean that the market is open to a new launch. Everything can be destroyed by the fact that there are non-tariff barriers, especially from the legal and political point of view, which will not authorise the launch of new products in a given country. For this reason, we will now explore the political and legal environment.

The sequential approach adopted so far puts the political-legal environment at the end of the environmental analysis. This is the last but not the least question to study because it is often the most difficult question to answer for a marketer. The question indeed is: Are there political and/or legal barriers when companies want to enter a country?

When considering the economic environment, the company has control over the analytics because marketers talk about numbers, whether these numbers are about purchasing power or demographic trends. Marketers are at ease when it comes to number crunching. They are also at ease concerning consumer behavior, which is the object of the socio-cultural environment. Because companies deal on a daily basis with consumers, they have developed sophisticated methods over the years in measuring consumer behavior. So even if it is not quantitative but qualitative research, ultimately, research it is, and as robust and deep as its quantitative counterpart.¹ But with the political-legal environment, marketers enter uncharted territory because of the nature of business education. If the marketer comes from a stand-alone business school that is not affiliated to any university such as the French business schools, or schools with considerable autonomy such as London Business School or Mannheim Business School, these marketers are exposed much to political and legal considerations because business schools do not have extensive political and law departments, and they do not have many faculty members in these departments.

Marketers are thus not trained to analyse political and legal situations on one hand and they do not want to enter these discussions, especially political discussion, on the other hand. The reason is that companies want to serve all customers. They do not choose them according to their political preference, so companies do not

¹ Yves Doz, 'Qualitative research for international business', *Journal of International Business Studies*, Vol. 42, No. 5, Qualitative Research in International Business (June/July 2011), pp. 582–590

want to appear as linked to an ideology or political party and they do not want to serve consumers defending only one political idea. Companies also pledge to respect the legal system in any country they operate in and as such they cannot and do not want to have an influence on the legislative agenda.

All this is theory because, in practice, companies cannot avoid being engaged in political and legal discussions. The objective, therefore, of this chapter is to identify the political and legal challenges companies face when they engage in Islamic marketing worldwide. One example is the case of a company involved in a political battle without its consent like Nokia accused of helping the Iranian government through the selling of network infrastructure and software solutions to the government. The Iranian government then used this technology to observe, block and control domestic communications.² A second example is ISIS using brand new Toyota vehicles in its parades in Syria and Iraq. It is obvious that Toyota is embarrassed to see its pick-ups and SUVs (especially the Land Cruiser and Hilux models) prominently displayed this way and everyone is asking how ISIS managed to buy new Toyota vehicles and from whom, since car sales are tightly monitored and hundreds of new vehicles cannot just disappear.³ In the defense of Toyota, it is very difficult to track the sales of all vehicles. Global sales of Land Cruisers reached 368,000 vehicles in 2014, up from 293,000 in 2010. Worldwide Hilux sales totalled 649,000 in 2014, from 549,000 in 2010.

One example of the link between business and politics is the situation concerning purchasing power. Counting money is the object of economic analysis. However, in some cases, the amount of money given to the population is not related to the earnings coming from work but to earnings coming from natural resources the political leadership distributes because of coming elections or because it wants to buy peace. The first case is very often used in central Asia as shown by Andrea Kendall-Taylor in her analysis of Kazakhstan and Azerbaijan.⁴ In another study focussing on oil-rich countries of the OIC, results suggest that regimes use revenue to buy off peace through patronage and large-scale distribution policies.⁵ Peace is essential for business because it brings stability and all companies are interested in stability.

The relationship between religion and state is at the heart of political analysis. From the Western standpoint, Islam is viewed as a rigid religion that has a strong doxa (doctrine) but also a very strong praxis (behaviour) with an enormous impact on marketing strategies. The relationship between Islam and marketing is thus very simple: religion dictates a certain number of codes of behaviour that do not suffer

² Judith Schrempf, 'Nokia Siemens Networks: Just Doing Business — or Supporting an Oppressive Regime?' in *Journal of Business Ethics*, Vol. 103, No. 1 (Sep. 2011), pp. 95–110

³ 'US asks Toyota: Why does ISIS love your trucks?', *New York Post*, October 7, 2015

⁴ Andrea Kendall-Taylor, 'Purchasing Power: Oil, Elections and Regime Durability in Azerbaijan and Kazakhstan' *Europe-Asia Studies*, Vol. 64, No. 4 (Jun. 2012), pp. 737–760

⁵ Matthias Basedau and Jann Lay, 'Resource Curse or Rentier Peace? The Ambiguous Effects of Oil Wealth and Oil Dependence on Violent Conflict', *Journal of Peace Research*, Vol. 46, No. 6 (Nov. 2009), pp. 757–776

alteration, and marketing managers only have to accept them and adapt their offer accordingly. It is out of question for them that their marketing choices might collude with Islam. In order to see if alterations are still possible within a religious environment, we will use two parameters: strength of theocracy and strength of *doxa*⁶ especially in its relationship with the State.

The relationship between State and religions is of constant concern for political leaders, business leaders, citizens and consumers. Two basic forms of government will result: a theocracy where religion dominates the political life, and secularism, where the temporal power and spiritual power are separate and there is no influence of one over the other. The separation of theocracy and secularism is clear only in theory because there are as many variations as there are countries.

Cultural alteration⁷ initiated by one company or a group of companies is weak when the state endorses a given religion and has a duty to defend the religion. Cultural alteration is strong in the case of declared secular states because in that case the state does not want to interfere in religious matters, giving full room for companies to innovate and confront religion. This is especially the case in France, where the state does not want to regulate halal food standards and certifications, causing problems for consumers.

Cultural Alterations and Strength of Theocracy

In a theocracy,⁸ religion is immutable and represents the very foundation of the state. It is a dominant factor in business and political decisions. All the three powers (legislative, executive and judiciary) are dominated by religion, with implications for business. If the legislative power is dominated by religion, religious laws will define what is acceptable and what is not in terms of product characteristics, in terms of distribution channels or advertising strategies. If the executive power is dominated by religion, it means that decision-makers would either be religious officials or politicians bound by religious principles when allowing a TV channel to operate in their country or defining what is a public-private partnership. If the judiciary power is dominated by religion, private property and fair business do not pose a problem. What may pose a problem is the way a company is represented in court, but even that should not be a problem because according to Saeed, Ahmed and Mukhtar, justice (in that case just dealing and fair play) is the principle of value-maximisation in Islam and no party would depart from that.⁹

⁶ The term *doxa* comes from the ancient Greek meaning 'opinion' used to mean doctrine or dogma from the religious point of view giving birth to the term 'orthodoxy' or the 'right doctrine' as opposed to the term 'othopraxy' meaning the 'right behavior'

⁷ Fred Voget, 'Cultural Change', *Biennial Review of Anthropology*, Vol. 3 (1963), pp. 228–275

⁸ David Webster, 'On Theocracies', *American Anthropologist, New Series*, Vol. 78, No. 4 (Dec., 1976), pp. 812–828 and Balraj Puri, 'Iqbal: Islamic Theocracy and Muslim Identity', *Economic and Political Weekly*, Vol. 38, No. 33 (Aug. 16–22, 2003), pp. 3510–3511

⁹ Mohammad Saeed, Zafar Ahmed and Syeda-Masooda Mukhtar, 'International marketing ethics from an Islamic perspective: a value-maximization approach' *Journal of Business Ethics*, Vol. 32, N°2, (Jul. 2001), pp. 127–142

Islam is considered to be more theocratic than other religions because it does not recognise separation between spiritual and temporal affairs. Thus, business will be considered as a matter of morality and subject to tenets of the Shariah. According to Bernard Lewis in an article in *Foreign Affairs*, Muslim countries were dominated by Western powers for more than 200 years. Colonial powers implemented a secularist form of government, and once Muslim countries recovered freedom, for many of them there was a temptation to reject Westernisation and its corollary (secularism) and embrace theocracy.¹⁰

Everyday life in Muslim societies is an interaction of religion, politics and traditions. Actions that may seem apolitical or having nothing to do with religion, such as watching television, wearing a scarf a certain way or selling in shops or at home, have immediate religious overtones. Consequently, Islam is, for marketers, a rigid religion they have to face, and they usually accept it as fact and do not go against it. According to Luqmani, Qurqeshi and Delene, the fact that *Ummah*¹¹ (the community of Muslim believers) exists has definite consequences on elements of the marketing mix.¹² Even if Islam is presented as a firm concept that does not accept any deviation and insists on the unity of the Muslim community, it is easy to see that the *Ummah* is far from being united. There is certainly a unique set of scriptures and concepts, but the divisions are so great that it is hard to talk about oneness. The scriptures, concepts and places are the same: the *Qur'an*, the *Sunna*, the Five Pillars, the holy places of Mecca and Medina and the concept of *Ummah*. Meanwhile, the variety of states in which Muslims live, the cultures they share, the standards of living they enjoy and above all the different branches of Islam they profess will have a definitive impact on marketing techniques. As an example, which will be elaborated on later in this chapter, halal food and Islamic Finance refer to different standards and certification processes, and this is mainly due to the existence of different schools of *fiqh*.

When it comes to the Muslim world, diversity is the norm and Muslim countries are far from being theocratic countries for the majority of them. In the *Sunni* world, the Kingdom of Saudi Arabia enjoys a very special position because it is the cradle of Islam and the King is the Custodian of the Two Holy Mosques in Mecca and Medina. Saudi Arabia does not have a Constitution but a Basic Law of Government.¹³ When a country does not have a constitution and when the religious book is

¹⁰ Bernard Lewis, 'Free at Last', *Foreign Affairs*, Vol. 88, N° 2, (Mar/Apr 2009), pp 77–88 and Jean-Philippe Platteau, 'Religion, politics, and development: Lessons from the lands of Islam', *Journal of Economic Behavior & Organization*, Volume 68, N° 2, (Nov. 2008), Pages 329–351

¹¹ *Ummah* is an Arabic term meaning community or nation. In the context of Islam it is used to mean the community of believers (*ummat al-mu/minin*), and thus, the whole Islamic world. Source: Abdelfattah Amor, 'La notion d'Umma dans les constitutions des Etats arabes' in *Arabica*, Vol. 30, N°3, (1983), pp. 267–289

¹² Mushtaq Luqmani, Zahir Qurqeshi and Linda Delene, 'Marketing in Islamic Countries : A Viewpoint' *MSU Business Topics* (Sum.1980), pp. 20–21

¹³ Article 1 states: 'The Kingdom of Saudi Arabia is a sovereign Arab Islamic state with Islam as its religion; God's book and the Sunnah of His Prophet, God's prayer and peace be upon Him, are its constitution' Source: *The Basic Law of Government* adopted by royal decree of King Fahd in 1992

in fact a substitute to a constitution, this might be a pure version of theocracy because human beings have to submit to the will of God, and the religious book is representing the word of God. So, from the legislative point of view, Saudi Arabia would be a pure example of theocracy like the Vatican State. At the same time, Saudi Arabia is an absolute monarchy, which means that the executive power is not in the hands of religious officials but in the hands of the ruling dynasty.¹⁴ Finally, the legislative power is not completely separated from the ruling family since the King is appointing the Great *Mufti* of Saudi Arabia. This situation goes back to the Treaty of *Diriyah* in 1744, which defined the separation of powers between religion and state in Saudi Arabia and the mutual obligation of support between religion (*Wahabbism* as part of the *Hanbali* school of thought) on one side and the House of Saud on the other side. On first consideration, it means that all decisions are taken by Saudi clerics and that there is a firmly established set of rules facilitating marketing in the Kingdom because the lines of what is permitted and what is not are clear. This is far from reality because the Royal Family rules the country and not the clerics, and the royal family in Saudi Arabia is vast and famous for its internal disputes and factions. So when it comes to general business rules, the Saud Family would take the upper hand, but when it comes to religious and social norms, the Al ash-Sheik family (descendants of Muhammad ibn Abd al-Whabbi, the founder of *Wahhabism*) has a monopoly power and significant influence in the judicial and educational systems.¹⁵ Marketers will have to navigate between the two families who rule Saudi Arabia and, depending on the nature of their business, one family will be more important than the other. As an example, Zirinski proposes the concept of *ad-hoc Arabism* in Saudi Arabia for companies that want to develop an *Arabic* (in that case Saudi) approach to advertising, different from a nearby country such as Bahrain where the political-legal environment is completely different and companies' behaviour would also be different.¹⁶

In the Shia world, Muslims are keen to respect the secular constitution provided that the constitution or positive law does not interfere with religious affairs. According to this traditional school represented by the Shia leaders in Iraq, namely ayatollah Ali al-Sistani, they strictly observe separation of State and religions. This movement is called '*quietism*' and maintains that clerics should abstain from politics and confine themselves to giving social and religious guidance to their

¹⁴ Mohammad Al-Atawneh, 'Is Saudi Arabia a Theocracy? Religion and Governance in Contemporary Saudi Arabia', *Middle Eastern Studies*, Vol. 45, N°5 (Sep. 2009), pp 721–737

¹⁵ Cooperation between the ulema and the ruling family is a necessity for the Saudi to 'adapt the normative and institutional system of a puritan theocracy to the conditions of a state, a society and an economy faced with the challenges of the modern era'. See Aharon Layish, 'Saudi Arabian Legal Reform as a Mechanism to Moderate Wahhabi Doctrine', *Journal of the American Oriental Society*, Vol. 107, No. 2 (Apr. - Jun., 1987), pp. 279–292 and Joseph A. Kechichian, 'The Role of the Ulama in the Politics of an Islamic State: The Case of Saudi Arabia', *International Journal of Middle East Studies*, Vol. 18, No. 1 (Feb., 1986), pp. 53–71

¹⁶ Roni Zirinski, *Ad hoc Arabism: Advertising, Culture and Technology in Saudi Arabia*, Peter Lang Publishers, New York, 2005, 190 pages

followers.¹⁷ However, the concept of ‘*velayet-e-faqih*’, states the contrary. It was codified by the Great Ayatollah Khomeiny in the 1960s and 1970s, and stipulates that clergy has to rule the community of believers. In that sense, the state must be a theocratic state where all the powers are in the hands of the clergy, especially those of the Great leaders, the ‘*marja al-taqlid*’.¹⁸

Contrary to Saudi Arabia, Iran does have a Constitution, but clearly names one official religion existing within the State.¹⁹ The Constitution is not only approved by more than 98 % of the population in Iran, but it is also the result of the Islamic Revolution in 1978. So, from the legislative point of view, the legitimacy of power derives from a democratic decision of the people of Iran via constitutional approval and a revolution. This way, Saudi Arabia is far more theocratic from the legislative point of view than Iran since there was no democratic approval of the Basic Law of Government. However, the executive and judiciary powers in Iran show an arcane relationship between the Great Ayatollah, the President of Iran, the Guardians of the Revolution and the Council of Experts. From this point of view, Iran is more theocratic than Saudi Arabia.

In these two countries, which consider themselves to be the champions of Islam for each branch of Islam, the strength of theocracy is quite high, so the possibility of cultural alteration will be low. If McDonald’s is willing to open a restaurant in Saudi Arabia with only one entrance for all and does not want to separate the restaurant into two parts (a men only section and a family section—meaning for women since they cannot enter alone), it will not be the consumers that will boycott the restaurant, but the legislator and the executive power in Saudi Arabia, who will take measures against McDonald’s. The debate between family sections and single sections does not stop at restaurants and fast-food outlets. There is also the case of shopping malls reserved for families. This initiative comes from Qatar, where the authorities would like to reserve the eight largest malls for families only one day of the weekend. Contrary to the case of Saudi Arabia, where gender discrimination is the source of the move, in Qatar they want to prevent labourers who come to Qatar for work from going to shopping malls during weekends. Even if the decision does not cover all shopping malls and all days in the week, the shop owners, especially hypermarkets, will definitely experience a drop in sales during this allotted day.²⁰

Gender segregation induces additional costs as well. It will force companies to double the space and/or to double the salesforce in order to satisfy both genders at

¹⁷ Michel Cook ‘Activism and Quietism in Islam: The Case of the Early Murji’a’ in *Islam and Power* (2nd edition), edited by Alexander S. Cudsi and Elli E. Hillal Dessouki, Routledge, 2013, 216 pages

¹⁸ Hamid Dabashi, *Theology of Discontent, The Ideological Foundation of the Islamic Revolution in Iran*, Transaction Publishers, 2006, 645 pages

¹⁹ Article 12: ‘The official religion of Iran is Islam and the Twelver Ja’fari school [in usual al-Din and fiqh], and this principle will remain eternally immutable’. Source: *The Constitution of the Islamic Republic of Iran* (1979)

²⁰ ‘Qatar to vote on family-only days at major shopping malls’, *The Business Times*, 26th November 2015

the same time. The state of Kelantan in Malaysia ruled out unisex hairdressing salons, which will cause problems in staff management and will definitely induce higher costs and prices.²¹ Some shopping malls in Malaysia introduced women-only parking bays, which are reserved for lone female drivers or women who are accompanied by children. The reason behind this move is a concern on security and harassment in huge car parks. Tropicana City is one of the shopping malls in Kuala Lumpur that dedicated 445 out of 1600 parking bays for the convenience of female shoppers.²² If the majority of shoppers are women who drive alone, in that case the move can be a sound one. Otherwise, there is a problem of management and allocation of space, which has to be carefully planned.

In Saudi Arabia, not only is the reference to Islam of utmost importance, but the Kingdom has also the duty to make sure that Islam is the only religion authorised in the country. The consciousness of this special duty pushes Saudi Arabia to encourage *da'wa* (invitation to adhere to Islam)²³ especially among foreign workers living in Saudi Arabia. This is a market as any other. The market is composed of non-Muslims, the product or service is religion and the expected outcome is the conversion to Islam. The Kingdom is extremely active abroad in spreading Islam in various countries. It helps build mosques such as the King Fahd Mosque in Sarajevo and funds the establishment of Islamic Finance chairs at the most prestigious universities and business schools such as Pantheon-Sorbonne in France or Instituto de Empresa in Spain.²⁴ If Saudi Arabia is very active in the propagation of Islam abroad, it also restricts very much the use of foreign religious symbols and celebrations in its own country to such an extent that there is officially no Christian church of any Christian denomination in Saudi Arabia. References to 'crosses' (would it be real crosses or the lines cut across the centres of certain logos) might not be appropriate in Saudi Arabia because they are reminiscent of Christian crosses.²⁵ The religious cue is twofold. On one side, the Christian symbol may be attractive because of the positive country of origin effect associated with the quality, durability or fashionability of the brand and the logo. On the other side, it

²¹ 'Kelantan stands firm on gender rule for haircuts', *The Straits Times*, 27th November 2012

²² 'Men muscle in on women-only parking bays', *The Star*, 3rd February, 2013

²³ Da'wa – literally 'preaching, call, propaganda', and in fact religious or cultural indoctrination, using any interpersonal communication means in order to convert people to Islam. The concept is close to proselytization. It is a personal obligation and Muslims have very different ways how to do it. One of them is art as in the case of theatre practitioners who set up a play inviting women of all faiths to discover Islam. See 'Stories from the Quran for ladies only', *The Straits Times*, 19th March, 2013

²⁴ See the Chair on Ethics and Norms in Finance at Pantheon-Sorbonne University at <http://cenf.univ-paris1.fr/accueil/presentation/> and the Saudi-Spanish Center for Economics and Finance at Instituto de Empresa at <http://www.scief.es>

²⁵ Gillian Rice and Mohammed Al-Mossawi, 'The Implications of Islam for Advertising Messages: The Middle Eastern Context', *Journal of Euromarketing*, Vol. 11 N°3, (2002) pp. 1–16

might be rejected in the same country because of religious detachment.²⁶ A case in point is the popular luxury brand Prada, which features a cross on its emblem (in fact the company uses the House of Savoy's coat of arms featuring a cross on it), which might pose a problem in Saudi Arabia. It means also that there is no sale of religious books and products other than those dedicated to Islam. This is contrary to the nearby (also *wahabbi*) country, Qatar, where the first Catholic Church (Our Lady of the Rosary) for 14 centuries was opened in 2008.

Cultural Alteration and Strength of Doxa After looking at the strength of theocracy (relationship between state and religions), we will now look at the strength of doxa in order to see how the doctrine is important to consumers and how they accommodate with other religions and beliefs.

The first line of separation lies between animism and religions. Islamic countries and Muslims worldwide are supposed to reject animism because animism considers inanimate objects as possessing a soul and animism considers acts of nature such as storms or rain to be of supernatural origin. Concepts associated with animism such as superstition, fortune-telling, anthropomorphism or prosopopoeia are directly banned by the Shariah because they linked to magic or idolatry. However, marketers in Western countries routinely use animism in their product strategy (naming perfumes as *Alchemy* or *Chance* for instance) or selling bracelets called Charms.²⁷ The question of anthropomorphism and especially the corporeality of God was debated in early Islam. Today, however, a large consensus exists to reject this form of anthropomorphism by insisting on the otherness of God, i.e. not having corporal existence.²⁸ In Islamic countries, animism is also present but usually consumers do not perceive its animist character. Examples include a self-advertisement for Leap Studios in Jeddah in 2011 where the ad agency used the word *Chance* in order to show that everything is not planned (see the ad on www.leapstudios.net) while anthropomorphism was used by Hyundai in Algeria in a print advertisement where it depicted heavy machine with muscles like a human person. The advertisement is available on: <http://www.adeevee.com/2008/06/hyundai-heavy-industries-arm-print/>.

Marketers use animism heavily in the advertising strategy, making characters 'come alive' such as the Green Giant or giving animals human attributes such as

²⁶ Abbas Naseri and Ezhar Tamam, 'Impact of Islamic Religious Symbol in Producing Favorable Attitude Toward Advertisement', *The Public Administration and Social Politics Review*, Vol. 4, N°1 (2012), pp. 61–77

²⁷ If in many Islamic countries animism has been extirpated, this is still not the case in Africa where animist and Islamic beliefs still coexist. See Benjamin Soares and Filippo Osella, 'Islam, Politics, Anthropology', *The Journal of the Royal Anthropological Institute*, Vol. 15, Islam, Politics, Anthropology (2009), pp. 1–23 and Billiamin A. Alli, 'Acculturative Forces: Nigeria in Transition', *Journal of Black Studies*, Vol. 4, No. 4 (Jun., 1974), pp. 376–395

²⁸ Wesley Williams, 'Aspects of the Creed of Imam Ahmad Ibn Hanbal: A Study of Anthropomorphism in Early Islamic Discourse', *International Journal of Middle East Studies*, Vol. 34, No. 3 (Aug., 2002), pp. 441–463

Mickey Mouse. Finally, the invention of virtual characters is also a trend today with emoticons supposed to represent human feelings. The majority of Muslims accept these animist references either because they do not know that they refer to animism or because they do not care. Only when some fatwas are issued against them do things start to become problematic for companies as was the case with Mickey Mouse,²⁹ Pokemon³⁰ and emoticons.³¹ Otherwise, they just do business as usual.

The second line of separation would be between polytheist religions and Islam. In polytheist religious systems, there is a plethora of divinities and deities, and sometimes people have a choice to adore one or several of them. This is the case in Hinduism or Brahmanism, where several thousand deities coexist³² (or in the case of ancient religions such as the Greek Pantheon, where more than 100 god-forms exist). A hierarchy between God-forms and deities does exist (Zeus on one side, Brahma on the other side, even if they are hard to compare) and taboos are clearly indicated, especially in the case of Hinduism. There is no ecclesiastical structure in Hinduism, or the Greek or Roman pantheon that can forbid companies from introducing a new product or concept. It is up to consumers to decide whether they accept them and not up to spiritual leaders to ban them from the market. Consequently, only consumer associations or community/religious associations tend to protest at some inappropriate use of deities by marketers. One of the unions, AHAD (American Hindus Against Defamation) is very active in tracking misrepresentation of Hindu icons and images and deities on shoes, toilet seats, night clubs and so on.³³ The possibility of alteration in polytheism is strong because there is no organised resistance to the use of polytheist references. Greek or Norse myths are very much used such as Nike (Greek goddess of victory, personification of success, particularly in the martial sense) for athletics, Hermes (Greek messenger and herald of Gods) for luxury goods, Odin (major Norse God and ruler of Asgard) for Odin Athletics company in the UK or Thor (Norse God of Thunder) for Thor Motorcross in the United States. Names of products such as Samsara (reincarnation) or the Guru brand (enlightened spiritual teacher) are just a few coming from the Hindu glossary. The Samsara perfume from Guerlain is sold without any problem in Islamic countries even though it refers to a non-Islamic religious concept.

Islam as a monotheist religion has been built directly in opposition to polytheist practices and the actions of Muhammad against polytheism, especially in a time

²⁹ Saudi cleric and former Saudi diplomat in the US Muhammad Al Muanid has declared jihad against Mickey Mouse and Jerry in Tom & Jerry. He does not attack Mickey Mouse from the animist perspective but says that mice are impure, evil and soldiers of Satan. See the video at youtube: <https://www.youtube.com/watch?v=j7IpMIhR6Yg>

³⁰ Abdelazziz ben Abdallah al-Cheikh, the Mufti of Saudi Arabia issued a fatwa against Pokemon in 2001. See 'Fatwa contre les Pokémon', *Libération*, 30 March 2001

³¹ The web forum Multaqa Ahl Al-Hadeeth issued a fatwa against emoticons because of its imitations of Allah's creatures. Here is the website of the Forum: <http://www.ahlalhdeeth.com>

³² Hinduism is hard to define because it has also some pantheistic features (universe identified with divinity).

³³ See the website: http://www.hindunet.org/anti_defamation

that polytheism dominated Mecca, are very famous.³⁴ Therefore, Muslims are expected to oppose polytheist references in marketing (product, distribution or advertising). This is, however, not happening today as they were in ancient times (except in the case of Hinduism), so ancient religious practices will be seen as the preservation of historical heritage just as the time of the Pharaohs is preserved in Egypt or that of Cappadocian early Christianity in Turkey.³⁵ The tourism industry in both countries relies very much on these pre-Islamic beliefs, and both countries try to preserve them. Egyptair is famous for its use of pharaonic symbolism (the logo of Egyptair features Horus, the sky deity of the Egyptian mythology) in its advertisements, while the Turkish Tourist Office also relies on pre-Islamic remains in Cappadocia or Aya Sophia in Istanbul. The logo of IranAir (the airline of the Islamic Republic of Iran) has nothing Islamic in it. It refers to the image atop one of the columns in pre-Islamic Persepolis.

