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COMPARATIVE ANALYSIS OF THE ISLAMIC AND TRADITIONAL MARKETING MIX

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ABSTRACT

The interpretation of Islam especially because of the global political situation of our time is a particularly popular topic in an international academic area. However, not only as an academic interest but regarding our everyday life, too it is an important question that to what extent we are able to adapt to the new streams: whether we can recommend the Muslim tourists, the investors coming from the Islamic countries something that fulfills their expectations. But what are these expectations? Is there really such difference between the Islamic and Christian rooted business approach? One of its segments is the so called Islamic marketing research which introduces a new aspect of the field of marketing. The thesis below contains the comparative analysis of the traditional marketing mix and the Islamic marketing, specifically focusing on the question of how much the two terms can be drawn in parallel, as well as whether we can talk about scientific subordination or superiority.

KEY WORDS

MARKETING MIX, ISLAMIC MARKETING, 7P, ISLAM

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INTRODUCTION

One of the most discussed questions of present era is the Islamic religion and the other smaller or bigger religions, respectively, the coexistence of their followers. This has become an essential matter in many spheres, for example due to the migration crisis, the human rights or the culminating extension of globalization, as well as in the sphere of business life. This all, however, does not appear in the political, judicial or financial spheres only, it rather presents a topic covering life-affairs in full extension, that affects every aspect from the smallest segments to the most extended branches.

Furthermore, not only in countries with a considerable number of Muslim inhabitants but in countries which are signified less welcoming, so in Slovakia, the main question is, how do some segments of the economy refer to the demands set by the Islam.

On one hand, because of investments and tourism there are more and more Muslims appearing in Europe, and therefore the knowledge of their addressing, cultural and ethic expectations can mean an advantage opposing to those countries which do not put this question into consideration so much. On the other hand, through the even currently happening refugee crisis masses of Muslim consumers have arrived to all over Europe, whose market awareness, demands, advertisements and messages which can address them, in many cases are built on different basis, than that of the native population, but it can differ even from also Muslim immigrants living in the given country since some generations, too. Therefore, each economic field whether it is about from the beauty care through tourism to the bank sector, shall find out itself that under what extent its functioning, promotion and structure is supposed to adapt to the new expectations, the requirements of consumers and investors with the Muslim background.

The sphere of marketing stands for a good example, where the appearance and spread of the so called Islamic marketing has introduced a new aspect for researchers dealing with the topic, professional as well as businessmen. Therefore the aim of the script is the introduction of marketing activities connected with Islam, as well as its comparison with the methods of traditionally considered marketing, with its features and other features. Although it is obvious that the growing interest in Islam and marketing covers a number of reasons, which mostly has its source in reaching each Muslim country's market, as well as making efforts for it, the script's intention is not to deal with this aspect, but the background of marketing theory.

SYNTHESIS AND METHODOLOGY

The first chapter of the script intends to present the general characteristics of Islamic marketing, its origin, importance, in order to make this new direction generally applicable within the sphere. Following this a partial presentation of traditionally considered marketing mix is explained, using the aspects of 7P at first. The third