Finally, a line of division separates monotheistic religions (people of the Book or *Ahl al-Kitab*). The three religions (Judaism, Christianity and Islam) refer to a Holy Book (Old Testament for the Jews, New Testament for the Christians and Qur'an for the Muslims). This is a sequential appearance, so Christians accept the Old Testament as well, while Muslims accept both Testaments as predecessors. The Holy Book is the source of faith and pillar of the religion. In that sense it is undisputable and invariable. From the Muslim point of view, only one of the Holy Books literally carries the Word of God (this is the case of the Qur'an) while the Old and New Testaments are a compilation of texts of an unknown number of authors. There is still a controversy among Jews and Christians about the Bible: is it the Word of God, does it contain some Words of God or is it God-Breathed (that is inspired by God)? If the text carries the Word of God, it cannot be broken, so the injunctions or prohibitions contained in the text cannot be challenged by human beings. This will have a tremendous impact on marketing.

Contrary to the Qur'an, which was delivered in Arabic, a language still practised by millions of believers today, the Old Testament was delivered mainly in Hebrew with some additions in Aramaic, a language spoken by few people today, and researchers disagree over the language used for the New Testament (Aramaic is the most quoted but the Greek version is what is left today).³⁶ The Qur'an would be harder to challenge than the Bible because Arabic is still spoken by a significant part of the Muslim community and for whom no translation is needed. Non Arabic

³⁴ G.W. Davis, 'Islam and the Kuran' *The Old and New Testament Student*, Vol. 10, N°6 (Jun. 1890), pp 334–342 and Crawford H. Toy 'Mohammed and the Islam of the Koran', *The Harvard Theological Review*, Vol. 5, N°4 (Oct. 1912), pp 474–514

³⁵ An easy way to notice the survival of pre-Islamic traditions is the name-giving process in various Islamic countries. In Iran, it is interesting to notice that even after the Islamic revolution, population keeps on in giving Persian names to their children. See Nader Habibi, 'Popularity of Islamic and Persian Names in Iran before and after the Islamic Revolution', *International Journal of Middle East Studies*, Vol. 24, No. 2 (May, 1992), pp. 253–260

³⁶ There is quite a revival of Aramaic, especially among the Syriac diaspora members all over the world. See 'An outpost of Aramaic speakers' in *Economist*, 3rd November 2012, pp. 52–54

scholars usually learn the Arabic language in order to read the Qur'an in the original version. In all Shariah study programmes in the world, the Arabic language is a must. The memorisation and recitation of the original versions of the Qur'an are considered to be very important since Qur'an means recitation.³⁷ Finally, physical representation (pictorial, sculptural) of faith is banned in Islam (except for some *Shia* branches) and thus the personal interpretation of faith from painters or sculptors that exists in Christianity does not alter the original message carried by the Qur'an.

Traditionally, Islam insists more on orthopraxy (behavioural correctness) than on orthodoxy (doctrinal correctness).³⁸ A good Muslim is usually not someone whose beliefs conform to an accepted doctrine, contrary to the Protestant Christianity that defines a good Christian according to the respect of the Five Solae.³⁹ A good Muslim is someone whose commitment is evident through observable behaviour, especially through the observance of the Five Pillars of Islam. This is why Islam will have much more impact on consumer behaviour than Christianity, all denominations included. Playing with taboos in Christianity is widespread in the West and we cannot count the number of products called after the devil, especially in the perfume industry (*Ange ou Démon* by Givenchy, *Démon* by Eau Jeune, *Diabli Bleu* for Creation Lamis, *Passage d'Enfer* for L'Artisan Parfumeur, *Scents from Hell* by Bruno Banani to name just a few). On the other side, Islam is very attentive at not making any reference to the devil. This is why the company Givenchy changed the name of its perfume *Ange ou Démon* to *Ange ou Etrange* in some Muslim countries.

Marketers in Western countries also routinely use references to Christianity in order to shock consumers and attract attention as was the case with the Benetton campaign under the influence of the photographer Oliviero Toscani from 1982 to 2000.⁴⁰ This kind of campaign or the names associated with the devil would immediately be called heresy and at least be banned in Muslim countries. The Islamic counterpart to the Christian concept of heresy is *bid'a*, which means deviation and has traditionally been interpreted to mean 'behavioural nonconformism'.⁴¹

³⁷ The recitation of the Qur'an has given birth to a new genre called *Fada'il al-Qur'an*. See Asma Asfaruddin 'The Excellences of the Qur'an: Textual Sacrality and the Organization of the Early Islamic Society', *Journal of the American Oriental Society*, Vol. 122, N°1 (Jan.-Mar. 2002), pp 1–24

³⁸ A part on orthopraxy in Islam is included in James Toth, 'Islamism in Southern Egypt: A Case Study of a Radical Religious Movement', *International Journal of Middle East Studies*, Vol. 35, No. 4 (Nov., 2003), pp. 547–572

³⁹ From the Protestant Reformation point of view, a good Christian believes in *Sola scriptura* (Scriptures alone), *Sola Fide* (Faith alone), *Sola Gratia* (Grace alone), *Solus Christus* (Christ alone), *Soli Deo Gloria* (glory to God alone). The first three solae, which are the most important ones, clearly refer to orthodoxy and not to orthopraxy.

⁴⁰ Mark J. Barela, 'United Colors of Benetton: From Sweaters to Success: An Examination of the Triumphs and Controversies of a Multinational Clothing Company', *Journal of International Marketing*, Vol. 11, No. 4 (Win. 2003), pp. 113–128

⁴¹ W.C. Smith, *Islam in Modern History*, Princeton University Press, 1957, 317 pages

The political analysis helps to identify the countries labelled as Islamic and where Islamic Marketing should be used primarily because the political environment is favourable to Islamic Marketing. Other countries with significant Muslim populations also offer opportunities for Islamic Marketing but the political environment might be challenging from time to time. In addition, the legal structures will also have an influence on Islamic Marketing because products and services can be made compulsory, recommended or banned depending on the legal situation in a given country. Since there is no unique political and legal environment in the Islamic world, the question is all the more important.

4.1 Political Environment

The political environment is probably the least predictable element in the environmental analysis. It is part of a comprehensive tool called PEST analysis (Political, Economic, Social and Technological) or PESTEL (adding Environmental and Legal). Political analysis has an enormous influence on all other environmental elements.⁴² In order to analyse the political environment, we have first to see if there is a unique Muslim market or community or not.

All Muslims believe they are part of the *Ummah*, the Muslim community.⁴³ But this *Ummah* is only a virtual community because, at the same time, Muslims live in separate countries with completely different political and legal structures, which will have influence on marketing plans. If all Muslims worldwide had the same needs, the same desires and the same wants, it would be compulsory for companies to target them the same way and with the same offer, very close to the geocentric approach expressed in the EPRG scheme. This cannot be the case because, if the principles are the same for all Muslims, the particular political situation of the country they live in will definitely shape demand. As an example, Chinese Muslims living in Indonesia will develop a completely different approach towards their Muslim identity compared to Chinese Muslims living in China. The majority of Chinese Muslims in Indonesia belong to the Han community while the main Muslim group in China is part of the Hui community. If in China, the Huis tend to 'Arabize' the new mosques they built in China, the Han Muslims in Indonesia tend to adopt traditional Chinese architectural patterns in building their mosques in Indonesia. Hui Muslims in China have a tendency to be close to Muslims in neighboring countries in Central Asia and the Middle East while Han Muslims in

⁴² For a detailed account of PEST analysis see: www.pestleanalysis.com

⁴³ The term *Ummah* has several understandings especially if we refer to the period before or after the advent of Islam. In this part we will refer to *Ummah* as defined in the 'Constitution of Medina' explained by Frederick Denny, 'Ummah in the Constitution of Medina', *Journal of Near Eastern Studies*, Vol. 36, No. 1 (Jan., 1977), pp. 39–47

Indonesia are closer to their fellow Muslims in Indonesia.⁴⁴ This difference can be explained by political factors. If the government in China shows growing concern about terrorist activities in the country, it will promulgate measures perceived as discriminatory by the local Muslim population, pushing it to close ties with outside allies, especially in the Middle East. On the contrary, in Indonesia, the discrimination against Chinese Muslims is much lower, so they do not need to look for outside sponsors. They will spread their roots on one side and tend to integrate within the country on the other side. So, marketing efforts targeting the Chinese Muslims living in China and Chinese Muslims living in Indonesia will not be the same.

Theoretically, the Muslim community is one and indivisible. Islam covers both the personal and the social aspects of life binding Muslims in a single community, and all Muslims believe that they are part of the same community. This *Ummah* is a trans-border community and trans-temporal, built around the message of the Prophet Muhammad. In these times of the Internet, connectivity and social media, the concept of *Ummah* fits well with virtuality, permitting Muslims to establish a very efficient way of networking.⁴⁵ In that sense, it is not different from other virtual world-linking diasporas or religious communities. What is worrying is that the virtual world can also be a dangerous one, linking terrorist groups and permitting them to recruit new members as described by Olivier Roy.⁴⁶

In the first and broad acceptance of the term, *Ummah* included also people of the Book (Jews and Christians), especially in the phrase *umma wahida* (the “One Community” as on www.ummahwahida.com). However, today it refers more and more to the entire Islamic world unified.⁴⁷ The acceptance today is that the term *Ummah* refers to the Muslim community alone and the great majority of Muslims identify and take pride in being part of one single community that does not know differences in origin, country or economic condition. Because the term *Ummah* conveys such positive reminiscences, some companies clearly mention the term *Ummah* either in their name or in the products and services they offer on the market. *Ummah Outfitters* is a platform selling various brands with Islam-related apparel (the products are displayed on <https://fr-fr.facebook.com/UmmahOutfitters> while *Ummah Foods* sells chocolate mainly (<http://www.ummahfoods.com>). Both of them come from the UK.

It is understandable that *Ummah* is more important in Western lands because of the diversity of Muslim population living there. There are Muslims originating from Pakistan, Lebanon and Sub-Saharan Africa co-existing with convert Britons in the UK. They all originate from different countries so they have to create the sense of

⁴⁴ Hew Wai Weng, ‘Beyond “Chinese Diaspora” and “Islamic Ummah”’: Various Transnational Connections and Local Negotiations of Chinese Muslim Identities in Indonesia’, *SOJOURN: Journal of Social Issues in Southeast Asia*, Vol. 29, N° 3 (Nov. 2014), pp. 627–656

⁴⁵ ‘The Online Ummah’, *The Economist*, 18th August, 2012

⁴⁶ Olivier Roy, ‘Headquarters of Terrorists Is Virtual Ummah’, *NPQ: New Perspectives Quarterly*, Vol. 27, N°2 (Spr. 2010), pp. 42–44

⁴⁷ John Esposito, ‘Islam: The Straight Path’, Oxford University Press, 4th edition, 2010, 352 pages

Ummah within the UK first and think about expanding the concept outside. This is why there are more initiatives promoting *Ummah* in Western countries than in Islamic countries. In terms of marketing, it will be the same thing. The concept of *Ummah* will be more used and accepted in the West than in Islamic countries.

If *Ummah* is so important and if Islam is a universal religion, there cannot be Islamic nationalistic movements. Islam cannot favour one nation or one group of people and one nation cannot launch a take-over bid on Islam and declare that it is the true Islamic nation. There is, however, a Nation of Islam as an organisation in the United States set up to fight for the rights of Afro-American Muslims and, to some extent, a Bengali nationalism based on Islam or Muslim Indian nationalism used to exist for some time.⁴⁸ However, these attempts are condemned by other Muslims because, for many of them, nationalism and Islam are incompatible terms. So, if a company like Coca-Cola asks Apni Pechaan to design a poster in which Coca Cola celebrates Pakistan, it will put emphasis on the flag or the truck and not on religion itself, even if Pakistan is an Islamic Republic (advertisement available on www.adsoftheworld.com). The only way Coca-Cola will use Islamic references is during the month of Ramadan when it is essential to boost sales. It does so in Malaysia by offering the personalisation of cans during Ramadan (<http://ramadhan6.blogspot.com/2015/06/get-your-own-personalised-aya.html>).

Issues like regulations, exports subsidies, political boycott of brands and products, expropriation and confiscation, corruption and bribery all fall under the category of political analysis. However, the way to analyse this is to look at economic freedom because this will identify the nature of the political system and assess whether it is marketing friendly. It will, among other things, state if it is easy to start a business, whether the country is competition free, whether there are tariff barriers and so on. According to the Economic Freedom Heat Map from the Heritage Foundation in the United States, the level of economic freedom is unevenly spread around the globe. It gives detailed accounts for all countries in the world, including Islamic countries (<http://www.heritage.org/index/heatmap>).

Results for OIC countries are given below. The overall score is in the first column, followed by the lowest score and the highest score per indicator given by the Heritage Foundation. The overall median score for Islamic countries is close to the world average. There are, however, more than 10 countries above the world average, with some of them very close to Western countries. The overall score of Bahrain is 73, UAE 72, Qatar 71 and Malaysia 70, while the overall score for France is 62, Germany 74, the UK 76 and the US 76. It means that the political environment in Islamic countries, expressed in economic freedom, is quite similar as compared to Western countries. At the same time, there are countries well below the world average such as Algeria (49), Turkmenistan (41) or Uzbekistan (47), while Iran has also a very low score at 42. Looking at the lowest scores, two

⁴⁸ Zillur Khan, 'Islam and Bengali Nationalism', in *Asian Survey*, Vol. 25, N°8 (Aug. 1985), pp. 834–851, and Balraj Puri, 'Mohammad Iqbal and the Universe of Muslim Identities', *Economic and Political Weekly*, Vol. 16, No. 8 (Feb. 1981), pp. 286–290

indicators appear to be very prominent: Property Rights on one side and Freedom from Corruption on the other side. These two indicators are generally put under the category of the Rule of Law and it is a fact that in certain countries the rule of law is very weak. On the other side, the highest scores can be found for Government Spending and Fiscal Freedom. These two indicators refer to Government Intervention, so if Fiscal freedom is high, it means that the Government does not collect taxes as is the case in some oil- and gas-rich countries, or it is difficult for the government to collect taxes (Table 4.1).

There is not a unique definition of a Muslim country, and everything depends on perceptions (if Muslims believe they live in peace with their religion or not), or demographic elements (if they live in a country where the majority of the population is Muslim or not). Three main types of countries exist from the perceptual point of view: *Dar al-Islam* (House of Peace), where Muslims can freely express their religion (this is the case of OIC member countries); *Dar al-Harb* (House of War), where Muslims must fight for their exercise of religion and sometimes impose their religion on others (this was the case in all conquered countries during the expansion of Islamic empires) and *Dar al-Amn* (House of Safety), where Muslims can freely exercise their religion even if the country is not an Islamic country (the majority of Western countries are in this category).⁴⁹

Another definition of a Muslim country is to count people and use arithmetic in saying that countries where more than 50 % of the population is Muslim have to be considered as Muslim countries. Why 50 % and not 35 % or 70 % remains to be seen, and how to count Muslims in countries when it is not permitted to do so is an additional problem linked to this approach. If we do not use arithmetic, how can we define Muslim countries? Is it a state that is using the term Islam in its denomination or is it a state that refers to Islam in its constitution? Is it a state in which the majority of the population is Muslim or where the significant minority is Muslim? In that last case, countries such as India, the Russian Federation or France are also Muslim countries. Or is it a state where the Muslim heritage is important? In that case Spain, Greece or Israel would also be Muslim countries.

The United States Commission on International Religious Freedom issued in 2005 a comparative textual analysis of the constitutions of predominantly Muslim countries.⁵⁰ It classified these countries into four groups:

1. *Declared Islamic States* (Afghanistan, Bahrain, Brunei, Iran, Maldives, Mauritania, Oman, Pakistan, Saudi Arabia, Yemen). The term *Islamic State*

⁴⁹ In at least two Western countries (Singapore and Mauritius) Muslims enjoy a constitutive element of society, based on racial harmony in Singapore and 'ancestral culture in Mauritius', so marketers targeting them specifically would not face any political problem. On Mauritius see: Patrick Eisenlohr, 'The Politics of Diaspora and the Morality of Secularism: Muslim Identities and Islamic Authority in Mauritius' in *The Journal of the Royal Anthropological Institute*, Vol. 12, No. 2 (Jun., 2006), pp. 395–412

⁵⁰ http://www.uscirf.gov/sites/default/files/resources/stories/pdf/Comparative_Constitutions/Study0305.pdf

Table 4.1 Economic Freedom indicators for OIC countries in 2015

Country	Overall score	Lowest score	Highest Score
Afghanistan	N/A	Freedom from Corruption 8	Fiscal Freedom 91
Albania	66	Property Rights 30	Trade Freedom 87.8
Algeria	49	Investment Freedom 25	Fiscal Freedom 80
Azerbaijan	61	Property Rights 20	Fiscal Freedom 87
Bahrain	73	Freedom from Corruption 48	Fiscal Freedom 100
Bangladesh	54	Property Rights 20	Government Spending 92
Benin	59	Property Rights 30	Government Spending 86
Brunei	69	Property Rights 35	Labor Freedom 96
Burkina Faso	59	Property Rights 25	Fiscal Freedom 82
Cameroon	52	Freedom from Corruption 25	Government Spending 88
Chad	50	Freedom from Corruption 19	Government Spending 84
Comoros	52	Freedom from Corruption 28	Government Spending 79
Cote d'Ivoire	58	Freedom from Corruption 27	Government Spending 78
Djibouti	57	Property Rights 25	Government Spending 82
Egypt	55	Property Rights 20	Government Spending 86
Gabon	58	Freedom from Corruption 34	Monetary Freedom 78
Gambia	N/A	N/A	N/A
Ghana	63	Freedom from Corruption 46	Fiscal Freedom 84
Guinea	52	Property Rights 15	Fiscal Freedom 68
Guinea-Bissau	52	Freedom from Corruption 19	Fiscal Freedom 89
Guyana	55	Property Rights 25	Monetary Freedom 78
Indonesia	58	Property Rights 30	Government Spending 88
Iran	42	Investment Freedom 0	Government Spending 93
Iraq	N/A	Freedom from Corruption 16	Labor Freedom 74
Jordan	70	Freedom from Corruption 45	Fiscal Freedom 94
Kazakhstan	63	Property Rights 25	Fiscal Freedom 93
Kuwait	62	Freedom from Corruption 43	Fiscal Freedom 98
Kyrgyzstan	61	Property Rights 20	Fiscal Freedom 93
Lebanon	59	Property Rights 20	Fiscal Freedom 91
Libya	N/A	Investment Freedom 10	Fiscal Freedom 95
Malaysia	71	Freedom from Corruption 50	Business Freedom 93
Maldives	53	Freedom from Corruption 22	Fiscal Freedom 95
Mali	56	Freedom from Corruption 28	Government Spending 90
Mauritania	53	Freedom from Corruption 25	Fiscal Freedom 80
Morocco	60	Labor Freedom 30	Monetary Freedom 81
Mozambique	55	Property Rights 30	Monetary Freedom 82
Niger	55	Freedom from Corruption 30	Government Spending 84
Nigeria	55	Freedom from Corruption 30	Fiscal Freedom 85
Oman	67	Government Spending 44	Fiscal Freedom 95
Pakistan	56	Freedom from Corruption 28	Government Spending 86
Qatar	71	Investment Freedom 45	Fiscal Freedom 100
Saudi Arabia	62	Investment Freedom 40	Fiscal Freedom 100
Senegal	58	Financial Freedom 40	Monetary Freedom 83
Sierra Leone	52	Freedom from Corruption 10	Government Spending 80
Somalia	N/A	Freedom from Corruption 8	N/A
Sudan	N/A	Freedom from Corruption 11	Fiscal Freedom 86
Suriname	54	Financial Freedom 30	Labor Freedom 82
Syria	N/A	Property Rights 10	Business Freedom 57
Tajikistan	53	Property Rights 20	Fiscal freedom 92
Togo	53	Freedom from Corruption 29	Monetary Freedom 80
Tunisia	58	Financial Freedom 30	Business Freedom 81
Turkey	63	Property Rights 45	Trade Freedom 85
Turkmenistan	41	Investment Freedom 0	Fiscal Freedom 94
Uganda	60	Property Rights 25	Government Spending 93
United Arab Emirates	72	Investment Freedom 40	Fiscal Freedom 100
Uzbekistan	47	Investment Freedom 0	Fiscal Freedom 90
Yemen	54	Freedom from Corruption 18	Fiscal Freedom 91

Source: compilation by author from Economic Freedom Heat Map

poses a problem because these countries do not say they are Islamic States. They are Islamic countries, Islamic republics . . . but not Islamic States. In fact, just one attempt exists today, which is ISIS, and even here there is a question: Is it really an Islamic State?⁵¹

2. *Declared Islam as the State Religion* (Algeria, Bangladesh, Egypt, Iraq, Jordan, Kuwait, Libya, Malaysia, Morocco, Qatar, Tunisia, UAE). In all these countries, other religions are authorised even though only one (Islam) is the state religion.
3. *No Constitutional Declaration* (Albania, Lebanon, Syria, Indonesia, Comoros, Djibouti, Gambia, Sierra Leone, Somalia, Sudan, Uzbekistan). In these cases, Islam is not *de jure* the state religion, but *de facto* it is the case.
4. *Declared Secular States* (Burkina Faso, Chad, Guinea, Mali, Niger, Senegal, Azerbaijan, Kyrgyzstan, Tajikistan, Turkey, Turkmenistan). In these cases, countries would usually like to follow the French example of separation of state and religion without giving preferential status to any religion.

It is obvious that since 2005 many changes have occurred in Muslim countries (including constitutional changes) and not the least with the advent of the Arab Spring in 2011. Nevertheless, the trend is there. Sub-Saharan and Central Asian countries have a tendency to adopt secular constitutions while other parts of the Muslim world vary very much.

Identifying a champion of the Muslim world is not easy as we already mentioned in the analysis of the EPRG schema. Some countries have, however, shown a tendency to influence or dominate other countries. Saudi Arabia and Iran are nowadays the heirs of multi-secular or multi-millennial competition between Arabs and Persians first, and *Sunni* and *Shia* Muslims later.⁵² Saudi Arabia is active internationally in helping Muslim communities worldwide because of its unique position as the Custodian of Mecca and Medina. The Kingdom of Saudi Arabia is active not only in Western countries but also in the neighbouring countries in Africa. Sudan is just across the Red Sea, where not only did the Kingdom finance a certain number of institutions, but also permitted a significant number of Sudanese to enter KSA as foreign workers. The positive result for the Sudanese was a move away from local, parochial identities and a sense of belonging to a universalistic *Ummah*.⁵³ Of course, they were also better off by working in Saudi Arabia.

The religious involvement of Saudi Arabia inside and outside its borders is the result of the seizure of the Grand Mosque of Mecca in 1979 by a group of Muslim

⁵¹ Mehdi Hasan 'How Islamic is Islamic State?' in *New Statesman*, 6 March, 2015, pp. 26–33

⁵² Saudi Arabia is active today for many reasons, one of them being the fact that it has means (incomes) for a more assertive role in multilateral and bilateral relationship. See: Madawi Al-Rashid, '*Kingdom Without Borders: Saudi Political Religious and Media Frontiers*', Columbia University Press, 2008, 303 pages

⁵³ Victoria Bernal, 'Migration, Modernity and Islam in Rural Sudan', *Middle East Report*, No. 211, Trafficking and Transiting: New Perspectives on Labour Migration (Sum. 1999), pp. 26–28

fundamentalists protesting alleged religious laxity of Saudi Arabia. It was concurrent to the revolution in Iran. Even though the Saudi troops eventually took control of the Holy Mosque, Saudi Arabia felt obliged to show that it did not give room to alleged accusations. Therefore it initiated the Islamic revival.⁵⁴ The usual action of Saudi Arabia is to help build mosques, Islamic centres or educational programmes. As part of *Da'wa* activities (invitation to embrace Islam), the Kingdom is very active in religious activities and proselytisation, while economic and business activities abroad are not very prominent. Other GCC countries do the same, like Qatar with the Fanar Islamic Cultural Center or the Qatar Guest Center in Doha. In Saudi Arabia, companies such as Sabic, Saudi Aramco or Al-Barakah group are all present abroad but not with a willingness to build a brand awareness. The biggest Saudi company, The Kingdom Holding Company belonging to Prince Alwaleed, has a better brand presence because it is very often identified as a generous donator for educational initiatives in the US, including the funding of Chairs at Harvard University or Georgetown University or sponsoring the Islamic arts wing at the Louvre Museum in 2010. Full-page advertisements appeared in the French press including *Le Figaro* showing all donations by Prince Alwaleed: Universities of Harvard, Georgetown, Cambridge, Edinburgh, Exeter, American University in Cairo and the University of Beirut. Each donation in the US was US\$ 20 million. However, even the Kingdom Holding Company does not want to appear as a Saudi champion or a Muslim champion because it has diversified activities which are predominantly in the investment sector and B2B rather than B2C. The newest move from Prince Alwaleed is to donate its entire fortune of US\$ 32 billion to charity. This might be a game changer because, with this amount of money, significant operations promoting Saudi Arabia or the *Hanbali* school of thought could affect a much larger number of countries and people.⁵⁵

The marketing strategy of Saudi Arabia is clearly to focus on the religious dimension and not on a business one, so there is little probability it will enter Western markets with new brands and products. However, some small brands try to buck this trend as is the case with Daffah, an apparel brand from Saudi Arabia selling qamis (Arabic garment for men) to Europe. Daffah opened its first shop in Saint Denis and Les Mureaux (France) in 2014 followed by Lille in 2015, while its presence in the USA at Dearborn, Michigan started in 2014 (see the websites: <http://qamis-daffah.fr/> and <http://daffah.us/>).⁵⁶ Dearborn has not been chosen by chance. It is considered to be the 'heart of Arab America', where the Arab population makes up 30 to 40 % of the city's 100,000 population. The *qami* is the traditional clothing of Muslims in the Gulf, especially Saudi, and not the traditional dress of Muslims

⁵⁴ William Ochsenwald, 'Saudi Arabia and The Islamic Revival', *International Journal of Middle East Studies*, Vol. 13, No. 3 (Aug., 1981), pp. 271–286

⁵⁵ 'Charity Of Saudi's Answer To Bill Gates Could Turn Shariah Creep Into Full Trot', *Investors Business Daily*, 8th July, 2015 and 'Meet the Muslim who is Giving \$32 billion to Charity', www.time.com, 6th July 2015

⁵⁶ 'Lille : la campagne publicitaire inédite de Daffah pour vendre son islam chic', *La Voix du Nord*, 3rd April, 2015

from North Africa (and they represent the majority of Muslims in France). This kind of aggressive marketing is not associated with Saudi brands. Even though Daffah has existed for 30 years, it is only recently that it has started to look for opportunities abroad.

Turkey is a relatively new player in the Islamic market. For many years, in the 20th century, it kept a low profile on Islamic matters because of the Atatürk's legacy. Today, the country does not want to compete with the Saudis and Iranians, but rather looks at the lands of the former Ottoman Empire in the Balkans and Central Asia. The great success of Turkish soft power expressed by music and historical TV series attracts many Muslims there. The website www.turkishdrama.com collects the latest Turkish TV series, many of which centre on historical issues related to the Ottoman Empire. The Ottoman Empire was not only a *Seldjukid* or *Osmanli* Empire referring to a specific population and dynasty, but was also a religious empire, claiming the caliphate, especially under Selim I (1465–1520). Selim I was also granted the title of “Khâdim ül Haramain ish Sharifain” (Servant of the Holy Cities of Mecca and Medina). It is, therefore, difficult to separate history from religion because the Sultan was not only holding secular but spiritual power. The website features dozens of historical dramas such as *Magnificent Century (Muhtesem Yuzil)* broadcast from 2011 to 2014 with 139 episodes, *Resurrection Ertugrul (Dirilis Ertugril)* released in 2014 with only five episodes or *Ottoman Slap (Osmanli Tokadi)*, broadcast from 2013, with 29 episodes made so far. For all countries where Turkish historical drama is popular, there is a revival of Turkish influence, which goes together with the revival of Islam. According to Nikkei Asian Review, exports of Turkish TV programmes totalled US\$ 180 million in 2014, a figure approximately 18 times that of 2008. Turkish TV programme exporters say they aim to boost TV programme exports to US\$ 250 million in 2015, with a subsequent goal of US\$ 1 billion in 2023.⁵⁷

Saudi Arabia, Iran and Turkey are the most active on the international scene even though Iran is not present with its own brands outside. The only exporting industry Iran has is typical products such as agricultural products and the movie industry. However, the movie industry is not centred on history or religion, but on widely spread topics such as romance and contemporary issues. Companies from these three countries did not push the Islamic agenda so far. Consequently, smaller countries took the lead in this domain.

The first one to enter the game was Malaysia, which had a holistic ambition to encompass all business related to Islam, specifically around halal produce. It was the first country to establish stringent standards and certification rules for halal food and one of the first also to establish clear rules concerning Islamic finance. *Tabung Haji* as the institution organising the annual hajj to Mecca is often lauded as the best *hajj* organiser in the world. Under the premiership of Muhammad Mahathir and Ahmad Badawi, Malaysia was on its way to becoming the champion of Islamic business, with public and private initiatives in all domains, be it halal hospitality,

⁵⁷ ‘Turkish Drama. Exports go to New Levels’, *Nikkei Asian Review*, 24th January 2015

Business Jihad launched by JCorp and so on. Many countries, and not only Islamic countries, benchmarked the achievements of Malaysia in order to introduce their own halal laws (Australia and New Zealand for instance). After the election of the incumbent Prime Minister Najib Razak, emphasis on Islamic business gradually decreased on par with the introduction of *IMalaysia*, a more inclusive concept encompassing all communities in Malaysia and not giving too much room to just the Malay community.

Malaysia as a Rising Power: OIC Summit in Kuala Lumpur in 2003 OIC summits can be used for marketing purposes as demonstrated by the OIC Summit of 2003. During this summit, held in Putrajaya, Malaysia, from 11 to 18 October 2003, more than 20 ministries, governmental organisations and companies sponsored the event. Even if the official theme for the 10th OIC summit was “Knowledge and Morality for the Progress of the *Ummah*”, it is noteworthy that among the five complimentary tours proposed for the participants, the first one was shopping (“Shop till you drop”) and only the last one featured visits to religious places such as the Blue Mosque in Shah Alam. During the summit, an Expo OIC 2003 was organised with more than 200 companies participating.

The Expo had four main sponsors: www.umrah.com, Mecca-Cola, the Malaysian Gold Dinar Initiative and Takaful Ikhlas. A company originating from France, Mecca-Cola, was a main sponsor of the summit and at the same time the official drink of the summit. The second main sponsor of the event was www.umrah.com (“your pilgrimage gateway”), which developed several back-end solutions to improve the efficiency of travel agents in the *umrah* and *hajj* industry. Its mission statement says “Umrah.com is positioned to provide a comprehensive Islamic Travel Business Model and Technologies for Travel Agents that will ensure all pilgrims the platform to fulfill their *Umrah* and *Hajj* pilgrimage in a safe, transparent and efficient manner.” The third main sponsor was Takaful Ikhlas (insurance business), which operates in accordance with Shariah principles. Finally, Dinar & Dirham International is the leading Malaysian organisation specialising in the Gold Dinar Economy. 2003 was also the starting point of a widespread initiative by Malaysia to impose its own standards as global standards in Islamic Finance. Up to the emergence of Dubai as a capital for Islamic Economy, Malaysia succeeded quite well.⁵⁸

The most recent extraordinary summit of the OIC was held in 2012 in Mecca, upon an invitation by Saudi Arabia. Being convened under the pressure of the Arab Spring and further developments in the Middle East, and being located in the holy city of Mecca, it lacked very much the galore and extravaganza observed during the Summit in Kuala Lumpur in 2003, so the summit in Kuala Lumpur is to date the only business-oriented seminar organised by the OIC.

⁵⁸ ‘Banking on the Ummah’, *The Economist*, 5th Jan, 2013

The second country to be considered as a trend-setter in Islamic Business is Bahrain. The Gulf Kingdom did not venture into areas such as halal or hospitality as Malaysia did. Its efforts paid off with the establishment of the AAOIFI (Accounting and Auditing Organization of Islamic Finance Institutions). AAOIFI was set up in Algiers in 1990 but quickly moved in 1991 to Bahrain, where it remains today. It was the first multilateral organisation willing to harmonise standards in Islamic Finance and, based on its presence and legal environment in Bahrain for Islamic Finance, many banks (including Western banks) have established their Islamic Finance windows, subsidiaries or banks in Bahrain. Bahrain competed very much with Malaysia in the domain of Islamic Finance but unrest in Bahrain in 2011 made some banks wonder if they should stay there or not. Immediately another place in the Gulf appeared attractive for banks: Dubai.

The Emirate was not famous for Islamic products and services. On the contrary, it was very often dubbed a Sin City by some Saudi clerics.⁵⁹ The United Arab Emirates is a collection of different lands, more or less imbued with Islamic conservatism. Dubai is not the first choice when it comes to Islamic conservatism. Probably Sharjah and Abu Dhabi would come to mind immediately.⁶⁰ 2011 was the window of opportunity for Dubai to start another engine for its growth, and Islamic Economy is now a hot issue in the Emirate, covering all sorts of businesses, reminiscent of Malaysia in the 2000s. Today, Dubai has a bright future in Islamic Business because of the fatigue in Malaysia and the unsettled situation in Bahrain while other major countries such as Saudi Arabia or Indonesia have not expressed their intent to lead Islamic business worldwide. Dubai launched the Dubai Islamic Economy Development Centre in 2013, with an unprecedented ambition consisting of seven pillars and 46 initiatives.⁶¹ The areas covered are vast, and very much resonate with the activities of Islamic Marketing such as Islamic Finance, halal food, hospitality, Islamic digital economy, Islamic fashion and design, and Islamic education. There is high probability that the centre of gravity for Islamic business and marketing will shift very soon from Malaysia and Bahrain to Dubai.⁶²

Even if the term *Ummah* still has a very much symbolic and affective effect among Muslims, practice shows that it is division among Muslim believers that prevails. Especially since 1924 and the abolition of the Caliphate in Turkey, there is no state in the world that could theoretically or empirically pretend to be THE Muslim state. What we have now is the existence of Muslim states, or states that

⁵⁹ One of them, Sheikh Mohammed Al-Shanar issued a fatwa against Dubai in 2013, but withdrew his statement one week later. See 'In U-turn, Saudi cleric withdraws fatwa on 'sin city' Dubai', *Al-Arabiya*, 19th June 2013

⁶⁰ As part of da'wa activities in the Emirates, Tabah Foundation from Abu Dhabi signed an agreement in 2013 with Ma'din Academy in Kerala (India) for the promotion of Islam in the southern part of India. No such agreement has been signed by any entity from Dubai.

⁶¹ <https://www.iedcdubai.ae>

⁶² Čedomir Nestorović, 'The Fight for Islamic Economy Leadership', *HQ Asia*, 5 February 2016 available at <http://hqasia.org/insights/fight-islamic-economy-leadership-explained-dr-cedomir-nestorovic>

refer to Islam, building an international body called the Organization of the Islamic Cooperation, where probably the term *Ummah* has the best place to be.

4.1.1 Organization of Islamic Cooperation

The OIC (at that time Organization of Islamic Conference) was founded in 1969, in Rabat, Morocco, and countries that participated in the Mecca proclamation that serves as the manifesto of OIC refer to Islamic countries as countries where more than 20 % of the population is Muslim. No other elements were taken into account such as the constitutional provisions or the name of the country.⁶³

The 57 countries being part of the OIC today do not have the same terms in their official names. There is no Islamic State today because, in its purest form, it would mean that all people in the state are Muslims (nationals and foreigners), that there is no room for other religious communities and minorities professing other faiths, everything that is not Islamic would be banned. An idealised Islamic state is given in the works of Maulana Maududi from Pakistan, but Pakistan is far from being the inception of what Maududi wanted.⁶⁴ There were attempts to build Islamic states in the past such as the Taliban in Afghanistan, but even the greatest Islamic Empires in the past used to respect minorities (or even majorities) practising their other faiths in the lands that they controlled. A look at the names of the countries shows that very few of them have the adjective Islamic in it.

4.1.1.1 Islamic Republics

There are only four Islamic Republics today (Iran, Pakistan, Mauritania and Afghanistan) and each has a completely different approach to theocracy.⁶⁵ Fifty-four Muslim countries do not have the term Islamic in their name. If these countries are called 'Islamic' and the others are not, a quick and very superficial conclusion would be that companies should be more attentive to the offer they propose in these countries than in others of the OIC. It means that all products have to be halal, that all finance is Islamic in these countries, that Shariah law would be implemented, that these countries would be the first to defend anything Islamic not only in their own country but also outside. There would be a moral obligation for them to boycott countries that are considered to be offensive to Islam and so on. What is happening in fact is that none of these countries has a compulsory halal food standard and a halal certification agency, so they are far away from setting up an Islamic-only environment.

⁶³ For a detailed account on the building of OIC and its current problems see: Turan Kayaoglu, *The Organization of Islamic Cooperation*, Routledge, New York, 2015, 214 pages

⁶⁴ Sayyid Abul Maududi. *The Islamic Law and Constitution*. 2nd. ed, Translated and ed. by Khurshid Ahmad, Islamic Publications, Lahore, 1960, 439 p.

⁶⁵ Bernard Lewis, 'The Concept of an Islamic Republic', in *Die Welt des Islams*, New Series, Vol 4, N° 1 (1955), pp. 1–9 and Melody Moezzi, 'What is a True Islamic Republic?', *Huffington Post*, 21 Feb 2012

Nestlé in Islamic Republics Everything is assumed to be Islamic in Islamic Republics, but when it comes to proof, results vary. For instance what proves that Nestlé in Iran and Pakistan is *halal*? The website of Nestlé in Pakistan and the management report from 2014 do not talk about *halal* at all. The company has a fairly long page about safety and quality on one side and CSR on the other side but nothing about *halal* itself, and Nestlé products in Pakistan are not certified by any Pakistani *halal* certification agency or at least the certification is not shown on the website contrary to the situation in Malaysia, where this information is displayed prominently.⁶⁶ On the whole, on the Nestlé Pakistan website, the word *halal* is present only in the FAQ for one unique question: ‘Are Maggie noodles *halal*?’ The answer is ‘*Yes all MAGGI noodles are halal certified by IFANCA (the Islamic Food and Nutrition Council of America), and their logo is on the back of the pack*’. At the same time Nestlé is proud to announce that Maggie Noodles are manufactured in Pakistan and uses the tagline ‘SAFE in Pakistan, MADE in Pakistan’ as a reference to the problems they had with Maggie Noodles in India in 2015. It is paradoxical that Nestlé is using IFANCA, an American *halal* certification agency to certify *halal* products in an Islamic Republic.

If Malaysia is identified as the global hub for *halal* business and Nestlé Malaysia has been certified *halal* since 1994, it would make sense that Nestlé *halal* products in Pakistan would be certified by the same *halal* certification agency as in Malaysia. This did not happen. There are 117 Nestlé products certified by IFANCA, ranging from Maggie noodles to Nescafé coffee and Nido baby products, and they are all listed on the IFANCA website and none of them is certified by Malaysia. The list of IFANCA-certified products for Nestlé US is available on its website (www.ifanca.org).

There is no national *halal* certification centre in Iran, making it impossible for Nestlé Iran to gain an Iranian *halal* certificate. In Afghanistan, Nestlé usually sells out of Pakistan, so there is no *halal* certificate there either, and in Mauritania, the closest Nestlé office is located in Senegal, and even though Senegal is also an OIC country, there is no *halal* standard and certificate in this country.

Islamic finance also varies. Iran and Pakistan officially islamised their financial system but conventional finance is still strong in Pakistan while Afghanistan and Mauritania did not make Islamic finance compulsory, so conventional finance still dominates. If Iran intends to be active on the international scene, the other three countries do not, probably because Afghanistan and Mauritania have their own turmoil to settle before going abroad. The assumption that a product or service originating from an Islamic Republic will be in high demand by Muslims living in other countries just because there is the term Islamic attached to the name of the country has not proven to be the case in reality. There is thus no positive country-of-origin effect attached to products coming from these countries.

⁶⁶ See: www.nestle.pk and www.nestle.com.my

4.1.1.2 Kingdoms and Monarchies

A second category of countries is represented by kingdoms, and there are four of them in the OIC (Jordan, Bahrain, Saudi Arabia and Morocco). They differ in the strength of theocracy, but the common element is that there is only one religion recognised as the official religion in the country. By force of the constitution, the government has a duty to defend the religion, especially in the case of Morocco, where the King is the *Amir Al-Mu'minin* (Commander of the Faithful)⁶⁷ or the King of Jordan, who descends from the Hachemite clan.⁶⁸

To this list we have to add countries such as Malaysia, which is a federal constitutional elected monarchy with a separation of powers; Brunei Darussalam, which is also a Malay Islamic monarchy; the Sultanate of Oman, which is an absolute monarchy with a hereditary Sultan; the State of United Arab Emirates, which is a federation of hereditary absolute monarchies; and the State of Qatar, which is a constitutional monarchy. As for Malaysia, the King (the Yang di-Pertuan Agong) is elected by the nine Sultans of the Malaysian Federation. The King is the head of Islam in the four states ruled by appointed governors that do not have Sultans at their head, in the three federal territories and in his own state. Every Sultan is the head of Islam in his own state.

Following the Arab Spring in the Middle East, the position of some monarchies appeared weak, as the shaky situation in Bahrain and Oman has proven. However, the Arab monarchies proved to be very resilient to demands for change and so far they appear to be the island of stability in a very volatile and uncertain environment in the Middle East.⁶⁹ In these kingdoms and monarchies (especially hereditary monarchies), Islamic influence is variable. It can be strong or weak, depending on the relationship that the religion has with the ruling family. The influence of the King of Morocco has on religious matters would be higher than in Islamic Republics, where the spiritual power would be higher than the secular power.

Again, all this is valid in theory because, in practice, there are as many situations as countries studied. It is striking to see that until recently there was no halal standard and, therefore, no halal certification in any of the GCC countries, including Saudi Arabia. This means that imports from Western countries are accepted on an *ad hoc* basis without coordination between the six countries. On the other hand, Malaysia was the first and still is the country with the most comprehensive halal standard system and certification rules, but it did not make all products halal in the country since Muslims represent only 60 % of the overall population in the country.

⁶⁷ ‘The King, “Amir Al-Muminin”(Commander of the Faithful), shall be the Supreme Representative of the Nation and the Symbol of the unity thereof’. Article 12, *Constitution of Morocco* (1962)

⁶⁸ The Hashemites trace their ancestry either from [Hashim ibn 'Abd Manaf](#) (died c. 511 AD), the great-grandfather of the [Prophet Muhammad](#), or from descendants of Muhammad's daughter, [Fatimah](#).

⁶⁹ Ludger Kuhnhardt, ‘The Resilience of Arab Monarchy’, *Policy Review*, N° 173 (Jun./Jul. 2012), pp. 57–67

None of these monarchies made Islamic finance compulsory (Saudi Arabia included) and, in a couple of them (Oman and Morocco), there was until recently a very negative stance towards Islamic finance. Oman was the last GCC country to introduce Islamic Finance in 2012, but it did not make Islamic Finance compulsory⁷⁰ while Morocco introduced Islamic finance possibilities only in 2012.⁷¹ The political environment played a decisive role in the moves of these two countries because Oman finally agreed to introduce Islamic Finance after the protests in 2011 while Morocco decided to introduce Islamic Finance after the Party for Justice and Development won the elections in the same year.⁷² Alizz Islamic bank was one of the first to open offices in Oman while a fully fledged Islamic bank was expected to open doors in Morocco in 2015. The most serious candidate for this is Dar Assafaa, a subsidiary of Attijariwafa Bank. While the bank in Oman puts an emphasis on calligraphy for its communication on its website, Dar Assafaa is more explicit because it shows a veiled lady interested in ethical investments. 'See the websites: <http://alizzislamic.com/Home> and <http://www.darassafaa.com/>). Contrary to Iran and Saudi Arabia, the cultural alteration is possible to a certain extent in these three countries, especially in the case of Malaysia, where the responsibilities of the nine sultans might clash and their interpretation of Islam vary.⁷³ So companies can play on divergences existing in Malaysia. They can advertise *haram* products such as alcohol and pork items except in the states of Kelantan (95 % of the population is Malay/Muslim) or Terengganu (96 % of the population is Malay/Muslim) while the policy adopted on alcohol in Morocco and Jordan is the same nationwide.

The assumption that a Muslim King, Emir or a Sultan will automatically support not only the introduction but also the domination of Islamic products and services in his country is not supported by what is happening in a series of Muslim kingdoms or monarchies. Some of them are on the forefront of the Islamic economy such as Malaysia or Dubai, but not all of them. What is striking is that a constitutional monarchy such as Malaysia is more advanced in the Islamic Economy than the Kingdom or Morocco or the Sultanate of Oman.

4.1.1.3 Republics

The remaining 44 countries in the OIC are secular republics with two of them having some socialist characteristics in their names: People's Republic of Bangladesh and People's Democratic Republic of Algeria. Under Muammar

⁷⁰ 'Islamic Finance to flourish in Oman', *Middle East Economic Digest*, 18th October 2013

⁷¹ Lizzie Maeger, 'Islamic lenders face uphill battle in Morocco', *International Financial Law Review*, 20th July, 2015

⁷² Mark Townsend, 'Change Shakes the Gulf', *Institutional Investor*, Vol. 36, N°4 (May 2011), pp. 44–49

⁷³ The state of Perlis is more liberal than other states in Malaysia while the state of Kelantan is considered to be the most conservative one. See Clark Lombardi 'How state governments shape the interpretation of Islam in Malaysia's courts' in *East Asia Forum*, 2nd July, 2011 accessible on <http://www.eastasiaforum.org/2011/07/02/how-state-governments-shape-the-interpretation-of-islam-in-malaysia-s-courts/>

Gadaffi, Libya was officially the Great Socialist People's Libyan Arab Jamahiriya and South Yemen was the People's Democratic Republic of Yemen. All former Soviet Union countries from Central Asia and Caucasus (Azerbaijan, Uzbekistan, Kazakhstan, Tajikistan, Kyrgyzstan and Turkmenistan) were also socialist states, together with Albania. Even though Iraq under Saddam Hussain was not called socialist Iraq, it was nevertheless ruled by the Ba'ath Party. The official name of the party is Arab Socialist Ba'ath Party and the Syrian branch of the Ba'ath Party, which still rules the country today, has an official motto enshrined in the constitution to promote unity, freedom *and socialism*. Under Gamal Abdel Nasser, the official motto in Egypt was Arab unity *and socialism*. Some other Muslim leaders such as Muammar Gaddafi in Libya or Gamal Abdel Nasser in Egypt, wanted to establish more or less socialist states like FLN's Algerian Socialism in the 1960s after the liberation from France,⁷⁴ but they never went so far as to forbid religion.⁷⁵ Former Soviet countries that host large Muslim populations such as Azerbaijan (98 % of population is Muslim), Kyrgyzstan (88 %), Tajikistan (99 %), Turkmenistan (93 %) or Uzbekistan (96 %), or dominated by Soviet Union (Afghanistan from 1979 to 1988), used to restrict religion to a private sphere and officially supported anti-religious propaganda, but they never attempted to forbid religion as has been done in Albania.⁷⁶ However, the socialist doctrine in all these countries has had an effect in the sense that citizens have lost a large part of knowledge about Islam, since literature and public expression of religion was limited. Consequently, there is very little knowledge about *halal*, *zakat* or *waqf*, so they have to turn to other countries to get the necessary knowledge. This is why numerous delegations from Central Asia and China attend Islamic Forums and Symposia with a clear aim to learn about the latest developments in Islamic Business. They also organise meetings in their own countries, gathering experts in various fields such as the China International Halal Food and Technology Expo organised in Ningxia⁷⁷ or the Islamic Finance and Investment Forum in Moscow, Russia.⁷⁸ In the past, former and present socialist countries used to ignore Islamic Business and Marketing, but this period is now over and companies can penetrate countries such as China or Russia with an Islamic offer as easily as they do it in Senegal or Indonesia. Numerous restaurants for instance serve halal food in China

⁷⁴ For an account of the early agrarian reform and establishment of socialist villages see Keith Sutton, 'Algeria's Socialist Villages - A Reassessment', *The Journal of Modern African Studies*, Vol. 22, No. 2 (Jun., 1984), pp. 223–248

⁷⁵ Nadeem F. Paracha 'Islamic Socialism, a History from Left to Right' on www.dawn.com published on Feb 21, 2013 gives a good account of the various socialist attempts in Muslim countries in Asia, Middle East and Africa and Noor O'Neill Borbieva, 'Empowering Muslim Women: Independent Religious Fellowships in the Kyrgyz Republic' in *Slavic Review*, Vol. 71, No. 2 (Sum. 2012), pp. 288–307

⁷⁶ James G. Mellon 'Islam and Nationalism in the Formerly Soviet Central Asian Republics' in *The Journal of Conflict Studies* Vol 25 N°2 (Win. 2005) , pp. 129–149

⁷⁷ <http://www.hafex-china.com>

⁷⁸ <http://www.halalexpo.org>

and Russia but no fast-food chain does so for the moment. There are more present-day and former socialist states in the OIC than Islamic republics and Islamic monarchies put together.

Many Muslim countries are secular such as Turkey, Egypt, Mali or Indonesia. The religious environment in secular countries is easier to alter since the secular state consecrates the separation of religions and state. Even if it favours Islam, it also accepts other faiths (Christianity in Egypt and Turkey, Hinduism in Indonesia for instance). As the state accepts other religions, it also accepts that the members of these religions consume products that would be considered *haram* (forbidden) by Islam such as alcohol or pork. No religious limits for marketing techniques exist in these countries except when it is proven that the marketing action offends religion in general. It can happen with movies such as *Noah* in 2014, which was banned in secular Indonesia as well as some Gulf countries.⁷⁹ The case of Turkey is interesting to look at because of its many contradictions. On the one hand, the population is 95% Muslim, and at the same time it is a secular country due to the reforms implemented by Mustafa Kemal Atatürk. Not only is Islam not the religion of the country, but the observance of the pillars of Islam is not compulsory for Muslims.⁸⁰

There is no ban on alcohol in Turkey, so alcohol is on freely sale, and Turkey is very famous for its *raki* (an anise-flavoured alcoholic drink) and is the home of one of the biggest beer breweries in the world, Efes Pilsen. Turkey banned advertisements for alcohol in 2013 under the justification of health promotion measures, but stopped short of banning alcohol itself.⁸¹ The consumption of alcohol in Turkey is 3.4 litres of pure alcohol per capita, a little more than half the world average.⁸² Another Islamic country, Kazakhstan, has the highest consumption of alcohol in Central Asia (11 litres of vodka per person per year according to the Government of Kazakhstan in 2014) and it is perfectly fine to sell alcohol in Dubai at selected points of sale, but not in Sharjah, even though both of them belong to the United Arab Emirates. Finding advertisements for alcohol is a common feature in Muslim countries such as the advertisement for wine in Albania for the brand StoneCastle or for the Yeni Raki brand in Turkey. Ads for StoneCastle are available on www.karrota.net while ads for Yeni Raki are available on their website: www.yenirakiglobal.com

Finally, in an atheist state, freedom of religion does not exist and anti-religious propaganda is the norm. This is theoretically the best case for marketing alteration because the state does not defend any religion and in fact fights against all of them. The problem is that in these countries, a free market economy is usually not allowed

⁷⁹ 'Darren Aronofsky's *Noah* faces ban in Muslim countries', *The Guardian*, 7th March, 2014

⁸⁰ Article 23: 'No one shall be compelled to worship, or to participate in religious ceremonies and rites, to reveal religious beliefs and convictions, or be blamed or accused because of his religious beliefs and convictions.' Source: *Constitution of Turkey*, 1982

⁸¹ 'Turkish Parliament adopts alcohol restriction, bans sales between 10 pm and 6 am', *Hurriyet Daily News*, 24th May, 2013 and 'Alcohol law stirs up Turkish way of life', *The Financial Times*, 30th May 2013

⁸² 'A Sobering Future for Liquor Markets in Turkey' in *Business Week*, 24th June 2013

as well, so foreign or domestic companies do not have any freedom of action. There was just one example of an attempt to create an atheist state in the Muslim world and it was in Albania under the leadership of Enver Hoxha. He declared in 1967 Albania to be the '*First atheist state in the world*' and subsequently closed or demolished 2169 mosques and churches. However, after the fall of Enver Hoxha in 1985, religion came back to Albania and the country is now a full member of the Organization of Islamic Cooperation (OIC).

It is (wrongly) assumed that, because a country declares itself to be socialist or holds close to socialist ideas, the influence of religion would be weaker and companies will have a free ride regarding their offer, even offending religion on occasion. Independent Algeria, for instance, routinely sent its own butchers to inspect in order to ensure that meat coming from France was indeed halal. However, Saudi Arabia and Iran did not send their representatives to check Brazilian slaughterhouses. We can expect a socialist government to ban fasting during Ramadan for civil servants as was recently done in China. But Algeria again enforces compulsory fasting in the country during Ramadan even if some secular non-socialist countries such as Turkey do not.

4.1.2 Arab League

The second organisation tending to group Muslim states is the Arab League (or the League of Arab States). This organisation groups only Arab states that are at the same time members of the OIC. The religious dimension is not put forward. Instead, the Arab League stresses that it groups countries sharing the same culture and language.⁸³ Today, 22 states are members of the League, whose primary role is the defense of Arab unity, especially in Palestine. The number of member states fluctuates and passed from seven at the beginning to its peak of 22 states today. Country members of the Arab League are diverse and they span two continents: Africa and Asia. The diversity is so great that James Rausch and Scott Kostyshak talk about three groups of countries in the Arab league: the Sub-Saharan Africa (which includes Yemen, which is not in Africa but presents similarities with Sub-Saharan countries), the Fuel Endowed countries (mainly Middle East with Libya and Algeria) and Mediterranean countries.⁸⁴

The League of Arab States or the Arab League was formed in Cairo on 22 March 1945 with the purpose of securing Arab unity. Because of inter-Arab rivalries, the League has generally been unable to pursue a consistent agenda beyond general opposition to Israel. Even that issue became a source of tension when Egypt signed its peace treaty with Israel in 1979. The League suspended Egypt's membership and

⁸³ Chris Toffolo, Peggy Khan and Sophia Couch, *The Arab League*, Chelsea House, 2008, 144 pages

⁸⁴ James E. Rauch and Scott Kostyshak, 'The Three Arab Worlds', in *The Journal of Economic Perspectives*, Vol. 23, No. 3 (Sum. 2009), pp. 165–188

moved its headquarters from Cairo to Tunis. In 1989, Egypt was readmitted and Cairo again became the League's base of operations. The League meets periodically, with its main decision-making council convening biannually. Though unanimous decisions of the council are supposed to be binding on all members, individual states have often gone their own way.

The Arab League has relied on economic measures to put pressure on Israel and states supporting Israel. The first one was the boycott of Israel, and the second one the use of the power of oil to put pressure on other states to abandon their support of Israel.⁸⁵ Both measures have had considerable effect on Western companies' marketing policies, because very often they are forced to choose between the Israeli market and Arab markets.

4.1.2.1 The Arab Boycott of Israel

The boycott is a common weapon used by many countries, including the United States. It can be official (decided by a country) or non-official (decided by an influential person, an NGO, a company). The official boycott is declared either by an Islamic country on a unilateral basis or by a group of countries (OIC or the Arab League). The unofficial boycott is declared by religious movements or *imams* or *muftis*. In the second case, *fatwas* are usually launched against a country, company or an individual person. Leor Halevi analysed boycott *fatwas* launched by *muftis* representing both mainstream and radical tendencies arguing that *jihad* can be accomplished through nonviolent consumer boycotts.⁸⁶ These authorities will act as spiritual prescribers for Muslims. Pro-Palestinian activists carefully present both schools of thought present in Islam in order to stress the unity of the Muslim world against Israel. Here are two *fatwas*: the Fatwa 8822 from Qom, Iran, dated 27 February 2002 reiterates that it is not possible to have any transaction with a company whose profit is to help the enemies of Islam and Muslims or support the "Zionist regime". On the *Sunni* side, Yusuf Al-Qaradawi declared in April 2002: "*American goods, exactly like Israeli goods, are forbidden. It is also forbidden to advertise these goods . . . Every Muslim that buys "Israeli" or American goods, when there is an alternative from other countries is committing a haram act. They are clearly committing major sin, which is a crime against Allah's law, which invokes punishment from Allah*". This is a significant development in the history of *jihad* doctrine because boycotts, construed as jihadi acts, do not belong to the commonplace categories of *jihad* as a "military" or a "spiritual" struggle. New media, in particular social media, made it easier for laypersons to drive the juridical discourse. They did so before 9/11 as well as afterwards. Their consumer *jihad* had some economic impact on targeted multinationals, and it provoked corporate reactions. One of the reasons why consumer *jihad* is so popular among Muslims

⁸⁵ Nancy Turck, 'The Arab Boycott of Israel', *Foreign Affairs*, Vol. 55, N°3 (Apr. 1977), pp. 472–493

⁸⁶ Leor Halevi, 'The Consumer Jihad: Boycott Fatwas and Nonviolent Resistance on the World Wide Web', *International Journal of Middle East Studies*, Vol. 44, No.1 (Feb. 2012), pp. 45–70

is the fact that many of them believe in the polarisation of the world between ‘us’ and ‘them’ and the boycott of Western brands (or ‘infidel brands’) aims also at recreating a new Golden Age of Islam according to Elif Izberk-Belgin.⁸⁷ The term Business Jihad can have several meanings and it should be separated from the attempt created by Mohd Ali Hj. Hashim with its Business Jihad in Malaysia intended to be business-driven and market-friendly alternative for Muslims to rid themselves of poverty and alienation, but it is not linked to the boycott of Western brands. The website is www.businessjihad.biz.

As far as the official boycott is concerned, economic sanctions have often been considered an important tool for disciplining adversaries and compelling them to offer important concessions, but economic penalties rarely cause states to abandon important national assets. In the case of Iran, for instance, decades of struggling under punitive financial measures did not prevent Iran from persisting in its policies.⁸⁸ Sanctions are subject to changes in foreign policies and the recent shift in the United States initiated a thaw in relations between the USA and Iran so many companies are eager to come back to what was once a very lucrative market.⁸⁹

If the USA embargo on Iran did not show significant results, it is dubious that boycotts launched by far less powerful countries than the USA would succeed. Countries grouped in the Arab League nevertheless believe that a boycott on Israel will eventually harm Israel sufficiently enough to revise its policy towards Palestinians.

The boycott was formally declared on 2 December 1945: “*Jewish products and manufactured goods shall be considered undesirable to Arab countries.*” All Arab “*institutions, organisations, merchants, commission agents and individuals*” were called upon “*to refuse to deal in, distribute, or consume Zionist products or manufactured goods.*” The boycott, as it evolved after 1948, is divided into three segments.

The primary boycott prohibits direct trade between Israel and the Arab nations. It concerns the importation of Israeli origin goods and services into boycotting countries. This means that Israeli companies cannot trade with Arab countries, considerable markets for them in terms of size and proximity since Israel is surrounded by Arab countries, and markets that Israeli companies know very well. According to Donald Losman, the boycott of Israel did not achieve its political target, which was to make it difficult for Israel to survive as an independent country. It has achieved, however, some economic goals but far away from posing

⁸⁷ Elif Izberk-Belgin, ‘Infidel Brands: Unveiling Alternative Meanings of Global Brands at the Nexus of Globalization, Consumer Culture, and Islamism’ in *Journal of Consumer Research*, Vol. 39, N°4 (Dec. 2012), pp. 663–687

⁸⁸ Ray Takieh and Suzanne Malontey, ‘The self-limiting success of Iran sanctions’ in *International Affairs*, Vol. 87, No. 6 (Nov. 2011), pp. 1297–1312; Sajjad Dizaji and Peter Bergeijk, ‘Potential early phase success and ultimate failure of economic sanctions: A VAR approach with an application to Iran’, *Journal of Peace Research*, Vol. 50, N°6 (Nov. 2013), pp. 721–736

⁸⁹ ‘Iran is (almost) open for business’, *Newsweek Global*, 8 May 2015, pp. 12–15

existential questions to Israel.⁹⁰ Outside of the Arab League, some American Muslim and American Arab organisations have called for boycotts against companies allegedly doing business beyond the Green Line or exhibiting Israeli sympathies. Among them Ben & Jerry's, Walt Disney and Burger King were particularly targeted. The latest blow against Ben and Jerry's came from a group called *Vermonters for Just Peace in Palestine/Israel*, which focusses on the existence of Ben and Jerry's franchise in Israel that sells ice-cream in Palestinian territories and "complicity with Israeli's military occupation", as stated on the website.⁹¹

The secondary boycott is directed at companies that do business with Israel. It prohibits any entity in Arab league members from engaging in business with foreign firms that contribute to Israel's military or economic development. The term military development is all-inclusive in the sense that all commercial activities are considered to be supportive of military and economic development of Israel. This is why foreign companies have to choose if they want to deal with Israel or with Arab countries. For many years, Arab states put pressure on Western companies not to deal with Israel. As a response, countries such as the USA re-emphasised their willingness not to obey boycotts and even issued anti-boycott measures not permitting American companies to obey the Arab boycott of Israel under the justification of non-discriminatory practice.⁹² Under USA law, any American company or individual who boycotts Israel in coordination with the Arab League is subject to criminal prosecution. Penalties for American companies or persons who follow the Arab League's lead include fines of up to US\$ 50,000, or five times the value of the exports involved and 10 years imprisonment for each violation.

Outside of the Arab League, more than 100 non-governmental Palestinian organisations called for a boycott of Israel academically, economically and culturally in 2005. The leaders of this campaign, called BDS ("Boycott, Divestment and Sanctions"), set up a certain number of chapters in various Western countries and campaign against Western companies doing business in Israel. Some divestment from Israel and boycotts of Israeli goods have occurred as results of this campaign, such as the divestment of Veolia in Israel.⁹³ After years of pressure in Bilbao, Spain

⁹⁰ Donald Losman, 'The Arab Boycott of Israel', *International Journal of Middle East Studies*, Vol. 3, No. 2 (Apr., 1972), pp. 99–122 and Ed Husain, 'End the Arab Boycott of Israel', *Foreign Affairs*, March 6, 2013

⁹¹ http://www.vtjp.org/icecream/campaign_news.php

⁹² The Export Administration Act of 1969 declares that it is U.S. policy to oppose boycotts imposed by foreign countries against countries friendly to the U.S., and empowers the President in certain cases to prohibit or curtail exports by firms that participate in them. In addition, particular aspects of the boycott—especially those that result in discrimination against American citizens or companies—are barred by Federal civil-rights law and a number of other Federal laws and regulations.

⁹³ Martin Weiss, 'Arab League Boycott of Israel', *Congressional Research Service*, Washington, June 10, 2015 accessible on <http://www.fas.org/sgp/crs/mideast/RL33961.pdf>

in 2008 and other European countries, the USA and Kuwait, Veolia decided finally to withdraw from the Jerusalem Light Rail (JLR) project in 2015.⁹⁴ Before this move, Veolia had to suffer the loss of contracts in Britain and Kuwait as a direct consequence of boycotting efforts initiated in these two countries due to the project in Israel.⁹⁵

Since BDS activists operate in countries with Muslim minorities, they have to use marketing techniques in order to make people active boycotters of Israel. The usual way is to single out companies doing business with Israel and asking consumers to boycott them as in the case of Caterpillar or Hewlett Packard.⁹⁶ As a response, associations rejecting the boycott are also active and they also issue posters asking not to boycott Israel. Posters asking for the boycott of Caterpillar are available on the BDS website <http://bdsmovement.net/> while the counter-advertisement asking to support caterpillar in Israel is available on the Blue Star Association website: http://www.bluestarpr.com/?attachment_id=577. Caterpillar is unwillingly present on both posters.

The tertiary boycott involves the blacklisting of firms that trade with other companies that do business with Israel. It prohibits companies doing business with firms that do business with blacklisted companies. Such firms are placed on a blacklist maintained by the Damascus-based Central Boycott Office (CBO), a specialised bureau of the Arab League. According to WikiLeaks, Steven Spielberg has been placed on the CBO list after making a US\$ 1 million donation to Israel during the 2006 conflict in Lebanon.⁹⁷ The blacklisting process is versatile. It is unclear whether boycott officials collect any evidence at all before placing an individual or a company on the blacklist. Israel, for example, may sell raw materials, components and spare parts to Europe. The final product is stamped as being of European origin, having been processed and packed there. So, for an Arab country to boycott that particular company, it would need to have accurate information on the entire supply chain, which would be difficult to obtain. If Tel Aviv, for instance, sells cut diamonds to American jewellers, companies such as Tiffany or Harry Winston could incorporate them in jewels and label them as American products.

No two countries have identical lists, and six countries—Algeria, Mauritania, Morocco, Somalia, the Sudan and Tunisia—do not enforce the secondary boycott. Egypt's policy fluctuated from strict enforcement to unofficial complicity after the signing of the peace treaty with Israel. While the boycott is no longer a significant issue in most Arab League countries, it remains a substantive obstacle to doing business in those countries that still rigidly impose its terms. In this respect Saudi

⁹⁴ <http://www.bdsmovement.net/2015/bds-marks-another-victory-as-veolia-sells-off-all-israeli-operations-13,270>

⁹⁵ 'Veolia withdraws from waste authority bid', *www.TheJC.com*, Dec 21, 2012

⁹⁶ www.bdsmovement.net

⁹⁷ 'Steven Spielberg was target of Arab League boycott, WikiLeaks cable shows', *The Guardian*, 17th December 2010

Arabia continues to support the primary boycott of Israel, but, like other countries in the region, does not uphold the secondary and tertiary aspects of the boycott.⁹⁸ Although Saudi Arabia does maintain the primary boycott, a small number of Israeli products do make their way into the Saudi market, mainly through third parties.⁹⁹ These products are mainly chemicals and apparel, and are estimated to have a value of less than US\$ 1 million. In late 2005, Saudi Arabia was required to cease its boycott of Israel as a condition for joining the World Trade Organization. After initially saying that it would do so, the government subsequently announced it would maintain its first-degree boycott of Israeli products. The government said it agreed to lift the second and third degree boycott in accordance with an earlier Gulf Cooperation Council decision rather than upon the demands of the WTO.

Boycott of L'Oréal Big companies command big exposure. Coca-Cola, McDonald's or Nestlé are routinely attacked for their alleged pro-Israeli activities. L'Oréal, as the largest beauty company in the world, is heavily scrutinised. L'Oréal accepted to comply with the Arab League demands in 1986. L'Oreal wrote to the Arab League's boycott office in Damascus to advise that it had halted cosmetics production in Israel by its acquired Helena Rubinstein subsidiary, and "complied with all the regulations of the boycott of Israel." But in 1994, two US congressmen and a couple of Jewish groups called for a boycott of L'Oreal because of the French company's "compliance with the Arab boycott of Israel."¹⁰⁰ The Department of Commerce (US) alleged that, in 1989, in response to a request from L'Oreal, S.A., Helena Rubinstein Inc. furnished or agree to furnish 144 items of information about Helena Rubinstein Inc.'s business relationships with or in Israel. The Department also alleged that, on two separate occasions in 1989, Helena Rubinstein, Inc. failed to report its receipt of a boycott-related request concerning its business relationships with or in Israel. Consequently, L'Oréal accepted to pay a fine of US\$ 1.4 million to settle the dispute with the Office of Anti-Boycott Compliance (US).¹⁰¹ The American Jewish Congress has expressed "keen satisfaction that L'Oréal has become a warm friend of Israel: 'The American Jewish Congress is delighted that the international cosmetics firm, L'Oréal, has finally closed an old and unhappy chapter in its history by reaching an agreement with the Office of Anti-Boycott Compliance (OAC) of the US Department of Commerce requiring it to pay US\$ 1.4 million to the US Treasury as a result of its former participation in the Arab

⁹⁸ For a detailed account of Saudi boycott of Israel see the webpage of the Saudi Ministry of Commerce and Industry under the section Israel Boycott Rule: <http://www.mci.gov.sa/en/LawsRegulations/SystemsAndRegulations/ProvinceIsraelSystem/Pages/28-2.aspx>

⁹⁹ 'Made in Israel, sold in Saudi Arabia', *Jerusalem Post*, 21 March 2008 and 'The Badly Kept Secret of Israel's Trade Throughout the Muslim World', *Haaretz*, January 19, 2012

¹⁰⁰ Details about alleged compliance with the Arab Boycott of Israel are recounted by Michael Bar-Zohar in his controversial book, *Bitter Scent*, Dutton Adult Publishers, 1996, 272 pages

¹⁰¹ The Office of Anti-Boycott Compliance is part of the US Department of Commerce Bureau of Industry and Security and can be reached at: <https://www.bis.doc.gov/index.php/enforcement/oac>

boycott of Israel’”.¹⁰² In a letter to the Anti-Defamation League, L’Oreal Chairman Lindsay Owen-Jones expressed regret that L’Oreal had corresponded with the Arab boycott office in Damascus.

Helena Rubinstein is not the only L’Oreal brand facing boycotts. Garnier was also boycotted in 2014 because a local distributor in Israel donated Garnier products to female soldiers of the Israeli Army and these soldiers posted pictures on Facebook. Immediately a boycott movement was set up. Contrary to the case of Helena Rubinstein, L’Oreal did not actively participate in the donation and even published a letter condemning this initiative, but the damage was done.¹⁰³

Unofficial boycotts were extremely intense in a series of Muslim countries after the publication of Danish cartoons in 2006. Religious organisations and individuals in many countries called for a ban of Danish products. Since Denmark was not very well known by consumers in Islamic countries, leaflets were published to inform as to which brands were coming from Denmark and thus should be avoided. Some of the Danish firms such as Arla Foods, which exports €250 million per year of dairy products to Saudi Arabia, were particularly hit by the boycott. Danish exports to the Middle East countries represent about 1 % of all of the country’s exports, but food exports to these countries account for 30 % of its total food exports. Where the members of OIC are concerned, these countries were worth €1.9 billion of Danish exports.¹⁰⁴

In another case, Indonesian groups such as the IMSA (Indonesia Muslim Students Association) and the Islamic Defenders Front initiated a strong boycott of highly identifiable American brands such as KFC and McDonald’s in 2011 because of US operations in Iraq and Afghanistan. They picketed in front of the restaurants and tore apart the company’s leaflets. In response, the owner of the McDonald’s franchise in Indonesia, himself a Muslim, put up pictures of his family and played religious music in his stores while KFC also emphasised the fact that its food is halal-certified. The best answer, however, has proven to be the value-for-money approach. KFC strongly believes that whatever the political upheavals, people will always turn to basics—the value for money—and will not abandon a brand that is giving them satisfaction for an acceptable price. In Iran too, where the USA formally prohibits American companies from selling their goods to the Islamic Republic, the different points of entry such as Dubai or Turkey all provide American products. Every week, an American-style fast-food opens in Teheran with poetic names such as “Mac Machallah”, “Mash Donald’s”, “Pizza Hot” and “Subways”.

¹⁰² Gil Feiler, *From Boycott to Economic Cooperation, The Political Economy of the Arab Boycott of Israel*, Routledge, New York, 2011, 325 pages

¹⁰³ ‘Garnier menacé de boycott après un prétendu geste de soutien à Israël’, *Le Figaro*, August 7, 2014

¹⁰⁴ ‘For Danish firms, boycott in the Mideast is a ‘Nightmare’, *The Washington Post*, February 11, 2006

The major political event influencing business is conflict. Wars and conflicts of any intensity cause a disruption to the supply chain or close some markets, and marketers have very little if any influence on that. The uncertainty introduced by the Arab Springs for instance does not allow countries such as Libya or Syria to participate fully in international trade. This is valid not only for countries engaged in war, but also for neighbouring countries, which will suffer as well, albeit not with the same intensity, for example, the tourist sector in Jordan, which on one side hosts some of the most important world tourist attractions such as Petra and at the same time has common borders with Syria and Iraq.¹⁰⁵

4.2 Legal Environment

The Muslim legal environment is derived from the Shariah (sacred law) and Fiqh (jurisprudence). This environment is favourable to business because it recognises the concept of private property, market rules, fairness in trade and non-discriminatory practices. In that sense it is not incompatible with Western legal systems, and the majority of Islamic countries routinely adopted common law or code law practices that most Western countries have.

4.2.1 Muslim Legal Environment: Shariah

Religious law is not new in the West. In general, it refers to ecclesiastical law on one side and/or customary law on the other side. Ecclesiastical law (or canon law) is an internal law of a Christian Church, be it the Catholic Church, Orthodox Church or a Protestant Church. This internal law rules how the rites have to be performed and how the hierarchy is organised in the Church. It also deals with the relationship between people who are not members of the Church: other Christians, Muslims, Jews or animists.¹⁰⁶ In that sense, canon law is not only internal. It has some external consequences as well. Islam is not a Church, so there is no canon law or Ecclesiastical law governing Church leadership.¹⁰⁷ On the contrary, Islam prescribes the direct relationship between the believer and Allah, and there is no intercession between them. The Qur'an proclaims that "All intercession belongs to Allah" (39:44), and that there will be "no intercession on the Day of Judgement" (2:254). Consequently, there is no organisation, including a Muslim organisation that can intercede on behalf of believers or have sins forgiven and wishes

¹⁰⁵ Marcus Pillmayer and Nicolai Sherie, 'The Tourism Industry and the Process of Internationalization in the Middle East: The Example of Jordan' in *International Journal of Tourism Research*, Vol. 16, N°4 (Jul/Aug 2014), pp. 329–339

¹⁰⁶ James Muldoon, *Canon Law, the Expansion of Europe, and World Order*, Aldershot and Brookfield, Ashgate, 1998, 300 pages

¹⁰⁷ An interesting account on hierarchy in Islam and Islamic clerics can be found on the website *Facts and Details*: <http://factsanddetails.com/world/cat55/sub358/item1448.html>

fulfilled.¹⁰⁸ The only part in Islam similar to canon law is the performance of rites, especially for prayer, Ramadan or Hajj, where rules exist. However, this body of rules is not equivalent to canon law for Christians.

Because there is no undisputed authority in Islam except that of Allah, there is a proliferation of fatwas coming from individuals who claim they speak on behalf of 'true Islam'. For companies, this has positive and negative effects. The positive effect is that in the situation of a fragmented organisational structure, there is no high authority that will speak on behalf of 1.6 billion people, so companies are free to propose innovative solutions. It will be relatively easy to find authoritative figures such as *muftis* or *ulemas* who will endorse these novelties. In the case of *halal* food, innovative products such as *halal* water or *halal* champagne have been accepted by some muftis while many others reject this idea. The negative side is that companies have to deal with each jurisdiction separately, which means they have to invest time and money negotiating separately.

The customary law refers to customs and habits for a given community. It is also called standards of community. When customs are based on religion, the most influential example comes from Halakha, the Jewish customary law.¹⁰⁹ It is based on the Biblical law, the Talmudic law (the hermeneutics or interpretation of biblical texts), the Rabbinic law, Customs and Traditions. Judaism classically draws no distinction in its laws between religious and non-religious life, and Halakha guides not only religious practices and beliefs, but numerous aspects of day-to-day life. It means that business and business decisions will also be affected by Halakah in terms of what products are permitted or not, how to prepare them or how and when to consume them. The series of prescriptions and prohibitions will definitely have influence on believers and companies catering to their needs and demands.¹¹⁰ The equivalent of Halakha in Islam is the Shariah law. The Arabic word *Shariah* refers to the laws and way of life prescribed by Allah for his servants. The *Shariah* deals with the ideology and faith, behaviour and manners, and practical daily matters, among them articles of worship and day-to-day activities.¹¹¹ *Shariah* includes the Qur'an and the *Sunnah* of the Prophet. Those are the two principal sources of law. Added to them, there are *ijma* (consensus), *qiyas* (analogy) and *ijtihad* (personal effort). As for any other religious customary law, it took some time to define clearly the domain of secular power and the domain of spiritual power. It is even more the

¹⁰⁸ One of the very few books talking about the Day of Judgment in Islam is Samuel Shahid's, *The Last Trumpet, A Comparative Study in Christian-Islamic Eschatology*, Xulon Press, 2005, 308 pages

¹⁰⁹ Shubert Spero, *Morality, Halakha and the Jewish Tradition*, Ktav Pub Inc, 1983, 381 pages

¹¹⁰ Ben-Zion Rosenfeld and Joseph Menirav, 'The Ancient Synagogue as an Economic Center', *Journal of Near Eastern Studies*, Vol. 58, No. 4 (Oct., 1999), pp. 259–276; Moses Pava, 'Developing a Religiously Grounded Business Ethics: A Jewish Perspective', *Business Ethics Quarterly*, Vol. 8, No. 1 (Jan., 1998), pp. 65–83

¹¹¹ "To each among you, we have prescribed a law and a clear way. (Qur 'an 5:48)

case for Islam, where the two powers are not clearly separated. This is especially true in the case of the Caliphate, where some kind of ceasaropapism might exist.¹¹²

It is assumed that Muslims in general favour Shariah law over positive law in any given country. The Pew Research Center did a survey on this topic and the results show that it is certainly true in some countries (for instance 99 % positive response in Afghanistan, 71 % in Nigeria or 74 % in Egypt). But there are also very low results such as in Turkey (12 %) or Azerbaijan (8 %). There is, therefore, no uniformity in the Muslim world concerning acceptance or desirability of Shariah law, mainly because the concept of Shariah varies from one country to another.¹¹³ If a company wants to comply with Shariah law in a given country for one or several elements of the marketing mix, it should look first at the definition of Shariah, and second at the desirability of Shariah implementation in these countries.

The Qur'an is the direct word of Allah, and is the foremost important source of guidance and rulings in Islam. It was revealed over a 23-year time period and is composed of 114 *suras* (chapters), subdivided into 6236 *ayets* (verses). The verses of the Qur'an that have legal content are called *ayat al-ahkam*, that is, the verses that form the basis of legal rules. A specific discipline known as *Ahkam al-Qur'an* has been created aiming at teaching how the laws are derived from the verses of the Qur'an. This discipline includes the study of the traditions together with the verses of the Qur'an on a legal issue, and measures the combined impact of both for the derivation of the legal rule. The Qur'an answers many questions, including on day-to-day activities. It becomes important for businesses not to contradict the Qur'an because it could challenge the actual word of God and consequently God himself.

Similar to the Bible and many other religious books, the Qur'an has to be translated, printed and distributed as any other physical product. Today, the number of copies of the Qur'an published per year is second only to the Bible, but according to the website www.stylist.com, the Qur'an is the top-selling book of all time at three billion copies, while the King James Bible comes in second at 2.5 billion copies.¹¹⁴ However, the following has to be considered: Apart from the King James Bible, there are many other versions circulating, so the total number of Bibles sold should be higher than that of the Qur'an. According to *The Economist*, over 100 million copies of the Bible are sold or given away every year.¹¹⁵ Annual Bible sales in America are worth between US\$ 425 million and US\$ 650 million; Gideon's International gives away a Bible every second. The Bible is available all or in part in 2426 languages, covering 95 % of the world's population. Precise figures are not available for the Qur'an but Saudi Arabia gives away around

¹¹² Joseph Lowry, 'The First Islamic Legal Theory: Ibn al-Muqaffa' on Interpretation, Authority, and the Structure of the Law', *Journal of the American Oriental Society*, Vol. 128, No. 1 (Jan. - Mar., 2008), pp. 25-40

¹¹³ <http://www.pewforum.org/files/2013/04/worlds-muslims-religion-politics-society-full-report.pdf>

¹¹⁴ 'The all-time most popular books in the world revealed', 9 December 2014 available at: <http://www.stylist.co.uk/books/the-all-time-most-popular-books-in-the-world-revealed>

¹¹⁵ 'The Bible v the Koran, The Battle of the Books', *The Economist*, December 19, 2007

30 million copies per year either through the auspices of the World Muslim League or via individual billionaires who participate in the distribution. Not only individuals buy copies of the Qur'an but companies such as hotels buy them and present them in their rooms.

Saudi Distribution of Qur'ans: The Powerhouse in Motion The King Fahd Complex of Printing the Holy Qur'an (KFCPHQ) has produced and distributed 264 million copies of the Islamic holy book since its inception in 1984. Situated in Medina, Saudi Arabia, and founded by King Fahd, this publishing house supplies the Qur'an in Arabic not only to the world's largest mosques, but also to embassies, universities, schools and charitable organisations around the world.¹¹⁶ There is no information about the cost of printing this impressive amount of copies but if we take US\$ 5 as a typical donation for printing and distribution of the Qur'an, it is a more than US\$ 1-billion industry. KFCPHQ can produce 30 million copies of the Quran each year. It also produces audiotapes and CDs, and has developed Android and Mac voice platforms for the teaching of the Qur'an. The app is available on: <http://kfc-phq.software.informer.com/1.0/> Up to now, the complex has produced 100 different editions of the Qur'an, including the braille version.

More than 2000 people are employed in the complex, which falls under the supervision of the Ministry of Islamic Affairs. This is the biggest supplier of Qur'an books and other formats in the world and since it comes from Saudi Arabia as the centre of Islam, it is looked upon with respect by some Muslims. At the same time there are Muslims who are reluctant to accept anything coming from Saudi Arabia because they consider it to be *Wahabbi* or *Salafist* propaganda, which is not in tune with their own interpretation of Islam.

There is an ongoing debate as to whether people should sell copies of the Qur'an or not. Since it is supposed to be the collection of actual words of God descended to Muhammad, the question is to know if anyone can sell the word of God and who is the owner of these words. Different schools of *fiqh* have different attitudes regarding this. The *Hanbali* school considers that it is wrong to sell the Qur'an because humans are not owners of the word of God. The Qur'an has been revealed for the whole of mankind, so money should not be a barrier to having access to the word of God. Thus, selling the Qur'an should be banned and only free giveaways should be authorised. Other schools of *fiqh* accept more or less the option of selling the Qur'an based on the distinction between the Qur'an and *mushaf* (written pages or codex according to Travis Zadeh).¹¹⁷ While the Qur'an refers to the specific revelation that was read to the messenger Muhammad, *mushaf* denotes the written form of that revelation so publishers do not sell the Qur'an, they sell the pages on which the

¹¹⁶ '264 m copies of Qur'an distributed', *Arab News*, September 5, 2013

¹¹⁷ Travis Zadeh, 'Touching and Ingesting: Early Debates over the Material Qur'an', *Journal of the American Oriental Society*, Vol. 129, No. 3 (Jul.-Sep. 2009), pp. 443-466 and John Burton, *The Collection of the Qur'an*, Cambridge University Press, 1979, 284 pages

Qur'an is printed. This subtle distinction allows for a business based on Qur'an sales. A more acceptable way to finance the printing and distribution of the Qur'an is to call for donations as it is done in many countries, so everyone can participate in the distribution of the Qur'an and not only wealthy individuals.

Free distribution of the Qur'an is a noble cause for Muslims who believe that it is their duty to spread the revelation. However, if it takes the form of a public distribution in the streets, it can be considered to be an act of proselytism, especially in Western countries. The case of the association *READ! (Lis! in French)* has triggered controversy because the distribution of the Qur'an in Paris in January 2015 happened in the aftermath of the shooting in the *Charlie Hebdo* redaction.¹¹⁸ A previous distribution of the Qur'an in Germany, Austria and Switzerland in 2012 produced the same controversy, pushing German politicians to campaign against the free distribution. The aim at that time was to distribute 25 million copies of the Qur'an, practically a copy for every household in Germany.¹¹⁹ The distribution of the Qur'an is not only practised in Western countries but also in OIC member countries such as Nigeria. As about half of the population in Nigeria is Muslim and the other half is Christian/Animist, Muslim activists in Nigeria address Muslims first because they want them to be firm in their belief and Christians and animists second in a move to spread the religion.

Even if the copies and *mushaf* refer to actual written pages, meaning a physical book, the Qur'an is today available in all formats. Not only is the Qur'an sold as a book but its derivative products are available on the market including the cover for the Qur'an. The most inventive are the businesses from Indonesia, which offer a specific cover for Muslim girls in a wide variety of colors (pink included). The products are available on <http://www.rumahmuslimhasanah.com/>

The Qur'an was available on radio-cassettes, DVDs and CDs before the emergence of smartphones and the Internet. It is today available on a multitude of websites. The term *Qur'an* on Google reports 48 million hits. There are thousands of full texts of the Qur'an available in hundreds of languages. Among them, websites such as www.quran.com, and www.quranexplorer.com or www.noblequran.com give the full version of the text. Many universities also offer the possibility of exploring the Qur'an such as the University of Southern California,¹²⁰ or Harvard University giving a link to www.quran.com They give access to the text and comments on their website. All smartphones (Android and iPhones) offer the possibility of downloading the full text, either in written form or an audio recitation of it.

The Quran is of course available in Arabic, but it is also translated into a large number of languages. As for the New Testament translations, each new translation

¹¹⁸ See the pictures of the Qur'an distribution in Paris on <http://journaldumusulman.fr/photos-journee-de-distribution-dexemplaires-du-saint-coran-en-plein-paris/> and the article 'Quand des Salafistes distribuent le Koran en plein Paris', *Le Figaro*, January 26, 2015

¹¹⁹ 'Backlash over Qur'an distribution in Germany', *The National*, April 16, 2012

¹²⁰ <http://www.usc.edu/org/cmje/religious-texts/quran/>

of the Qur'an in Malay, Urdu or Turkish will draw a certain number of believers who would like to see how the Book has been translated. The Quran is also explained and commented on (Qur'anic hermeneutics) and this is the second source of business. There are numerous commentators of the Qur'an from different Islamic orders including the Sufis and individuals. It is possible to find books, recorded comments and videos of comments of the Qur'an. The word *Qur'an comments* on YouTube has generated more than 1.5 million hits. All of them are not pure comments since there are also negative comments on the Qur'an, but the number of videos is impressive. The business around the comments of the Qur'an is usually based on two pillars. The first one is selling books and audio-video material while the second one is live comments on stage by famous preachers or specialists. The live performance is very popular in Asia and in Western countries, while in the MENA region, there is usually a public recitation of the Qur'an or broadcast on TV. Commentators Ustaz Nouman Ali Khan in Malaysia or Ustaz Rafli Sabirin in Indonesia often have great success in gathering sponsors for their tours like any other celebrity. Some of their posters are available on <http://denaihati.com/> or http://pustakaiman.blogspot.sg/2011_03_01_archive.html. Competitions about Qur'an comments are also organised in a series of Islamic countries. One of them is the United Arab Emirates, and especially Dubai. Every year the Emirate organises the International Holy Quran Award with dozens of contestants who can win cash prizes from Dh\$ 150,000–250,000. The contest is sponsored by many companies, including foreign companies such as BMW or Mercedes-Benz.¹²¹

The Sunnah of the Prophet is the second source of guidance and rulings. The Sunnah is an inspiration from Allah, but relayed through the words, actions and deeds of the Messenger, and his concurrence with other events. The Sunnah confirmed the rulings of the Qur'an, detailed some of the concepts, laws and practical matters which are briefly stated in the Qur'an, and gave some rulings regarding matters not explicitly stated in the Qur'an. One action, decision, statement or deed of the Messenger is called a *Hadith*, so the *Sunna* is a collection of *Hadiths*. The *hadiths* have been recorded by several people, mainly by the companions of the Messenger (called *Sahib* or *Sahabah* in plural) or a later authority (*Tabi'i*) but also by people who collected *hadiths* from eyewitnesses. The essential element in the *hadith* is the *isnad*, the chain of transmission through various intermediaries going back to a first-hand eyewitness of the Messenger's action. The term Sunnah itself is used for marketing purposes as in the USA where a company called Sweet Sunnah proposes black seed herbal products. There is no mention about religion on their website (<https://www.myblackseed.com>) but the term is extremely familiar to all Muslims worldwide.

¹²¹ 'Dubai Holy Quran award to feature 22 lectures', *The National*, 25th June, 2014 and www.quran.gov.ae

4.2.2 *Hadiths and Property*

In modern terms the *hadith* is a kind of copyright protection since it is based on *isnad*, the chain of transmission for an individual *hadith*. The chain identifies the source and transmission of information going up to the Prophet Muhammad, so not only the witness is quoted but also all other people in the chain of oral transmission upon the moment of writing and collecting the *hadith*. In that sense, Muslims will validate intellectual ownership by giving to Caesar what belongs to Caesar. The witness is clearly identified. The *hadith* will scrupulously respect the source because words will not be changed, so a saying from the 7th century will be quoted today in exactly the same terms as in the time of the Prophet Muhammad. Since the *hadith* is the second source of the Shariah and intellectual ownership is honoured in the transmission of the *hadith*, by analogy, it will be applied to all other domains, so copyright will be highly praised in Islam.¹²² For companies, this is of great importance because they do not need to wonder about IP protection.

Property (including intellectual property) is a big issue for all religions, not only for Islam, because religion has to separate what belongs to God and what belongs to men. This is why there are two types or properties: absolute and relative property. Islam recognises physical private property but private property cannot be absolute because everything is created and belongs to Allah. Besides the theological discussion between relative (private) and absolute (God's will) property, what happens in reality is that private property is treated as absolute property and transmitted from one generation to another, so inheritance rules are clearly defined in Islam. Otherwise property rights would cease with the death of a person. Everything would become common property and no inheritance would be involved. The *Hadith* of Prophet Mohammed says: "*works of a person that do not cease even after death are three: a continuing charity, a beneficial know-how or a worthwhile son*".¹²³ When the *hadith* says that the works of a person do not cease after death without a time limit, it means up to the Day of Judgement. It refers to charity in the form of *waqfs* which are deemed to be established in perpetuity but also to intellectual property (*the beneficial know-how* in the text). So, the copyright is also considered to be granted in perpetuity contrary to the limited patent term of 20 years from the date of filing in some countries and the limited copyright term, which runs for 50 years plus the life of the author as per international rules. There is no definition and classification of Intellectual Property categories in Islam, so all intellectual products should be protected equally, be it literature, music, graphic designs, etc. the only unacceptable intellectual property would be haram production (a novel on gambling,

¹²² On relationship between Islam and Intellectual property see Bashar Malkawi, 'The Alliance Between Islamic Law and Intellectual property: Structure and Practice', *University of St Thomas Law Journal*, Vol. 10, N°3 (2013), pp. 618–649

¹²³ Abu Hurairah narrated that Prophet Muhammad said, "When a man dies, his good deeds come to an end except three: ongoing charity, beneficial knowledge, and righteous offspring who will pray for him." (Al-Muslim)

portraying the Prophet Muhammad in a painting or music praising intoxicating products).

There are six canonical books of *Hadiths* with the total number of *hadiths* amounting to more than 32,000.¹²⁴ Two collections of *hadiths* (from Al-Bukhari and Al-Muslim) are called *Sahih hadiths* (authentic *hadiths*), which are particularly appreciated by Muslims because the belief is that actual words of the Prophet are reported.¹²⁵ This second source of Shariah is based on a real person, the Prophet Muhammad. Since it complements and explains many concepts used in the Qur'an, it is an important source used by the Shariah scholars when they have to make a decision that sometimes has business consequences. In order to know if some products are halal or haram, the Qur'an is usually not explicit, so the *hadiths* are used in order to gain a precise answer. A good Shariah scholar thus must know perfectly well the Qur'an in Arabic and the six canonical books of *Hadiths*.

Additional to Muhammad's tradition, the Shia branch of Islam also introduces Ali as the *wali* (friend or viceregent) of God. It means that Shia will add Ali's tradition on top of the Qur'an and the Sunnah. The narratives of Ali are collected in four books representing about 55,000 *hadiths*.¹²⁶ It means also that a Shariah scholar for the Shia branch has to know also these 55,000 *hadiths* on top of the Qur'an and the 32,000 *hadiths* of the Sunnah.

Several business can be linked to the Sunnah, the first one being books. Contrary to the situation with the Qur'an, there is no ambiguity for selling the collections of the Sunna because the Prophetic tradition refers to an actual person, the Prophet Muhammad and not to the actual words of God. So, in the market, there are numerous editions of the Sunnah, not only published by the King Fahd Complex. Since there are six canonical books composing the Sunna, it may happen that the full edition takes the form of an Encyclopedia. Similar to the Qur'an, the *hadiths* are available in all formats: books, DVDs, CDs and apps. Taking into account the large number of *hadiths*, there are many commentaries about them and also abridged versions of the *hadiths* with the most important ones, or the most famous or the most useful for a certain activity or topic.

The first business being the publication of *hadiths*, the second business is centred on the Prophet himself. For Muslims, he is considered to be the perfect man and an example every Muslim should follow in his everyday life. As a source of

¹²⁴ The six canonical books of Sunna refer to the names of their collectors: Al-Bukhari, Al-Muslim, Al-Nasai, Abu Dawood, Al-Tirmidhi and Ibn Majah

¹²⁵ There is a controversy about the actual words of the Prophet in the *hadiths*. See Jonathan Brown, 'Did the Prophet Say It or Not? The Literal, Historical, and Effective Truth of *Hadiths* in Early Sunnism', *Journal of the American Oriental Society*, Vol. 129, No. 2 (Apr.-Jun. 2009), pp. 259–285 and for the actual words and reported actions and sayings of the Prophet see Sherman Jackson, 'From Prophetic Actions to Constitutional Theory: A Novel Chapter in Medieval Muslim Jurisprudence', *International Journal of Middle East Studies*, Vol. 25, No. 1 (Feb., 1993), pp. 71–90

¹²⁶ The narratives of Ali have been collected by Mohammad bin Yaqub al Kulayni, Mohammad ibn Babuya and Mohammad Tusi.

inspiration, many preachers refer to him in their talks and answer to questions of everyday life (marriage, business, rituals, etc.). If there are televangelists for the Christian world, the telepreachers in Islam are as powerful if not more powerful than their Christian counterparts. People preaching and talking about the Prophet's life come from Shariah studies, but not always. The biography of the Prophet is called *Sira Nabawiya* and famous TV preachers talking about the Prophet are very popular. Among the many, the most famous are Tareq al-Suwaidan from Kuwait (6580 videos on YouTube), Aid al-Qarni from Saudi Arabia (4700 videos), Yusuf Al-Qaradawi from Egypt (9400 videos) and Mohamed Hassan also from Egypt (212,000 videos) as well as women preaching and fighting for women's rights such as Sakena Yacoobi from Afghanistan (2,050 videos).¹²⁷ The proliferation of websites and TV channels gives preachers the opportunity to touch a much larger audience. The champions are not necessarily classical Shariah scholars but lay persons who will give life guidance with sometimes references to the Prophet and the *hadiths*. Among them are a former accountant turned Islamic preacher Amr Khaled from Egypt, who has more than 50,000 videos on YouTube; Abu Mussa Wajdi Akkari from Lebanon, who has 32,600 videos; Zakir Naik from India, who has more than 625,000 videos; and *ustaz* Don Danyal from Malaysia, who has more than 1 million followers on his Facebook account and more than 100,000 followers on Twitter. *Ustaz* (Muslim scholar or teacher of Islam) Don regularly organises tours in Malaysia and Singapore, where he teaches about praying and everyday matters. His tours gather thousands of people and the schedule and communication about the tours are available on websites like www.kuiscell.com while his mail address is explicit: solatselawat@gmail.com

Finally, the last business centred on the Prophet is his birthday, the *Mawlid*. Most denominations of Islam approve of the commemoration of Muhammad's birthday but some do not, such as Wahhabism/Salafism, Deobandism and the Ahmadiyya. These movements consider the *Mawlid* as an unnecessary religious innovation, because the Prophet and his Companions never celebrated it. It is equivalent to *bid'ah* to them. If it is unnecessary, it is reprehensible according to the above-mentioned movements. *Mawlid* is recognised as a national holiday in most of the Muslim-majority countries of the world except Saudi Arabia and Qatar, which are officially Wahhabi/Salafi. As for Deobandi and Ahmadiyya, since the members of these movements do not rule countries where they represent significant populations (India and Pakistan), they cannot have any impact on the celebration. The consequences on business are the same as for the two Eids: adaptation of working hours, gifts, celebrations, etc. During the *Mawlid* celebration, known under the name *Eid Milad-un-Nabi* in Urdu, hundreds of thousands of people gather at Minar-e-Pakistan, Lahore, between the intervening night of 11th and 12th Rabi' al-awwal

¹²⁷ The emergence of women as preachers and life guidance leaders is becoming more and more important as is shown by the example from Morocco in 'How Morocco's Islamic Women Preachers are Leading a Social Revolution', *Huffington Post*, 19 May 2015. It is part of a large movement for the empowerment of women's rights and going together with all-female mosques. See 'First US female-only mosque opens', *The National*, 2nd February, 2015

of the Islamic calendar. This is the world's biggest gathering for Mawlid celebrations. At the same time in India, the Mawlid, known under the name of Nabi/Mahanabi Jayanti in South Indian languages, is a public holiday in almost all Indian states.

If the Mawlid is a public holiday, it is expected to draw millions of people celebrating it in all Muslim countries, be they Sunni or Shia. The devotion to the Prophet and his family is a common element in practically all Muslim countries, and some Sufi orders also rely on the life of the Prophet as a central element of their beliefs.¹²⁸ So the numbers for marketing will be there. The business of Mawlid can first target public institutions in countries like Malaysia, where official celebrations are organised and the Federation/State/municipalities participate in them. The practice in Malaysia is that thousands of people gather for public celebrations and dress uniformly, which gives business to companies that manufacture and sell the required clothes. It is unclear who decides what type of clothes should be worn or not but the fact is that big numbers and big profits are in play.

During Mawlid, homes and streets are decorated, social and familial gatherings take place and music festivals are performed. All this is good for business. Contrary to rituals which are strict for prayer and for Ramadan, the Mawlid celebration is rarely codified so innovations can occur. The example from Sanaa, in Yemen shows that women's celebrations of Mawlid are particularly innovative and contribute to the invention of 'popular Islam'—a little bit divergent from the canonical one.¹²⁹

The public Mawlid celebration with street decorations looks like the Ramadan celebration and presents some similarities with Christmas celebrations in Western countries. In that sense there is a possibility to talk about the "Christmatisation" (meaning commercialisation) of Mawlid as some researchers talk about the "Christmatisation" of Ramadan.¹³⁰ The only difference is that that the toy and gift industry is not on a par with what is happening in Christmas celebrations except in Egypt, where the Mawlid doll (Arosat Al-Mawlid) is popular. The doll is dressed in a fancy colourful dress with what looks like three circular fans popping from behind and, of course, a tiara. Originally, the doll was made of candy and the young girls would eat it at the end of the day. Young boys would get a candy horse instead.¹³¹ So a market for dolls definitely exists in Egypt during Mawlid like the market for Barbie dolls at

¹²⁸ Valerie J. Hoffman-Ladd, 'Devotion to the Prophet and His Family in Egyptian Sufism', *International Journal of Middle East Studies*, Vol. 24, No. 4 (Nov., 1992), pp. 615–637

¹²⁹ Marion Holmes Katz, 'Women's "Mawlid" Performances in Sanaa and the Construction of "Popular Islam"', *International Journal of Middle East Studies*, Vol. 40, No. 3 (Aug., 2008), pp. 467–484

¹³⁰ The Westernization or Christmatisation of Islamic celebrations such as Ramadan are presented in Walter Armbrust, *Mass Culture and Modernism in Egypt*, Cambridge University Press, 1996, 275 pages

¹³¹ For an account on Mawlid dolls see Patrick Kane, *The Politics of Art in Modern Egypt: Aesthetics, Ideology and Nation-Building*, I.B. Tauris, London, 2012, 245 pages and Andrea Stanton, 'Celebrating Muhammad's Birthday in the Middle East: Supporting or Complicating Muslim identity Projects' pp. 192–206 in Udo Merkel (ed.), *Identity Discourses and Communities in International Events, Festivals and Spectacles*, Palgrave Macmillan, London, 2015, 265 pages

Christmas in Western countries. Street and home decorations are similar for Mawlid and Christmas, while the celebration itself is held in mosques or public places such as stadiums because of the great number of people attending them. An example of street celebrations is given by the Association of Islamic Charitable Projects in North America on their Facebook page: <https://www.facebook.com/media/set/?set=a.10151404692041011.527263.358241446010&type=3>. They refer mainly to the practice in Lebanon with pictures of street decorations.

A central part in Mawlid celebrations is devoted to music, so concerts, festivals and gatherings are organised all over the world with the aim of having a joyful and happy celebration of the Prophet's birthday. It is a fact that some Sufi orders have a very strong relationship with music and they are recognised as outstanding musicians and singers even outside the Muslim world.¹³² It is, therefore, not a surprise when Sufi orders participate in large numbers in Mawlid celebrations, even though Sufis do not represent a majority in the Muslim community.

The Qur'an and the Sunnah of the Prophet constitute the first two sources that provide the Shariah scholar with the material from which he is to extract the law, but there are other sources that he can use in order to give his best advice. In Sunni Islam, these two other sources are *ijma* (consensus) and *qiyas* (analogy), while the Shia add a third one: *ijtihad* (personal judgement)

4.2.3 Qiyas (Analogy)

Except for a relatively limited number of cases where the Qur'an and the Sunna offer already-formulated legal judgements as for instance the general banning of pork and *riba* (interest or usury rate), the great majority of decisions coming from Shariah scholars are derived by *qiyas*, when the Shariah scholar uses a reasoning by analogy, trying to find a similar case in the past as inspiration for his advice/opinion. This is not an easy task because analogy in this case requires finding the circle of common spirituality between an old case and a new case. This gives room to a broad possibility of interpretation and thus a possibility of disagreement with other Shariah scholars who may have a completely different opinion on the same subject. The *hadith* '*Difference of opinion in my Community is a mercy for people*' would mean that all schools of Orthodox Sunni Islam are equally valid and *ikhtilaf* (difference) will not pose a problem between them.¹³³ In its statement about the way Shariah is applied in its company, CIMB Islamic (one of the leading Islamic banks in Malaysia) clearly indicates that there is no Islamic legal opinion superior to another, so opinions can differ in time and place and there is no automatic supremacy of one of them.¹³⁴

¹³² Jonathan Shannon, 'Sultans of Spin: Syrian Sacred Music on the World Stage', *American Anthropologist*, Vol. 105, No. 2 (Jun., 2003), pp. 266–277

¹³³ Kemal Faruki, *Islamic Jurisprudence*, Pakistan Publishing House, 1962, 337 pages

¹³⁴ See Islamic Business Research Center on: <http://www.kantakji.com/markets/islamic-banking-special-supplement-shariah-governance-a-challenge-to-islamic-banking.aspx>

4.2.4 Ijma (Consensus)

In order to avoid misinterpretation and disallowance from the Shariah scholars, there is a need to group several scholars to reach a consensus.¹³⁵ When a Shariah scholar gives his opinion, there is a case of probability. If there is a consensus, the opinion enters the domain of certainty, because the community of Shariah scholars cannot be wrong. In his book, George Hourany refers to the often-quoted *hadith* attributed to the Prophet ‘*My Community does not agree on an error*’.¹³⁶ It means that if one person can make an error, this cannot happen within the group. In Islamic Finance, it is common practice to have a pool of Shariah scholars who will reach a consensus in deciding if a proposed product or service is permissible. This is a slight deviation from the original concept of *ijma*, which refers to the community of companions of the Prophet (the Sahabah) and not the community of Shariah scholars today.

4.2.5 Ijtihad (Independent Reasoning)

A big part of the relationship between the members of society in different fields is governed by *ijtihad*, i.e., interpretations, elaborations and deductions that are in accordance with the needs of the society within the general framework of Islam by qualified jurists. It is, therefore, a personal effort by a *mujtahid* (a person competent in interpreting the Shariah through *ijtihad*). One’s personal opinion is independent of any Islamic school of jurisprudence and *Sunni* schools usually consider that the ‘doors of *ijtihad*’ have been closed since the 12th century, while the *Shia* branch considers that *ijtihad* is used even today.¹³⁷ According to Jane Pollard and Michael Samers, this will have an influence on business decisions as independent reasoning can fuel innovation in the case of Islamic banking and finance, for instance, especially in the Western world where new forms of compliance have to be proposed.¹³⁸

¹³⁵ Wael Hallaq, ‘On the Authoritativeness of Sunni Consensus’, *International Journal of Middle East Studies*, Vol. 18, No. 4 (Nov., 1986), pp. 427–454

¹³⁶ George Hourani, *Reason and Tradition in Islamic Ethics*, Cambridge University Press, 1985, 200 pages and *hadith* narrated by al-Tirmidhi (4:2167), ibn Majah (2:1303), Abu Dawood, and others with slightly different wordings.

¹³⁷ Wael Hallaq, ‘Was the Gate of Ijtihad Closed?’, *International Journal of Middle East Studies*, Vol. 16, No. 1 (Mar., 1984), pp. 3–41

¹³⁸ Jane Pollard and Michael Samers, ‘Islamic Banking and Finance: Postcolonial Political Economy and the Decentring of Economic Geography’, *Transactions of the Institute of British Geographers, New Series*, Vol. 32, No. 3 (Sep., 2007), pp. 313–330

4.2.6 Shariah-Based vs Shariah-Compliant Products

Based on the sources of law presented above, the Shariah scholar not only has to deal with the *Qur'an* and the *Sunna*, but also with *qiyas* and *ijma* decisions on one hand and personal, independent reasoning (*ijtihad*) on the other. It is, therefore, important for companies to carefully identify who the legal adviser is in a Muslim country and if it is possible to have one legal counsel for the entire Muslim world as the implementation of Shariah is not easy, even in predominantly Muslim countries. For companies entering an Islamic country for the first time, the fear of the unknown and especially an ignorance of the religious impact on business might be a huge deterrent. This is why it is important for companies to reconsider the selection and management of the law firms they work with in other geographies. While there are many criteria companies can explore in selecting the ‘right’ counsel such as familiarity with the law firm, specific competence of the law firm in a certain industry and geography, track record of successful cases, fees amount, etc.,¹³⁹ the most important would be the physical presence of the law firm in the country. This presence will give clients confidence in the company as it implies that the law firm has good connections with the decision-makers in the country. A survey of the biggest law firms in the world shows that there are very few countries where firms open their own offices. Law firms usually cooperate with local law firms, so if they establish an office it means that the stream of income is large enough to support the cost of the office. In the following chart, only firms with more than two offices in OIC countries are taken into account. Some of the biggest law firms such as Latham & Watkins; Skadden, Kirkland & Ellis; Hogan Lovells and Sidley Austin either have just a couple of offices (generally in Saudi Arabia and/or United Arab Emirates), or do not have a presence in OIC countries at all (Table 4.2).

Table 4.2 International law firms present in Islamic countries

	BAKER & MCKENZIE	DLA PIPER	CLIFFORD CHANCE	ALLEN & OVERY	LINKLATERS	FRESHFIELDS	JONES DAY	NORTON ROSE	WHITE & CASE	GIDE
Azerbaijan	Yes									
Bahrain	Yes	Yes				Yes		Yes		
Egypt	Yes			Yes	Yes			Yes	Yes	
Indonesia	Yes		Yes		Yes			Yes	Yes	
Kazakhstan	Yes				Yes			Yes	Yes	
Kuwait		Yes								
Malaysia	Yes									
Morocco	Yes	Yes	Yes	Yes				Yes		Yes
Oman	Yes	Yes	Yes	Yes		Yes			Yes	
Qatar	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Saudi Arabia	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Turkey	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Uganda								Yes	Yes	
United Arab Emirates	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Algeria										Yes
Tunisia										Yes

Source: compilation by author

¹³⁹ Anthony Armitage, Steve Lauer and Caroline Poynton, ‘A Corporate Counsel’s Guide to Law Firm Panel Selection and Management’, *Worldwide Legal Research* available on www.legal-monitor.com Even if the guide centres on panel selection and management, it gives a comprehensive view how to select and manage a law firm from the business perspective.

Two countries—Saudi Arabia and United Arab Emirates—are covered by practically all the law firms surveyed while the countries with the next highest level of coverage are Turkey, Indonesia, Morocco and Qatar (seven and six law firms out of ten respectively). Only 16 out of 47 OIC countries are covered by the biggest law firms with some of these countries having just one law firm present (Algeria, Tunisia, Oman, Uganda, Malaysia, Azerbaijan, Egypt and Kuwait). From the results, it seems that the Islamic market for law firms is limited to eight countries, out of which just one is in Asia (Indonesia) and one in Africa (Morocco).

Like in any other legal environment, when the lawyer wants to help his client, he will explore the categorisation of products and services that are prohibited or permissible. In the past, only Shariah-based products and services existed, i.e. products that the Shariah explicitly made permissible. Today, the situation is much more complex due to the multiplication of categories of products. As Yusuf al-Qaradawi mentioned in his book about the lawful and prohibited in Islam, there are five categories of products: what is prescribed, what is lawful, what is permitted, what should be avoided and what is prohibited.¹⁴⁰ According to him, the dichotomy between what is lawful (*halal*) and what is prohibited (*haram*) is becoming much more complex because of intermediate categories. In addition to this, innovative products and services in the food and finance sectors are pushing Shariah scholars to make products and services Shariah-compatible rather than Shariah-based. The distinctions between the five categories are in whether their performance (P) and non-performance (NP) is rewarded, not rewarded, punished or not punished. The prescribed (*fard*) is also referred to as obligatory (*wajib*), mandatory (*muhattam*) and required (*lazim*).¹⁴¹ This is divided into two categories:

- Personally obligatory (*fard al-'ayn*), which is required from every individual Muslim (e.g. *salah* and *zakat*);
- Communally obligatory (*fard al-kifaya*), which is performed by some Muslims but not required by all (e.g. funeral prayers)

Personally obligatory (*fard al-'ayn*) products and services will definitely be Shariah-based as it is compulsory for every Muslim and there is no delegation of individual responsibility for the fulfilment of these obligations. The five pillars of Islam are definitely present in this category as they prescribe the obligatory duties of Muslims. These prescriptions will have a tremendous impact on marketing on one end and managers' behaviour on the other.¹⁴² The five pillars are:

¹⁴⁰ Yusuf al-Qaradawi, *The Lawful and the Prohibited in Islam*, American Trust Publications, 1999, 368 pages

¹⁴¹ The relationship between injunction and free will of the believer is discussed by Abbas Ali, Robert Camp and Manton Gibbs in 'The Concept of "Free Agency" in Monotheistic Religions: Implications for Global Business', *Journal of Business Ethics*, Vol. 60, No. 1 (Aug., 2005), pp. 103–112

¹⁴² Ahmed Ameer Ameer, 'The Lifestyle Halal in European Marketing', *Review of Economics and Finance*, N°2 (2011), pp. 83–90; Samir Abuznaid, 'Islam and Management: What Can Be Learned', *Thunderbird International Business Review*, Vol. 48, N°1 (Jan-Feb 2006), pp. 125–139

1. Faith and belief in the Oneness of God and finality of the prophethood of Muhammad (*Iman*). “*I testify that there is no God but Allah and Muhammad is the messenger of Allah.*” This declaration of faith is called the **Shahadah**, and is a simple formula that all who are faithful pronounce. The significance of this declaration is the belief that the only purpose of life is to serve and obey God, and this is achieved through the teachings and practices of the Last Prophet, Muhammad. The term *Shahadah* is very symbolic for Muslims and some companies capitalise on this name such as El Chahada funeral services in France (www.pompes-funebres-elchahada.com) and Achahada, a *halal* certifying agency in France (<http://achahada.com/>). Variations of the declaration of faith can also include the declaration of *Kalimahs* (words of purity for Muslims with *shahadah* being the second *kalimah*). Just as it is with *shahadah*, companies capitalise on this very symbolic name. An example is an apparel company from Saudi Arabia called *Kalimah Jeans* (www.kalimahbrand.com), which establishes its market presence through modern layouts and communications.
2. Establishment of the daily prayers (*Salah*). **Salah** are obligatory prayers that represent a direct link between the worshipper and God. As there is no hierarchical authority in Islam, there are no priests. Instead, prayers are led by a learned person chosen by the congregation who knows the *Qur'an*. Prayers are said at dawn, mid-day, late-afternoon, sunset and nightfall, determining the rhythm of the entire day. These prayers contain verses from the *Qur'an*, and are said in Arabic, the language of the Revelation, while preaching is conducted in the language of the congregation. Many businesses can be associated with *Salah*, such as the publication of the prayer times for a given location, and there is no lack of sponsors for this important information for the believer.

The way to practice and recite *salah* is carefully crafted and there is no room for improvisation, especially when worshippers congregate for common prayer in a mosque. While teaching the right way to pray is usually the task of the *madrasah* or family education, in some countries, it has become a form of business as in the case of Singapore, where a local association Attartil offers courses on how to recite the *salah* for SGD\$ 160 as indicated on the leaflet available on its website www.attartil.com.

Some essential items are needed for prayer such as the prayer mat and a compass indicating *Qibla*, the direction of Mecca. Prayer mats are extremely numerous on the market. Although they used to come from traditional sources such as Iran or Turkey, today, they are made in China, and the country has established itself as the major purveyor of such products. Some Chinese cities like Yiwu in the Zhejiang province openly proclaim that customers in the Middle East are their most important to them.¹⁴³ Companies also capitalise on symbolic

¹⁴³ ‘Chinese county draws Arab traders’, *The Straits Times*, 7th October 2012

names such as Qibla Cola in the UK¹⁴⁴ or Al-Quds Jeans (named after the Mosque in Jerusalem, the third-most important place in Islam after Mecca and Madinah).¹⁴⁵ Though these brands enjoyed initial success in the first decade of the 21st century, they barely exist today. This either implies that a symbolic brand name is not powerful enough to attract consumers or that traditional heavyweights such as Pepsi-Cola and Coca-Cola are stronger than newcomers. While it seems that the market for *salah* products is restricted to prayer mats and compasses, innovative products, which never existed in the past, continue to be rolled out, such as the prayer chair. It is manufactured in China and sold on www.alibaba.com for a price of about 40 dollars.

The most important prayer is known as the *Jumma* prayer and is performed on Fridays. Even if a worshipper cannot perform daily prayers, he will make an effort to congregate with other believers for the Friday prayer. The same goes for Christians who do not attend daily mass at the Church but congregate for Sunday mass. In Western countries, there are not enough mosques so the Friday prayer is usually overcrowded and, very often, worshippers have to pray in the streets. As expected, businesses such as restaurants and cafes are not very far from popular mosques to cater to the worshippers. An example is the Angillia Mosque in Singapore, where Indian Muslims like to congregate as it is located in Little India.¹⁴⁶

3. Concern for and almsgiving to the needy (*Zakat*) is the third pillar of Islam. An important principle of Islam is that everything belongs to God, and wealth is, therefore, held by human beings in trust. The word *zakat* means both “purification” and “growth”. Possessions are purified by setting aside a proportion for those in need and for the society in general.¹⁴⁷ Islam has nothing against wealth and trade. On the contrary, taking the example of the Prophet Muhammad who was a trader, Islam very much encourages trade, business and profit. This is true for both *Sunni* and *Shia* Muslims.¹⁴⁸ However, profit should be gained through permissible means. This is why *riba* is forbidden as a way to gain money. Islamic finance and the prohibition of *riba* are not pillars of Islam but *Zakat* is one of the

¹⁴⁴ An analysis of the Qibla Cola launching is given in Siew Leong, Joseph Cote, Swee Ang, Soo Tan, Kwon Jung, Ah Keng Kau and Chanthika Pornpitakpan, ‘Understanding Consumer Animosity in an International Crisis: Nature, Antecedents, and Consequences’, *Journal of International Business Studies*, Vol. 39, No. 6 (Sep., 2008), pp. 996–1009

¹⁴⁵ ‘Al-Quds Jeans’ Divide Austrian Muslims’, *Turkish Weekly*, 24th April, 2006

¹⁴⁶ ‘For some it’s a moment of prayer. South Asian Muslim workers use holiday to visit Little India mosque’, *The New Paper*, 1st February, 2014

¹⁴⁷ See the section on zakat, taxes and public finance by Volker Neinhaus in Sohrab Behdad and Harhad Nomani eds. *Islam and the Everyday World: Public Policy Dilemmas*, Routledge Political Economy of the Middle East and North Africa Series, vol. 4, London and New York, 2006, 204 pages; and Jonathan Benthall, ‘Financial Worship: The Quranic Injunction to Almsgiving’, *The Journal of the Royal Anthropological Institute*, Vol. 5, No. 1 (Mar., 1999), pp. 27–42

¹⁴⁸ For the Shia approach towards business see how Islam encourages business on the Imam Reza webpage: <http://www.imamreza.net/eng/imamreza.php?id=3264>

five pillars. It has been quoted more than 40 times in the *Qur'an*, proving the importance of this pillar for Muslims. This is why while Muslims know perfectly the obligation of *zakat* and *ushr* (almsgiving in kind, usually agricultural produce, for people who do not have money to give *zakat*),¹⁴⁹ they know very little about Islamic finance as they have not been exposed to Islamic banks and insurance companies in the past. The business around *zakat* is very often compared to charity organisations in the West. Numerous institutions such as *Islamic Relief* worldwide or *Secours Islamique* in France count on *zakat* money to finance their activities in emergency relief or poverty alleviation. Both associations ask for donations either through *zakat ul-fitr* (specific voluntary almsgiving event during Ramadan) or *zakat ul-maal*, which is the compulsory annual *zakat*. Their campaigns can be found on <https://islamic-relief.com.au/264/ramadan> or <http://www.secours-islamique.org>.

4. Self-purification through fasting (*Sawm*). Every year, in the month of Ramadan, all Muslims fast from dawn until sundown—abstaining from food, drink and sexual relations with their spouses. Children begin to fast (and to observe prayers) from puberty, although many start earlier. Although fasting is beneficial to health, it is mainly a method of self-purification and self-restraint.¹⁵⁰ There are several reasons why Ramadan (Ramazan in Turkey, Bosnia and Iran, Ramzan in the Indian sub-continent or Hari-Raya in Indonesia and Malaysia) is regarded as holy. The month marks the time when the *Qur'an* was revealed, the gates of Heaven open, the gates of Hell closed and the devils chained up in Hell. The actual night that the *Qur'an* was revealed to the Prophet Muhammad is called *Lailat al Qadr*, and to stand in prayer on this one night is said to be better than a thousand months of worship. This is why Ramadan is often called the month of the *Qur'an* and Muslims attempt to recite as much of the *Qur'an* as they can during the month, while at the same time struggling to ensure that their behaviour is nothing less than exemplar.¹⁵¹ Even though Ramadan is the month of fasting, there is an increase in food consumption as families and friends tend to gather every night to break the fast during *iftar*. Even restaurants and hotels participate by offering *iftar* meals, whether they are five-star hotels or fast-food chains like McDonald's, Donkin Donuts or Subway. Companies today organise very lavish *iftars* around the globe. However, some clerics and opinion leaders in the Muslim world do not regard this extravagance as a good trend.¹⁵²

¹⁴⁹ An account of the mechanism of *ushr* in Pakistan is given by Timur Kuran, 'Islamic Economics and Islamic Subeconomy', *The Journal of Economic Perspectives*, Vol. 9, No. 4 (Fall, 1995), pp. 155–173

¹⁵⁰ "O, you who believe! Fasting is prescribed for you as it was prescribed to those before you that you may learn self-restraint." (Qur'an 2:183)

¹⁵¹ Samuli Schielke, 'Being Good in Ramadan: Ambivalence, Fragmentation, and the Moral Self in the Lives of Young', *The Journal of the Royal Anthropological Institute*, Vol. 15, Islam, Politics, Anthropology (2009), pp. 24–40

¹⁵² 'Ramadan as good time as any to boost your business', *The National*, July 2, 2015

5. The fifth pillar is the pilgrimage to Mecca (*Hajj*), and is only expected to be observed by those who are physically and financially able to do so. Nevertheless, over two million people from around the world go to Mecca each year, providing a unique opportunity for those of different nations to meet one another. The annual *hajj* follows the lunar calendar so it might fall in the summer time during extremely hot weather, which will induce variations in demand for basic needs such as water.¹⁵³ Pilgrims wear special clothes—simple garments that strip away any distinctions of class and culture, so that all stand equal before God. While the pilgrimage to Mecca is a pillar of Islam and there is only one place where believers should go—Mecca—some other places have appeared as places for pilgrimage. In the case of the *Shia* Muslims, this would be Mashhad in Iran or Najaf/Kerbala in Iraq while for *Sufis*, it would mean the *Sufi* saints' tombs in India and Pakistan. The *hajj* has given birth to all kinds of businesses, whether for travel agencies, airline companies, souvenir selling in Mecca or the celebration of *Aid ul-Adha* worldwide.¹⁵⁴

Apart from products related to the five pillars, other products are also clearly Shariah-based such as *qard-hassan* (non-interest loan) in Islamic finance. On the other hand, Shariah-compliant products and services must demonstrate that they are compliant to the Shariah usually through a *fatwa* given by the Shariah Supervisory Board (SSB). Tangible assets are, for instance, a necessity as collateral for a loan in Islamic Finance, but the definition of a tangible asset may cause some dilemma. This is why in a certain number of countries (Malaysia, first of all), a huge effort has been taken to ensure that numerous products and services are compliant with the Shariah in the sense that a product is tailored to be accepted by the Shariah rather than to start from Shariah and propose a limited number of products and services.¹⁵⁵ The inevitable consequence of compliance-seeking is the emergence of a bureaucratic Islam, which does not differ from its counterpart, bureaucracy in a secular country.¹⁵⁶ Many Muslims do not accept this kind of bureaucratic Islam, arguing that the primary relationship is between believers and Allah without intercession by the state. For the introduction of Shariah-compliant products and services, however, the bureaucratisation of Islam is a necessity as is shown in the comparison between France and Malaysia in two domains: *halal* food and Islamic Finance.

¹⁵³ Robert McNown, Omar Aburizaizah, Charles Howe and Nathan Adkins, 'Forecasting annual water demands dominated by seasonal variations: the case of water demands in Mecca', *Applied Economics*, Vol. 47, N°4–6, (Jan.–Feb. 2015), pp. 544–552

¹⁵⁴ 'Saudi Arabia: \$8.5 billion income from Hajj expected', *Al Arabiya*, August 26, 2014

¹⁵⁵ Michael Peletz, 'Malaysia's Syariah Judiciary as Global Assemblage: Islamization, Corporatization, and Other Transformations in Context' in *Comparative Studies in Society and History*, Vol. 55, No. 3 (Jul. 2013), pp. 603–633

¹⁵⁶ Maznah Mohamad, 'The Ascendance of Bureaucratic Islam and the Secularization of the Sharia in Malaysia' in *Pacific Affairs*, Vol. 83, No. 3 (Sep. 2010), pp. 505–524

4.2.7 Halal Food and Islamic Finance: The Burden of Proof

In *halal* food and Islamic Finance, the two biggest Islamic businesses, there is a necessity to prove the *permissibility* of the product but the burden of proof is different. In the case of *halal* food, the certification is deemed *exogenous* because it is given by a third party (a halal certification agency) while in the case of Islamic Finance, it is deemed to be *endogenous* because it is given by the Shariah Supervisory Board set up by the bank or the insurance company. The terms *exogenous* and *endogenous* come from the medical vocabulary with *endogenous* referring to substances originating from the organism and *exogenous* referring to an action coming from outside the system. In economy, the term *exogenous* is used when economic growth is due to influences outside the economy or the company, while *endogenous* growth implies that growth is due to internal factors such as human capital, innovation or knowledge.¹⁵⁷

In Fig. 4.1, the permissibility of products is identified with *doxa*, the doctrinal and theological definition of what is permissible and what is not. This usually refers to the two main sources of Shariah law—the Holy *Qur'an* and the *Sunna*—and these two sources are not negotiable. On the other hand, *praxis* refers to practice, something we can differentiate from one *madhab* (school of *Fiqh*) to the other. The purity of intention (*Niyyah*) is the same in all schools of *fiqh* but implementation differs greatly. The concept of intention goes two ways. The first is the intention of the buyer who wants to buy a *halal* product and makes an effort, either in time or money, to buy an exclusively *halal*-certified product. The second intention comes from the manufacturer or certifier, who commits time and money (for instance, in training the personnel and adapting the manufacturing process) to offer a suitable, permissible product. Intention is also part of the brand-trust relationship, where consumer trust is correlated with the brand intention identified by the consumer.¹⁵⁸

The rationale behind the existence of *halal* and Islamic finance certificates is that there is no automatic confidence in *halal* and Islamic finance products from the consumer side. In today's sophisticated products in the *halal* business, consumers do not know all the ingredients used in the manufacturing process and, even if they do, are not sure if they are *halal* or not. This is particularly the case for gelatine, enzymes, emulsifiers and flavours.¹⁵⁹ The slaughtering process is unknown to consumers because they do not attend the sacrifice, so uncertainty exists in this area as well. Herein lies the crucial question of confidence and trust. But the

¹⁵⁷ Nicholas Crafts: "Exogenous or Endogenous Growth? The Industrial revolution reconsidered" in *The Journal of Economic History*, Vol. 55, N°4 (Dec. 1995), pp. 1–18

¹⁵⁸ Nicole Koschate-Fischer and Susanne Gartner, 'Brand Trust: Scale Development and Validation', *Schmalenbach Business Review*, Vol. 67, N°2 (Apr. 2015), pp. 171–95

¹⁵⁹ See Abdul Raufu Ambali and Ahmad Naqiyuddin Bakar "People's Awareness on Halal Foods and Products, Potential Issues for Policy-Makers" paper delivered at the International Halal Conference InHAC 2012 published by *Procedia – Social and Behavioral Sciences*, Vol. 121, 19th March 2014, pp. 3–25

Necessary	Not necessary	
Permissibility of products and processes (<i>Halal vs Haram</i>)	Standards	Doxa
Purity of Intention (<i>Niyyah</i>)	Certifications	Praxis
Trust (<i>Amanah</i>)	Certifiers	People/Entity

Fig. 4.1 Double grid: Doxa/praxis and necessary/non necessary dichotomy

question of trust and commitment is not unique to Islamic businesses. It is present everywhere and has become an important part of research in marketing.¹⁶⁰ Trust in food has also become a hot issue especially given the rise of recent diseases and the use of nanotechnology and functional food.¹⁶¹ As consumers are doubtful, *halal* certificates provide independent testimony and assurance. Meat, today, comes from the whole world and the consumer does not know all the people involved in the manufacturing process and/or the hypermarket or restaurant owner where the consumer purchases this meat. As a matter of fact, the biggest exporters of *halal* meat are the USA, Brazil and Australia, so the people involved in the *halal* process are not known by the consumers in the United Arab Emirates or in Singapore.¹⁶²

In the case of Islamic finance products and services, the consumer only knows about the basic prohibited practices such as *riba* (usury), *gharar* (uncertainty), *maysir* (speculation), *haram* type of investments and so on. The consumer is largely unaware of the sophistication of today's Shariah-compliant products, which tend to proliferate on the market, and is unsure about their permissibility.¹⁶³ The consumer does not know the standard used by the bank in designing a particular product or service. This is why the certification is needed. The certification takes the form of the Shariah Supervisory Board (SSB), which certifies that a given product or service

¹⁶⁰ Inge Geyskens, Jan-Benedict E. M. Steenkamp and Nirmalya Kumar, 'A Meta-Analysis of Satisfaction in Marketing Channel Relationships', *Journal of Marketing Research*, Vol. 36, No. 2 (May, 1999), pp. 223–238

¹⁶¹ Jill Hobbs and Ellen Goddard, 'Consumers and Trust', *Food Policy*, Vol. 52 (Apr. 2015), pp. 71–74

¹⁶² According to the Arab-Brazilian Chamber of Commerce's annual report from 2013, halal meat exports from Brazil to Arab countries reached over US\$ 4 billion, making Brazil the biggest supplier of halal chicken in the world. See *Halal Focus* "Brazilian Food Exports to Arab countries reach record 17 million tons in 2013", <http://halalfocus.net/brazilian-food-exports-to-arab-countries-reach-record-17-million-tons-in-2013/>

¹⁶³ In their book "*Islamic Banking and Finance: New Perspectives on Profit Sharing and Risk*", 2002, Edward Elgar Publishing, authors Munawar Iqbal and David Llewellyn give an empirical evidence of India where 79 percent of urban Muslims know that interest is not permissible, but 82 percent, including some Shariah scholars, do not know about alternative Islamic financial instruments.

Halal Food	Islamic Finance	
Third party	In-house	Entity
Yes	No	Visibility of the entity
Yes	No	Double certification

Fig. 4.2 Halal food certification generates higher trust than Islamic Finance

is Shariah-based or Shariah-compliant.¹⁶⁴ The names and profiles of SSB members are largely publicised on the websites of Islamic banks such as that of BNPParibas in the Middle East and Africa (<http://mea.bnpparibas.com/en/private-banking-clients/islamic-banking/members-of-the-sharia-board>). This is because confidence is not attached to an anonymous SSB but to the individuals who enjoy a sound reputation in their field.

According to Fig. 4.2, the *halal* food certification process generates higher trust than Islamic Finance as the entity providing the certification does not belong to the manufacturer or the distributor. The certification agency is also visible as the consumer can find the logo of the certifier on the product itself and the certifier is a registered association/company, so it is possible for the general audience to get information on it. None of this exists in Islamic Finance. This third-party certification definitely builds trustworthiness. However, some undesirable side effects can also appear such as the proliferation of labels on the packaging.¹⁶⁵ Some products have more than a dozen labels on the package ranging from organic, GMO-free, geographic origin, eco-label, fair-trade, kosher, *halal*, gluten-free, non-tested on animals, vegan, etc. In this forest of labels, the consumer does not know which is mandatory or voluntary, whether they are private or independent labels, who is delivering them and if the *halal* certification competes or is incompatible with some of these labels, especially when we put *halal* and ‘non-cruelty to animals’ labels together.

4.2.8 Halal Food Certification Process

As *halal* certification is not mandatory in Western countries and a number of Islamic countries, there are as many situations as countries in the world.

¹⁶⁴ Mohammed Nadwi, “Analysing the role of Shariah Supervisory Boards in Islamic Financial Institutions” (Feb 1, 2012). Available at SSRN: <http://ssrn.com/abstract=2217926> and Hichem Hamza, “Sharia governance in Islamic banks: effectiveness and supervision model”, *International Journal of Islamic and Middle Eastern Finance and Management*, Vol. 6, N°3 (2013), pp.226–237

¹⁶⁵ Olivier Bonroy and Christos Constantatos, ‘On the Economics of Labels: How Their Introduction Affects the Functioning of Markets and the Welfare of All Participants’, *American Journal of Agricultural Economics*, Vol. 59, N°1 (Jan. 2015), pp. 239–59

Nonetheless, two countries are of particular interest to marketers: France, as the home of the largest Muslim population in the West, and Malaysia, as the country that is at the forefront of the *halal* industry.

In France, a decree from 1980 stipulates that animals can be slaughtered according to a religious ritual only by ‘*persons qualified to do so and endorsed by religious authorities*’, and these religious authorities must be registered with the Ministry of Agriculture upon recommendation by the Ministry of Interior, which in France is also the Ministry for Cults.¹⁶⁶ Today, only three mosques in France have registered with the Ministry of Agriculture for the issuance of authorisations for ritual slaughtering—the Great Mosques of Paris, Lyon and Evry. There is, therefore, an oligopoly where these three Mosques are the unique issuers of authorisations for ritual slaughtering. The reason for the compulsory authorisation is that ritual slaughtering is an exception to the rule of the general slaughter of animals, which mandates, among other things, the prior stunning of animals before slaughtering. So if someone performs ritual slaughtering without authorisation, it will be considered an illegal act.¹⁶⁷ If a company wants to perform ritual slaughtering, it will have to ask these three Mosques to provide authorised slaughtermen who can perform the slaughter. Outsourcing part of production or personnel is not a new thing for companies in the West, so they can adapt easily to this constraint.

The situation in Malaysia is different. As the slaughter process is already in accordance with Islamic law, there is no need to issue special authorisations for ritual slaughtering. The *Malaysian Protocol for the Halal Meat and Poultry Productions*¹⁶⁸ from 2011 stipulates that the slaughterman must be a practicing Muslim who is mentally sound, *baligh* (mature and fully responsible under Shariah law), fully understands the fundamental rules and conditions related to the slaughter of animals in Islam, be registered, trained and supervised by the *Halal* certification body and competent in slaughtering the animal according to Shariah Law. As *Halal Malaysia* enjoys a monopoly in the country as the only *halal* certification agency under the supervision of JAKIM, which is the Department of Islamic Development Malaysia, it means that *halal* slaughtermen are registered, trained and supervised by a governmental body in Malaysia.¹⁶⁹

France does not want to monitor the functioning of *halal* certification agencies. According to the law of 1905 separating religions and state, France does not interfere in religious matters, so the country does not want to issue *halal* standards

¹⁶⁶ Decree 80–791 from October 1st, 1980 used as a basis for a decision by the State Council on February 28, 1997 forbidding ritual slaughtering outside of authorized abattoirs.

¹⁶⁷ The rules about the issuance of individual authorizations for ritual slaughtering have been summarized by the French Minister of Agriculture Bruno Le Maire on the 8th of March, 2012. A copy of the press conference is available on http://agriculture.gouv.fr/IMG/pdf/120308_DP_abattage_rituel_cle072d9d.pdf

¹⁶⁸ The Protocol has been published by the Department of Standards Malaysia and is available on: <ftp://law.resource.org/my/ibr/ms.1500.2009.pdf>

¹⁶⁹ All information on Halal Malaysia and JAKIM can be found on www.halal.gov.my

France	Malaysia	
Nil	<i>Halal Food: Production, Preparation, Handling and Storage – General guide (MS 1500:2009)</i>	Standards
Decree 1980	<i>Malaysian Protocol for the Halal Meat and Poultry Productions from 2011</i>	Slaughtermen
Nil	Monopoly Jakim - Halal Malaysia	Certification agency

Fig. 4.3 State involvement in Halal Food certification process

and control the certification agencies in charge of implementing the standards even if many organisations and individuals request for state regulation with the aim of protecting consumers. As a result, there are dozens of *halal* certification agencies in the country, and not all of them are linked to religious associations. These certification agencies have their own standards, which can differ greatly.¹⁷⁰

Malaysia, on the contrary, intervenes very much with the purpose of protecting the Muslim consumer and removing uncertainty. The government does this on two levels. The first concerns standards. The country was one of the first in the world to issue compulsory standards on *halal* food through the Department of Standardisation Malaysia. The Malaysian standard titled ‘*Halal Food: Production, Preparation, Handling and Storage—General guide (MS 1500:2009)*’ is considered to be one of the most comprehensive *halal* standards in the world.¹⁷¹ Because it is a compulsory standard, there are no variations in supervision and uncertainty is removed. Malaysia went one step further by establishing just one state-controlled *halal* certification agency, *Halal Malaysia*. In other words, not only is there a compulsory standard, but also a compulsory certification agency. This way, the state is the regulator and the supervisor is a third-party certifier. Figure 4.3 shows the involvement of the state in France and Malaysia in *halal* food certification.

4.2.9 Islamic Finance Certification Process

In Islamic Finance, a certification process making products Shariah-compatible or Shariah-based, a condition *sine qua non* for the sale of Islamic products, exists in

¹⁷⁰ ASIDCOM, The French Association of Muslim Consumers, published a survey on the halal certification agencies in 2009 and so far it is the most comprehensive survey on the topic. The survey showed great differences in halal standards and is available at: http://www.asidcom.org/IMG/pdf/Halal_certification_agencies-ASIDCOM_survey.pdf

¹⁷¹ When the standard was first launched in 2004, it was the first one in the Muslim world. It was used as a blueprint for many other standards after that. On the development of Malaysian halal standards see Zakiah Samori, Amal Hayati Ishak and Nurul Himmah Kassin ‘Understanding the Development of Halal Food Standard: Suggestions for Further Research’ in *International journal of Social Science and Humanity*, Vol. 4, N°6, (Nov. 2014), pp 482–486

the form of the Shariah Supervisory Board (SSB). Consumers do not trust Islamic finance issuers automatically. The reasons are the same as in the case of *halal* food. Products are becoming increasingly sophisticated, and the general use of compliance with the Shariah is making it hard for the average consumer to grasp. Just as the consumer is unsure about enzymes and gelatine in *halal* food, he is unsure about liquidity products, futures contracts and asset-based products when the tangibility of the asset is not proven. In his address to the Harvard Law School in 2008, Dr Shamshad Akhtar, the Governor of the State Bank of Pakistan, enumerated the innovative products in Islamic Finance and grouped them in three categories: Islamic synthetic products, hybrid Islamic products and Islamic mortgage.¹⁷² The consumer does not understand the subtlety of these new products as he does not understand how these products are made Shariah-compatible. In the case of *halal* food, he is questioning the slaughterman and the certification process. In the case of Islamic finance, he will question the institution and the people working in the bank or insurance company. If the bank is a pure player with no involvement in conventional finance, the uncertainty is lower compared to Islamic windows or branches of conventional players. But even if we talk about pure players, there may be uncertainty about the people working in Islamic banks and insurance companies as the managers could come from the conventional sector.¹⁷³ This is why Kuwait Finance House, one of the biggest pure Islamic Banks in the world, is using the tagline ‘*Security and Peace of Mind*’ to induce trust among its consumers. Below is the compilation of taglines (where they exist) for Islamic banks. It is curious that no bank prominently emphasises its Islamic character. They either do not mention anything Islamic or place an emphasis on terms such as partnership, peace of mind, beliefs or principles (without being specific). When a reference to Islam (even a vague one) exists, it is highlighted in yellow (Table 4.3).

The certification process is performed by the Shariah Supervisory Board (SSB). Every Islamic financial institution sets up its own in-house SSB. Shariah scholars serve as both advisers and auditors. As advisers, they provide a certificate of Shariah authentication to a product or deal.¹⁷⁴ As auditors, the SSB is responsible

¹⁷² His speech is available at <http://www.bis.org/review/r080429e.pdf>

¹⁷³ A study by Serden Ozcan shows that one out of 6 branch managers of Islamic banks in Turkey comes directly from the conventional sector. See ‘*Ideology and Illegitimate Transfers in the Market For Managers: Hiring Managers from Conventional Banking for Islamic Banking Branches, 2002–2014*’ Working Paper presented at National University of Singapore, March 12, 2014.

On another hand in Pakistan, study shows that there is scarcity of Islamic bankers so Islamic banks are forced to hire managers coming from the conventional sector. See Salman Ali and Faryal Faroukh: ‘Islamic Banking: Is the Confidence Level of Being an Islamic Banking Employee better than Conventional Banking Employee? An Exploratory Study Regarding Islamic Banking’ in *Journal of Business Studies Quarterly*, Vol. 4, N°3 (Mar. 2013), pp 27–42

¹⁷⁴ In doing so, the members of the SSB, except the case of Malaysia, are usually risk-averse and they tend to follow standards that they believe are common to all schools of fiqh. Abdullah Ayedh; Abdelghani Echchabi, ‘Shari’ah Supervision in the Yemeni Islamic Banks: A Qualitative Survey’, *Qualitative Research in Financial Markets*, Vol. 7, N°2 (2015) pp. 159–172

Table 4.3 Mottos of Islamic banks

	Tagline
Kuwait Finance House	Security and peace of mind
Al Rayan Bank	Banking you can believe in
CIMB Islamic	Crafting Islamic finance solutions
Al Baraka Group	Peace of mind, partnership, social contribution, neighbourly
Sharjah Islamic Bank	Investing in your future, putting your family first, we care about your business
Abu Dhabi Islamic Bank	Banking as it should be
Dubai Islamic Bank	Offering personalized solutions to suit every need and inspiration
Jordan Islamic Bank	Partnership, pioneer of Islamic banking career
Banque Al-Wawa Mauritanienne Islamique	Choisissez la formule de financement la plus adaptée à votre revenu, conformément à la Charia
Bank of London and the Middle East	Bank on our principles
Meezan Bank	The premier Islamic bank

Source: compilation by author

for ensuring that the religious opinion or *fatwa* of a product is properly implemented. In that case, the SSB is controlling itself. Today, SSBs put an emphasis on their advisory side rather than the auditing side. The certification is thus internalised endogenous as banks and insurance companies set up their own SSB and select the Shariah scholars who will serve there. This contrasts with *halal* certification where slaughtermen and certification agencies do not belong to slaughterhouses or manufacturers.

It seems that the process in *halal* food certification is more resilient and transparent, inducing better confidence in consumers compared to Islamic finance where the institution is certifying itself through its own SSB and there is no third-party certification as a guarantee of impartiality that we have in *halal* food. Shariah scholars sitting on the SSB are selected based on the reputation they have acquired during their professional life. There is no Chartered Shariah Scholar title, unique Islamic University that trains Shariah Scholars nor a unique academic discipline that produces Shariah Scholars. The only requirement is reputation. As reputations go, they are ‘*intuitu personae*’ i.e. attached to one person and not necessarily to the University they graduated from or the Bank they serve in. The 2005 Guidelines on the Governance of Shariah Committee from Bank Negara in Malaysia stipulate that a member of the Shariah Committee shall at least have ‘*qualification or possess necessary knowledge, expertise or experience in the following areas: (a) Islamic jurisprudence (Usul al-Fiqh); or (b) Islamic transaction/commercial law (Fiqh al-Mu’amalat)*’. But article 13 of the same guidelines states that ‘*It should, however, be noted that paper qualification on the above subjects will not be mandatory as long as the candidate has the necessary expertise or experience in the above areas*’.¹⁷⁵

Shariah Scholars are not attached to just one institution and do not have only one employer, making them employees of the Islamic finance institution.¹⁷⁶ They are independent experts looking for consensus (*ijma*). The process is, therefore, more

¹⁷⁵ http://www.bnm.gov.my/guidelines/03_dfi/03_prudential/03_gl_governance_of_shariah_committee.pdf

¹⁷⁶ Some Shariah Scholars sit in as much as 85 different SSB. Data given by Murat Unal in ‘*The Small World of Islamic Finance*’ published by Funds@Work AG in 2011 available at http://www.funds-at-work.com/uploads/media/Sharia-Network_by_Funds_at_Work_AG.pdf_02.pdf

France	Malaysia	
<i>Fiscal Instructions 2007 and 2012¹</i>	<i>IFSB</i>	Standards
<i>Nil</i>	<i>Nil</i>	Shariah Scholars
<i>Nil</i>	<i>Bank Negara Malaysia</i>	Supervision of SSB

Fig. 4.4 Rules used in the certification process in Islamic Finance

resilient than the current *halal* food certification process where just one opinion is heard. However, in 2005, Malaysia decided to limit the number of institutions a Shariah scholar can serve in. In this country, Shariah scholars have just one employer and the SSB can be considered an endogenous operation. Figure 4.4 summarises the rules used (if any) in the certification process of Islamic Finance in the two countries.

According to this analysis, it appears that *halal* food certification receives higher confidence from consumers than Islamic finance certification because of the externalisation of the certification process compared to Islamic Finance's internalised certification process. This is true if we compare humans to humans and institutions to institutions. However, if we change the parameters and use a better analogy, comparing humans to institutions (Shariah scholars in Islamic Finance to *halal* food certification agencies), the result is different. In that case, the certification process in Islamic Finance commands more confidence and trust than the *halal* food certification process because of the plurality of views and necessity to reach a consensus.

4.2.9.1 Muslim Legal Environment: *Fiqh*

Having explored the divine source of law (Shariah), we will now turn to the *Fiqh*, which is the human use of that law. The Arabic word *Fiqh* means knowledge, understanding and comprehension. It refers to the legal rulings of the Muslim scholars, based on their knowledge of the Shariah. The science of *Fiqh* started in the second century after *Hijrah* (the advent of Islam) or 9th century A.D., when the newly founded Islamic state expanded and faced several issues that were not explicitly covered in the *Qur'an* and *Sunnah* of the Prophet.¹⁷⁷ Four major *imams* commented heavily on the interpretation of the Shariah law and the four main schools in *Sunni* Islamic jurisprudence were named after them: Imam Hanafi (699–767), Imam Maliki (711–795), Imam Shafi'i (767–820) and Imam Hanbali (780–855). These four schools are the most important along with four other schools

¹⁷⁷ For an account in the emergence of Islamic jurisprudence and the schools of *fiqh* see Joseph Schacht, *An Introduction to Islamic Law*, Clarendon Press, 1983, 312 pages; and Wael Hallaq, *An Introduction to Islamic Law*, Cambridge University Press, 2009, 206 pages

that were added according to the Amman message in 2004 that was formulated by 200 eminent Shariah scholars.¹⁷⁸ These four other schools are the Jafari school (*Shia*), Zaidi school (*Shia*), Ibadi school (*Khawarij*) and Zahiri school (*Sunni*). Even if all these schools are considered to be equally Muslim, there is huge rivalry between the *Sunni* and the *Shia* and consumers are very sensitive to references that can hurt them. As an example, in 2010, the Jordan Dubai Islamic Bank faced a scandal in the country. The cause of this controversy was an advertisement proposed by Al Madinah advertising agency (a subsidiary of the Publicis group, the third biggest advertising agency in the world). The ad reproduced a single phrase on an ornament inside a mosque. The original intention of the message according to the statement was connecting quality with Arabic calligraphy, but the reproduced sentence was a *Shahadah* expanded with the phrase: ‘*Ali is the wali (friend) of God*’. The message related exclusively to the *Shia* Muslims in a country where 95 % of Muslims claim that they are *Sunni*, raising questions in the local media about the bank’s potential relationship with the *Shia*. It was a disaster for the Jordan Dubai Islamic Bank and Al-Madinah Advertising Agency, which resulted in the ad being removed and a statement released by the bank blaming the agency Al-Madinah (Publicis) who admitted the mistake.¹⁷⁹

What is important for companies is knowing the differences these four schools have in business matters. Although the four *Sunni* schools of thought are identical in approximately 75 % of their legal conclusions, differing viewpoints sometimes exist even within a single school of thought. The mandatory use of the veil is an example of the differences between the four schools. Three of the law schools (Maliki, Shafi’i and Hanbali) promote the use of the veil as mandatory, while the Hanafi school does not consider it mandatory.¹⁸⁰ The area governed by strict, detailed and very clear rules in Shariah is relatively limited and mostly related to religious practices such as praying and fasting, but not to business matters. Business matters are not fixed in time contrary to praying and fasting during *Hajj* rituals. As there are more and more innovative Shariah-compliant products, it is natural to expect divergences in opinion. The area with the biggest innovation is without doubt Islamic Finance, and numerous studies are devoted to the acceptance, or lack thereof, of new products and services. Marketers and business decision makers have to be sure about the acceptance of a new product when they travel from one school of *fiqh* to the other.¹⁸¹ As markets are now globalised and banks and investment

¹⁷⁸ <http://www.ammanmessage.com> and International Crisis Group, ‘Jordan’s 9/11: Dealing with Jihadi Islamism’, *Middle East Report*, N°47, 23 November 2005

¹⁷⁹ <https://joads.wordpress.com/tag/jordan-dubai-islamic-bank>

¹⁸⁰ Anne-Sophie Roald, *Woman in Islam: The Western Experience*, London, Routledge, 2003, 366 pages

¹⁸¹ Examples of the disputes are given by Abu Talib Mohammad Monawer and Akhtarzaita Abdul Aziz, ‘Dispute over the Legality of Al-Ijarah Al-Mawfusah Fi Al-Dhimmah: A Survey of Fiqhi Options’, *ISRA International Journal of Islamic Finance*, Vol. 7 No 1 (Jun. 2015), pp. 49–73; Farrukh Habib, ‘Distribution of Mudarabah Profits in Classical Schools of Fiqh: Clarification on Misconception’, *ISRA International Journal of Islamic Finance*, Vol. 5, No 1 (Jun. 2013), pp. 175–182

funds operate in all countries of the world, it is necessary to see if a product from Malaysia (Shafi'i school) would be accepted by investors from Saudi Arabia (Hanbali school). In a rare book about Islamic law covering all schools of *fiqh*, Jan Michiel Otto presents the similarities and differences between twelve Islamic countries with differing levels of adoption of the Shariah Law.¹⁸²

In anticipation of potential problems, companies want to know if the four schools of thought differ in terms of arbitration and conciliation in case of conflict. In fact, companies do not care if the law is religious law, common law or civil law as long as property is protected and fair treatment to all parties and freedom of contract is granted. Islamic law answers positively to property protection and fairness in trade. As for the freedom of contract, this poses a problem because, according to Oussama Arabi, three kinds of considerations intervene in restricting the freedom of contract: those arising from the prohibition of *usury*, those delimiting the licit object of legal obligation and those concerning the stipulations attached to the contract.¹⁸³

Arbitration (*tahkim*) is recognised by Shariah as a method for the settlement of disputes. The *Qur'an* makes reference to it.¹⁸⁴ The permissibility of arbitration is therefore unquestioned by the four schools of *Fiqh*. At the same time, the field of settlement of disputes is one of the richest areas of different opinions from the same schools. It seems that in common law countries, where communities are recognised as such, the use of Shariah would be easier than in code law countries where the emphasis is on individuals and not on communities. In code law countries like France, the tendency is to deny any religious particularism.¹⁸⁵ Consequently, accommodation to Shariah and its arbitration mode (*tahkim*) could be used as a form of dispute-settlement in common law countries, especially in the domain of family law. Family law includes marriage, divorce, polygamy, custody and inheritance issues, so all family businesses and wealth transmissions would be affected by the Shariah if implemented. Some cases exist in the USA as related by Cristina Puglia¹⁸⁶ but the biggest debate was in Canada. In the province of Ontario (where

¹⁸² Jan Michiel Otto, *Shariah Incorporated, A Comparative Overview of the Legal Systems of Twelve Muslims Countries in Past and Present*, Leuven University Press, 2010, 676 pages. The schools of *fiqh* represented in the book are the following ones: Maliki (Nigeria, Morocco, Sudan, Mali), Shafi'i (Indonesia, Malaysia), Hanbali (Saudi Arabia), Hanafi (Turkey, Afghanistan, Pakistan) and Jafari (Iran)

¹⁸³ Oussama Arabi, 'Contract Stipulations (Shurut) in Islamic Law: The Ottoman Majalla and Ibn Taymiyya', *International Journal of Middle East Studies*, Vol. 30, No. 1 (Feb., 1998), pp. 29–50

¹⁸⁴ 'If you fear a breach between the twain (the man and his wife), appoint (two) arbitrators, one from his family and the other from hers; if they both wish for peace, Allah will cause their reconciliation...' *Qur'an*; 4:35

¹⁸⁵ France is the very example of a code law country. However France used to accommodate Shariah law in former colonies when the mayor and the qadi used to share power and decisions. See Allan Christelow, 'The Muslim Judge and Municipal Politics in Colonial Algeria and Senegal', *Comparative Studies in Society and History*, Vol. 24, No. 1 (Jan., 1982), pp. 3–24

¹⁸⁶ Cristina Puglia, 'Will Parties Take to Tahkim?: The Use of Islamic Law and Arbitration in the United States', *Chicago-Kent Journal of International and Comparative Law*, Vol. 13, N°2 (Spr. 2013), pp. 152–175

more than 50 % of the one million Muslims in Canada live), a report made by the former attorney general of Canada in 2004 pointed out that Muslims in Canada could use out-of-court religious settlements on the same grounds as Jews do for some of their disputes within the framework of the rabbinical courts (Beth Din). However, these courts only hear civil disputes (no criminal dispute involved). The court can only act if both sides agree (so there is no way of forcing someone to go to the court). In addition, both parties involved in the dispute must be Jewish (no possibility for someone of another faith to be imposed this court).¹⁸⁷ Finally, by no means do these courts replace civil law courts. The Canadian law will continue to take precedence over any other arbitrary decision. This was the final decision in a controversy in Canada about the possibility of using Shariah for some disputes between Muslims.¹⁸⁸ In that sense, Canada presents a similar situation to India, where the 150 million-strong Muslim community wants its personal disputes (marriage, divorce, inheritance) to be settled by a Shariah court. In 2014, India's Supreme Court ruled that Muslims have the right to seek the help of such religious courts to resolve disputes. However, as in the case of Beth Din in the UK, the Shariah courts are not sanctioned by law and there is no legality of *fatwas* in India.¹⁸⁹ Whether or not Shariah law is accepted in Western countries is of little concern to companies as Shariah law focusses on family law and not on business law. However, in a collection of contributions titled 'Islam and English Law' that was released in 2013, one chapter deals with Islamic Finance, alternative dispute resolution and family law.¹⁹⁰ It is probably within this area (Islamic Finance) that Shariah courts will have the biggest influence on business matters.

Islamic law knows the difference between conciliation, which ends with a non-binding decision, and arbitration, which leads to binding decisions. Conciliation is permitted under Islamic Law in civil, commercial, family and other matters as long as it does not permit acts against God's commandments. According to the four *Sunni* schools of *Fiqh*, arbitration is not authorised in matters relating to the "Rights of God". Apart from these subjects, any other dispute should be resolved by arbitration as it would be in a national court. Accordingly, disputes arising out of commercial transactions are subject to arbitration. Although the Organization of the

¹⁸⁷ The Ontario government reviewed its Arbitration Act and on Dec. 20, 2004. It released a report conducted by former attorney general Marion Boyd. Sources : Boyd report on Ontario arbitration, "Dispute Resolution in Family Law: Protecting Choice, Promoting Inclusion, www.cbc.ca/news/background/is/am/shariah-law and Faisal Kutty: "Focus on Alternative dispute resolution - Boyd's recommendations balance the needs of religious communities with rights of vulnerable" in *Lawyers weekly* (Vol. 24, NQ34, January 21, 2005)

¹⁸⁸ Anver Emon, 'Islamic Law and the Canadian Mosaic : Politics, Jurisprudence and Multicultural Accommodation', *La Revue du Barreau Canadien*, Vol. 87 (2008), pp. 391-425

¹⁸⁹ While in Singapore this decision is viewed positive because permitting to use Shariah courts in India, Muslims in India protest because Sahariah courts are not made legal and binding to the parties. 'No ban on syariah courts : India's Supreme Court', *The Straits Times*, 8th July, 2014 and 'Supreme Court ruling on sharia courts draws sharp reaction from Muslim clerics', *The Times of India*, 7th July, 2014

¹⁹⁰ Robin Griffith-Jones ed., *Islam and English Law*, Cambridge University Press, 2013, 331 pages

Islamic Cooperation (OIC) has yet to succeed in solving major problems of the Muslim world, it has at least provided a platform for the discussion of their collective problems. It has also produced some academic, research and economic institutions that are active in various fields. One of these important institutions is the Islamic *Fiqh* Academy, which aims to bridge the gap between different schools.¹⁹¹

Shariah law is neither static nor rigid. It can evolve over time. According to Brower and Sharpe, the modern trend in Islamic law is to consider the arbitration agreement binding the parties once it has been entered into. Parties would also be bound by the decision of the arbitrator(s).¹⁹² Furthermore, more than 30 member countries of the OIC became parties of the New York Arbitration Convention and, in doing so, showed their approval for the relocation of arbitration agreements, except in the case of arbitration with Israel.¹⁹³ However, recourse to a non-Islamic legal system is valid as long as the rules applied on the contract do not violate express provisions of the *Qur'an* or *Sunnah*. This gives Islamic law the capacity to develop and adapt itself to the exigencies of time and place. An additional safety net for foreign companies operating in the OIC countries is represented by the World Trade Organization (WTO). The fact that a country is part of the WTO gives the confidence that information is available and that governments are committed to favour international trade according to common rules. The great majority of OIC countries are part of the WTO today.¹⁹⁴

4.2.9.2 Muftis, Imams, Ulema and Fatwas

The Muslim world has several positions and titles related to the Shariah, and all of them have different impacts on business matters. The first is the *imam*. An *imam* is a person who leads the prayer in a mosque. He also serves as a community leader and provides religious guidance. For local communities, whether in a village or mega-city, the *imam* is usually the first and, sometimes the only, personification of Islam. As such, guidance from the imam is very important. Even if *imams* do not usually intervene in business matters on their own, they are routinely asked to give their opinion for all community issues, including business issues. For *Shia* Muslims, *imams* have a more comprehensive role, and they usually serve as the formal leaders of the community. Theoretically, *imams* are chosen by the congregation. But in a series of Islamic countries today, *imams* are appointed by the government or by the Council of *Ulema*, giving the government implicit control on mosques. In

¹⁹¹ www.fiqhacademy.org.sa

¹⁹² Charles N. Brower and Jeremy K. Sharpe, 'International Arbitration and the Islamic World: The Third Phase' *The American Journal of International Law*, Vol. 97, No. 3 (Jul., 2003), pp. 643–656

¹⁹³ The most important countries of the OIC signed the Convention but still some others did not. The countries that did not sign the New York Convention are Libya, Somalia, Sudan, Yemen, Iraq, Sierra Leone, Gambia, Comoros, Turkmenistan, Suriname, Togo, Guyana and Maldives. www.newyorkconvention.org/

¹⁹⁴ Among countries that are still not part of the WTO we can find Afghanistan, Algeria, Iran, Iraq or Kazakhstan. www.wto.org

Malaysia, attempts have been made to return to traditional roots of asking the community to choose the *imam*. In the modern era of mass-media, there has even been a reality show on the election of the Young *Imam* (*Imam Muda*).

Imam Muda, The Reality Show The show first aired in 2010 on Astro Oasis TV Channel in Malaysia, a channel broadcasting Islamic-related programmes. The show's concept is very similar to that of *X Factor* or other reality shows such as *Asia's Got Talent* or *Arab's Got Talent*. The aim is to gather young people in Malaysia who want to become *imams* to participate in a show where they will demonstrate their knowledge of the *Qur'an* and *Sunna*, their ability to lead a prayer and provide moral guidance to everyday matters. In short, it is a competition where viewers can vote for their preferred young *imam* and the winner is given a position in a mosque for a limited time where he can perform the activities of an *imam*, embark on a pilgrimage to Mecca and win a scholarship to study at the Islamic University of Madinah. The head judge is the *Imam* of the National Mosque in Kuala Lumpur.

The show had a huge viewership, the highest one on Astro Oasis, and more than 1000 candidates auditioned to enter the show. Potential candidates came from all walks of life (farmers, doctors, mechanics). The aim was to stress that *imams* lead ordinary lives and have real jobs. The only difference is that they lead the prayer and provide moral guidance. As expected, the audience was very receptive to the message. The teaser of the show was a song 'Hambamu' by Mawi and Akhil Hayy and it became a hit in Malaysia. As a result of the overwhelming response, the show ran for more than one season, with producers extending participation in seasons 2 and 3 to those in Brunei and Singapore. Bank Islam was the main sponsor of the show with Salamfon Sebagai as the official sponsor for telecommunication and Radio Ikim as the official radio broadcaster. In 2012, Astro discontinued the show due to complaints from members of religious circles in Malaysia about the commercialisation and commoditisation of the institution of *imamate*. However, videos of the show are still available on YouTube and the song has since been viewed more than 1.5 million times.

At roughly the same time, another mass-media *imam* was popular in Canada. Here, the hero was a member of a sitcom called 'Little Mosque on the Prairie', which took a satirical look at the Muslim community in Canada. The *imam* in the sitcom was presented as the leader of the Muslim community in a small town in Canada, where he resolved all kinds of disputes, including business disputes. The series lasted for seven seasons from 2007 to 2012 with a total of 70 episodes.

Finally, a reality show was also broadcasted in the USA in 2011. It was called 'All-American Muslims' and followed the daily lives of a Lebanese-Shia family in Dearborn. It lasted only eight episodes.

Sources: 'Imam search on TV', *The Straits Times*, 30 June, 2010, 'Popular imam reality TV shows returns', *The Straits Times*, January 14th, 2011, 'Malaysia's Got (Islamic) talent', *The Guardian*, August 3rd, 2010; 'Goodbye Little Mosque: Nice Idea, not so Funny', *The Globe and Mail*, 2nd April, 2012; 'Little Mosque on the Prairie' Ends: The First Muslim Sitcom in Review' on <http://muslimmatters.org/>

2012/05/01/little-mosque-on-the-prairie-ends-impact-of-the-first-muslim-sitcom/, 'Little Mosque on the Prairie' Finale: Cast Members say Goodbye to Groundbreaking Show', *The Huffington Post*, 20th March, 2012

Whether they are chosen by the congregation or appointed by the government, *imams* usually take charge of the mosque they serve in. Taking charge of the mosque means looking after every aspect from security, management of the *madrassa*, library and cultural center (if any) to supplying animals for the Eid sacrifice and receiving *zakat* money on occasion. The mosque is like an SME and very often has its own legal identity so the *imam* plays the role of the manager of the SME. This is why, in the USA, there is the opinion that *imams* should undergo management training as a mosque is run like a business.¹⁹⁵

The *Ulama* is an Islamic scholar trained in every aspect of Islamic law while the *imam* is not necessarily trained in Islamic law. As such, the *ulama* has full power to intervene in family issues as well as in commercial and business issues. *Ulama* is the plural of the word '*Alim*', which is derived from the word '*Ilm*' (knowledge). *Ulema* enjoy the highest status in *Sunni* Islam because they are considered the most knowledgeable in Islamic religious sciences and are often seen as the guardians of legal and religious tradition in Islam.¹⁹⁶ In many countries such as Saudi Arabia or Indonesia, official councils of *Ulema* have been set up and they serve as the ultimate body of scholars deciding on issues pertaining to Islam. Even if they are not part of the legislative, executive and judiciary power, the government usually heeds the advice from the Council of *Ulema*. As far as business is concerned, at least one of the councils, the *Majelis Ulama Indonesia (MUI)*, has a monopoly on the certification of *halal* food and a quasi-monopoly on Islamic Finance and *hajj* organisation, so all companies looking to sell *halal* food in Indonesia (the country with the biggest Muslim population today) must work with the MUI.¹⁹⁷ Over in the Kingdom of Saudi Arabia, the Council of Senior Scholars (*Majlis Hay'at Kibar al-'Ulama*) is the highest religious body in the country and advises the King on religious matters.¹⁹⁸ The *ulama* and their families in Saudi Arabia represent a body of 7000–10,000 people, but only 30–40 of the most senior scholars exercise influence in the country. Since 2010, the Council of Senior Scholars has held a

¹⁹⁵ 'The Mosque should be run like a business' on Imamsonline. The article can be reached on <http://imamsonline.com/blog/the-mosque-should-be-run-like-a-business-and-the-imam-should-be-educated-like-a-businessman/>

¹⁹⁶ For an account on the *ulema* as guardians of tradition see Muhammad Qasim Zaman, *The Ulama in Contemporary Islam: Custodians of Change*, Princeton University Press, 2007, 312 pages

¹⁹⁷ Tim Lindsey, 'Monopolising Islam? The Indonesian Ulama Council and State regulation of 'Islamic Economy'', *Bulletin of Indonesian Economic Studies*, Vol. 48 N^o 2 (Aug. 2012) pp. 253–74

¹⁹⁸ Joseph A. Kechichian, 'The Role of the Ulama in the Politics of an Islamic State: The Case of Saudi Arabia', *International Journal of Middle East Studies*, Vol. 18, No. 1 (Feb., 1986), pp. 53–71

monopoly in the issuance of *fatwas* in Saudi Arabia, so all questions about the permissibility or prohibition of products and services, as well as distribution and communication issues, can be the object of *fatwas*, and companies have to be sure that they will not face opposition from the Council. *Fatwas* deal with all sorts of issues, including business issues and the *Ulema* intervene in Muslim-majority countries as well as in Muslim-minority countries such as the *Jamiatul Ulama* from South Africa. In this country, they have different chapters and the Kwazulu-Natal chapter provides a series of answers to business questions such as ‘Is a wife responsible in assisting her husband financially in times of business turmoil?’, ‘Is selling cigarettes permissible’ or ‘What is the seller’s commission from EBay and PayPal’. Answers to these and other questions are available on <http://jamiat.org.za/category/fatwa/business>. There are also questions on the formal and informal economy as in the case of Mauritius where the Jamiat ul-Ulama of Mauritius (JUM) had to answer a question on the permissibility of parallel business practices involving spare parts for cars¹⁹⁹ In Indonesia, one of the *Ulema* organisations, Nahdatul Ulama (NU), is definitely involved in business as it organises an annual NU Cultural and Business Expo in Jakarta covering *halal* food, Islamic Finance, Islamic fashion and music discussions. The main sponsors are some of the biggest Islamic banks in the country: Bank Muamalat and CIMB Niaga Islamic.

The *Mufti* is the interpreter or expounder of Islamic law,²⁰⁰ and is usually ranked higher than *ulemas*. In some countries, there is also the position of Great *Mufti*, who represents the supreme moral authority. In countries such as Tunisia or Singapore, the Grand *Mufti* is appointed by the President of the country, while in Saudi Arabia, he is appointed by the King. In other countries, the Grand *Mufti* is elected, such as in Egypt where he is elected by Al-Azhar scholars or in Bosnia-Herzegovina by the Muslim community. As the highest moral authority in the country, the *Mufti* or the Grand *Mufti* is expected to issue *fatwas*, which will be used by other scholars as jurisprudence. Today, it is common for many to seek advice from *Muftis* and they have become very tech-savvy as websites such as www.askmufti.com.za, www.askmufti.us, or www.askimam.org demonstrate. These websites enable people to ask *muftis* questions either by email or SMS and the answers are displayed for everyone just like in the FAQ section of any website.

Seeking advice and giving advice is a common thing among Muslims, especially in modern times when they are unsure about the permissibility of products, services and attitudes. In order to help them, frequent meetings and seminars are organised.

The Grand *mufti* of Saudi Arabia makes its *fatwas* public on the Corner of the Grand Mufti of the Permanent Committee for Islamic Research and Issuing Fatwas: www.alifta.com. He answers all kind of questions including the following:

¹⁹⁹ See the full question and answer on: <http://www.jamiat-ul-ulama.org/node/804>

²⁰⁰ In his article about the Mufti in Yemen, Brinkley Messick gives a valuable account on the role and the way of functioning of a Mufti in general. Brinkley Messick, ‘The Mufti, the Text and the World: Legal Interpretation in Yemen’, *Man New Series*, Vol. 21, No. 1 (Mar., 1986), pp. 102–119

Question 1: *When selling and buying gold, is it permissible to defer payment, especially as some relatives of mine may buy a piece of gold and pay me its price a month later, while others may pay only some of its price immediately and the remainder is delayed? All this, of course, is with my consent. Is this permissible?*

Question 2: *My mother is about forty years old and has seven children; but when she wore the Hijab (veil), my father refused and drove her out. He said that he would not take her back on the pretext that she is the only woman who wears the Hijab in the village. Please guide us, may Allah reward you with the best.*

As a matter of comparison, the Great *Ayatollah* Sayyid Ali Khamenei from Iran has also issued a collection of *fatwas*, which can be accessed on <http://www.leader.ir/langs/en/>. For the *Sunni* world, *muftis* constitute the biggest source of *fatwas*. As there is no copyright on the term *mufti*, it may happen that the very same name is used for products that have nothing to do with Islam and Muslims. The brand *Mufti* (www.muftijeans.in) in India, for instance, sells clothes and the name was derived from Colonial India's armed forces when 'mufti' was a term used for casual dressing, as opposed to wearing a uniform.

A *Qadi* is the enforcer of Islamic law, in other terms, a judge. A *qadi* is officially appointed by the ruler of a Muslim country and has jurisdiction on all legal matters involving Muslims, including business matters, even if his main concern is religious and family affairs. His decision is final. This is a big difference from an *imam*, an *ulema* or a *mufti* as the *qadi* has the power to implement the Shariah on behalf of the ruler while the other positions hold a more consultative role. The *qadi* usually relies on *ijma* to reach a decision but also on the facts that the parties are willing and able to establish. As the *qadi* does not usually investigate a case, it is of utmost importance for a company to document its case very well and respect the procedure before going to the judge.²⁰¹ The *qadi* is viewed as an arbitrator (accepted by both parties) even if he is appointed by the secular ruler of the country. His characteristics (neutrality, qualifications, binding decisions, etc.) vary according to the schools of *fiqh*, as well as what can be arbitrated.²⁰² It is therefore important for marketers and lawyers to know the role and scope of the *qadi* in a given school of *fiqh* before going to the judge. It is unlikely that the *qadi* will be involved in a business case opposing foreign companies in a given country although questions on local people working in a company as sellers, advertisers or in the manufacturing/distribution process can be influenced by the *qadi*'s decisions.

Ulema, *muftis* and *imams* can issue a *fatwa* while the *qadi* is either a conciliator or decision maker. A *fatwa* is a religious opinion on a matter regarding Islamic law.

²⁰¹ Ron Shaham, "Istikshaf" in Islamic Jurisprudence and Modern Law', *Journal of the American Oriental Society*, Vol. 131, No. 4 (Oct.-Dec. 2011), pp. 605–616

²⁰² Arthur Gemmell, 'Commercial Arbitration in the Islamic Middle East', *Santa Clara Journal of International Law*, Vol. 5, N°1 (Jan. 2006), pp. 169–193 and Frank Vogel, *Islamic Law and Legal System*, *Studies of Saudi Arabia*, Brill, 2000, 407 pages

It can be issued by a 'recognised religious authority' in Islam, which means a large number of people as there is no hierarchy in *Sunni* Islam.²⁰³ In *Shia* Islam, there is some kind of hierarchy, but people on the same level (*ayatollah* against *ayatollah*; *hojatoleslam* against *hojatoleslam* in Twelver *Shia* clergy) can issue, sometimes, contradictory *fatwas* on the same issue. The *fatwa* is issued by a *mujtahid* (an *ulema* or *mufti*) to a question asked by another person addressed to the problems, paradoxes and anomalies the faithful face in their everyday life.²⁰⁴ It may refer to all sorts of problems, including business issues. Question can pertain to uncertainty (*gharar*), which is forbidden especially in Islamic Finance, but can also relate to everyday products. If, for instance, nobody knows what exactly is in Coca Cola or a Chanel perfume as the recipe and the formula are secret, can a Muslim buy these kind of products? The answer to this question is crucial for companies selling these kind of products. The consumerism of the Western culture for Muslims living in the West, but also in Muslim countries where the Western influence is important, is often regarded by Islamic scholars as permissive and depraved. Just as the number of products is proliferating, the demand for religious correctness is proliferating as well. When a new technology, product or service enters a Muslim country, there is usually a strong resistance to change and this resistance is expressed in *fatwas*. This was the case when a Saudi *ulama* declared that owners of satellite TV stations are spreading 'depravity and lust' and therefore should be killed for broadcasting immoral programmes, or when the same scholar declared that women should not be authorised to drive because driving 'affects ovaries and the pelvis'.²⁰⁵ On the other hand, the national *fatwa* council of Malaysia ruled SMS TV contests to be unlawful as they are associated with gambling (*maysir*) and forbidden in Islam. According to the members of the Council, '*SMS contests have elements of trickery, chance, betting and guessing. A person spends huge amounts of money but has no guarantee that he will actually win*'.²⁰⁶ The consequences on marketing are multiple. If there are no satellite TV channels in the country, soap-opera producers will have to go through ground channels, probably public channels, when they want to enter a certain country. That will restrict the possibility of negotiation and influence the content of the TV show, script and product placement. If women cannot drive, they will only have prescription power over their husbands but cannot be the targets

²⁰³ In Indonesia for instance three umbrella organizations issue fatwas: the MUI (an institution set up by the government in 1945), the Nahdlatul Ulama and the Muhammadiyah. All of them issue fatwas for their members, so there may be competition between the three organizations and an inflation of fatwas on all kinds of issues. Nahdlatul Ulama threatened the government to issue a fatwa demanding its members not to pay taxes amid a rampant corruption in the country. 'Jakarta faces tax boycott over corruption', *The Straits Times*, 20th September 2012 and 'The trouble with fatwas in Indonesia', *The Straits Times*, 21st February 2013

²⁰⁴ Sadik al-Azm, 'Is the "Fatwa" a Fatwa?' *Middle East Report*, No. 183, Political Islam (Jul. - Aug., 1993), p. 27

²⁰⁵ 'Driving affects ovaries and pelvis, Saudi sheikh warns women', *Al Arabiya*, 28th September 2013

²⁰⁶ 'Malaysia issues fatwa against SMS contests', *The Age*, 30th July, 2004

of the benefits marketers usually display on their advertisements.²⁰⁷ Finally, in the case of Malaysia, the great majority of reality shows base their revenues on SMS participation, so this will have a huge influence on their business model if they enter this country. What is happening, however, is that after initial resistance, the majority of the population/consumers accepts innovations from Western countries, so these *fatwas* fade or even disappear on occasion.

As with any other opinion, the *fatwa* does not have a binding effect, except in cases where there is a monopoly of *fatwa* issuance such as Saudi Arabia or Malaysia where a national *fatwa* council is the main organisation issuing collective *fatwas*. In Saudi Arabia, *fatwas* cover all sorts of business issues such as the *fatwa* banning multi-level marketing schemes, so companies like Amway, Mary Kay, Oriflame or Herbalife would face problems in implementing their usual selling methods in Saudi Arabia.²⁰⁸ They would rather switch to online selling, which does not pose any problems. So it is possible to find articles from Oriflame, Mary Kay and Amway in Saudi Arabia through Facebook and not a specific website dedicated to their brand. This shows how strong Facebook is in Saudi Arabia, and many companies are using it to sell their products (<https://ar-ar.facebook.com/OriflameSaudi> and <https://www.facebook.com/Amway.ksa>). As young female Saudis are very dependent on their peers as influencers, the use of social media not only serves as a tool for socialisation but also to sell.²⁰⁹

In the case of Malaysia, the *fatwa* council has a decisive role in shaping Islamic Finance in the country by approving more and more products and services that were considered dubious in other jurisdictions.²¹⁰ A positive *fatwa* from a centralised body can induce greater confidence in consumers as they do not depend on individual appreciation of the company. However, research in Indonesia shows that there was no higher performance of Islamic banks (meaning profit increase) after MUI released a *fatwa* prohibiting interest rates in finance.²¹¹ Similarly, a negative *fatwa* does not mean that sales will decrease. The movie ‘*Muhammad: The Messenger of God*’ from Iran in 2015 indicates that in spite of *fatwas* from *Sunni* scholars and institutions such as Al-Azhar, the movie can be viewed in Iran and

²⁰⁷ In Western countries, the influence of women in car purchase is a decisive one. According to Carlos Ghosn, the CEO of Renault-Nissan, women are making more than 60 % of decision of new car purchases. See ‘Car Sellers Refine Pitch for Women’, *The Wall Street Journal*, 20th August, 2014

²⁰⁸ On the position on MLM (Multi Level Marketing) in Singapore see the website of the central Muslim organization MUIS, www.gov.sg

²⁰⁹ Sunila Lobo and Silvia Elaluf-Calderwood, ‘The BlackBerry veil: mobile use and privacy practices by young female Saudis’, *Journal of Islamic Marketing*, Vol. 3, N°2 (2012), pp. 190–206

²¹⁰ A discussion on centralized vs devolved Shariah’s governance is given by Rodney Wilson, ‘Shariah Governance for Islamic Finance Institutions’, *ISRA International Journal of Islamic Finance*, Vol. 1, N°1 (Dec. 2009), pp. 59–75

²¹¹ Ari Kuncara Widagdo and Siti Rochman Ika, ‘The Interest Prohibition and Financial Performance of Islamic Banks: Indonesian Evidence’, *International Business Research*, Vol. 1, N°3 (Jul. 2008), pp. 98–109

Western countries. Even if it is not broadcasted in *Sunni* Muslim countries, it can be seen everywhere else.²¹² Even if a *fatwa* is voluntary, the fact that a person asks a Shariah scholar to issue a *fatwa* denotes a certain trust this person places in the Shariah scholar, and the *fatwa* will likely be followed.

For multinational companies and marketers operating in a Muslim country, it is important to check if the product is deemed permissible and if there are *fatwas* against it. If, for instance, a Shariah scholar declares that the Barbie doll is *haram* (prohibited), such as in the case in Kuwait in 1995, the marketer has to assess the influence of the person issuing the *fatwa* and make a decision based on that assessment. A similar ban was issued against Barbie dolls in Iran in 2012 but the market is still full of them.²¹³ *Fatwas* against Coca-Cola and/or McDonald's are routinely launched but it does not seem to have a huge effect on the sales of these brands.

As an alternative, companies will look for another opinion that declares their product permissible. Finding a different opinion should not be difficult as there is no opinion superior to another and anyone who believes that he has sound knowledge of Islamic law can issue a *fatwa*. *Fatwa*-shopping (looking for a favourable *fatwa*)²¹⁴ is today an interesting possibility for companies except in cases when the *fatwa* concerns general bans such as pork and *riba* or emanates from a very respectable scholar and no other opinion exists on the market as in the case of a *fatwa* against Pokemon.

***Fatwa* Against Pokemon** The term *fatwa*, which used to be an unambiguous ruling for a question about Islamic religious law, has become a 'death sentence' in Western languages as propagated by Western media.²¹⁵ The same word has different meanings so if an Islamic bank says that its Shariah Supervisory Board issued a *fatwa* on a certain product or service making it permissible, this ruling will appear as normal in a Muslim society while, in a Western country, it will be immediately suspicious.

Pokemon, the famous Nintendo brand of cards and electronic games, was frequently criticised by adults in Western countries, but it is the first time that it was attacked on religious grounds. The Research and Fatwa Administration from Dubai and the Higher Committee for Scientific Research and Islamic Law from Saudi Arabia both issued a *fatwa* condemning Pokemon, stating that it is a *haram*

²¹² Iran's 'Muhammad' Sparks Ire in Sunni Muslim World But Scores at Box Office', *Variety*, 21st September, 2015

²¹³ 'Iran police close down shops selling Barbie dolls', *The Straits Times*, 22 January 2012

²¹⁴ Fatwa shopping exists particularly in the domain of Islamic Finance where the regulation is not firm enough. Bond issuers will look for the most favourable fatwa and even generating it if necessary, which poses a certain number of ethical questions. Azmat Saad, Skully Michael and Brown Kym, 'The Shariah compliance challenge in Islamic bond markets', *Pacific-Basin Finance Journal*, Vol. 28 (Jun. 2014), pp. 47–57

²¹⁵ Fred Vultee, 'Fatwa on the Bunny' in *Journal of Communication Inquiry*, Vol. 30, N°4 (Oct. 2006), pp. 319–336

game. Among the reasons for the ban, they particularly pointed out that Pokemon portrays symbols such as a six-pointed star, Christian crosses and symbols of Japanese Shinto. The second reason is that the “game is based on the theory of evolution, a Jewish-Darwinian theory that conflicts with truths about humans and Islamic principles”. Finally, the game is associated with gambling, formally forbidden under Islam.²¹⁶

The influence of *fatwas* on consumer decision is debated. According to the analysis by Nazlida Muhamad and Dick Mizerski, Muslims’ motivation in following Islamic teachings had the greatest effects on their decisions on smoking and listening to contentious popular music, but was not relevant in buying Coca Cola.²¹⁷ This means that consumers prioritise the severity of their actions and even if there is a *fatwa* on a given product or brand, it will ultimately be up to the consumer to decide whether or not to buy it. For marketers, it will be difficult to challenge the *fatwa*, so the best thing to do is ignore it and adopt a wait-and-see policy.

In another case, Malaysia, through its Home Ministry and not the National Fatwa Council, banned one edition of popular Japanese superhero comic Ultraman in 2014 because it was referred to as Allah.²¹⁸ This was a very unpopular decision considering the popularity of Japanese manga across South East Asia.

The political-legal market is the final environmental analysis before launching a marketing plan. It is a critical one because, even if the market exists in terms of numbers and potential clients want to buy products and services, the political and legal barriers can derail any promising plan. Marketers are generally apprehensive about this part of the analysis as they have to deal with political leaders on one hand and Shariah scholars on the other, two professions that are extremely delicate to handle. As such, they may opt for a cautious approach and ask what can be done without trying to impose something new. This risk-averse attitude is fuelled by the diversity of the Islamic world both in terms of political situations and schools of *fiqh* and marketers do not want to navigate in these difficult waters. What they are looking for is a clear situation with identified decision-makers and processes. However, this is exactly what is missing in some countries, so marketers have to move out of their comfort zone and dive into political and legal waters.

²¹⁶ Excerpt from the fatwa adopted by the Dubai’s Research and Fatwa Administration quoted by *Times of India*, 23 January, 2001

²¹⁷ Nazlida Muhamad, Dick Mizerski, ‘The Effects of Following Islam in Decisions about Taboo Products’ in *Psychology and Marketing*, Vol. 30, N°4 (Apr. 2013), pp. 357–371

²¹⁸ ‘Malaysia bans Ultraman comic for using word Allah’, *The Straits Times*, 8th March 2014.

The present book is divided in two parts. The first book deals with the environmental analysis for marketers while the next book analyses the biggest businesses existing in Islamic Marketing.

The first book emphasises the importance of environmental analysis as a prerequisite before rolling out a marketing plan. It is useless to think about an advertising campaign, selecting the most appropriate channel of distribution or designing a specific packaging for a product if there is no market (purchasing power and/or demographics), if consumers do not want to buy these products because of social or cultural constraints or if the country of origin is boycotted. The logical and sequential approach is to evacuate problems linked with environment first and think about the marketing plan subsequently.

The first environmental analysis concentrates on economic elements, and the conclusion is that if consumers in Islamic countries are relatively poorer than the rest of the world, opportunities nevertheless exist when companies use the Bottom of the Pyramid concept or target wealthier Muslims living in Western countries. Demographic trends definitely make the Muslim population very attractive for marketers and provide a growth driver badly needed when the population in the biggest Western markets stagnates. If, for instance, the consumption of meat decreases in some Western countries, Islamic countries will become more attractive to some meat producers due to the combined increase in purchasing power and population in these countries. This trend may even push some meat producers to supply 100 % *halal* products.¹

In spite of the unifying factor of religion, Islamic countries still display a huge variety of social and cultural patterns, forcing marketers to take an ad-hoc approach rather than a standardised strategy. Hofstede's dimensions are useful in understanding this part of the environment and they complement the static/dynamic elements

¹ The biggest meat manufacturers, especially chicken, in Brazil and France produce all-halal food because of demand coming from Islamic countries (Middle East and Asia).

of the culture dichotomy. In the past, Western companies used to dominate in terms of concepts, products and brands. Their domination in the cultural sphere was undisputed. Today, it is no more the case. Music, fashion and social media not only originate from the Muslim world to cater for the specific needs of Muslims, but they also attract a rising number of non-Muslims, making the term globalisation more complex than before.²

The political context is not easy for Islamic Marketing in Western countries because everything Islamic might be associated with terrorism or aggressive behaviour.³ This is especially the case after the attacks in January and November 2015 in Paris. On the other side, Islamic State in Iraq and Syria triggers a defensive mechanism from practically all countries in the OIC. So even in Muslim countries, launching an 'Islamic' product or service could be seen as suspicious. The marketer is, therefore, stuck between the economic rationale of serving a growing and more affluent population on one side and the political overtones this can initiate on the other. If the fast-food chain Quick in France wants to become a 100% *halal* fast-food chain, it obeys an economic logic. It cannot, however, escape political and legal problems in the country.⁴

The Islamic world is diverse on all grounds. There are countries with a population of more than 250 million people compared to countries with less than one million, a GDP per capita from US\$ 140,000 compared to US\$ 1000 per year. Some countries have a very hierarchical structure to society while others do not. Finally some are Islamic Republics while others display extremely secular features.⁵ The only common element is Islam, but even there, Shariah scholars from different schools of thought will never accept a unique state of mind. The marketer can be lost within all this variety. It is, therefore, essential to study the environment before going into these countries.

In the past, it was difficult to study the environment of Islamic countries. If the sources were coming from Western countries, Western authors could be accused of adopting an imperialistic if not colonial attitude. This is not to say that articles and books from the West were not relevant. On the contrary, Catholic and Jewish authors showed very often a high degree of sophistication in analysis of everything Islamic. But because this analysis was coming from the West, it was rejected.

The second dilemma was that sources from Islamic countries were very few and given in the local language, and not published in major academic journals. It was thus difficult to gain access to them in the West. Even today, some of the major

² *The State of the Global Islamic Economy Report 2015/16* features two chapters (Fashion Sector and Media and Recreation Sector) as two important and growing sectors of Islamic economy. These two sectors are the most likely to overlap and attract Muslims and non-Muslims as well.

³ Islam gives birth to many phantasms in the West, including the way terrorism is funded as Ibrahim Warde explained it in his book, *The Price of fear, The truth behind the financial war on terror*, University of California Press, 2008, 262 pages

⁴ 'Burger King France's owner to boost number of halal-only restaurants', *International Business Times*, 15 December 2015

⁵ 'The Diversity of Islam', *The New York Times*, 8 October 2014

authors who published in Pakistan or Egypt before WWII are not easy to access because of the language barrier.

Finally, some areas have been forgotten, such as Africa. Even though Sub-Saharan Africa represents more than 20 % of the Muslim population today, articles and books devoted to Islam in Sub-Saharan Africa are far from being sufficient.⁶ Many reasons are given for this, among them low purchasing power, poor market infrastructure or volatility of the political and legal systems. Numbers are there however, and no company can seriously target the Muslim population without going into Africa.

In this book we have tried as much as possible to give place to both Western and non-Western sources. This is easier today because more and more academics from Islamic countries are publishing in major academic journals, so it is possible to gain access to their work.

The next book will concentrate on the biggest businesses associated with Islam. Two of them are well-known: *Halal* products and services and Islamic Finance, but even these two areas have their fair share of problems, and companies have to be cautious when they target Islamic markets. Will it be useful for Citibank to communicate in New York on its Citi Islamic branch activities in the Muslim world or will this have a backlash effect on all Citibank activities? Will Chanel or L'Oréal finally launch a *halal* range of products or will they continue to ignore this demand and bank on the standardised products? All these questions as well as questions on *hajj* management or Ramadan business will be answered in the next book.

⁶ Among the few let's quote Eva Rosander and David Westerlund ed., *African Islam and Islam in Africa: Encounters Between Sufis and Islamists*, Hurst and Company, 1997, 347 pages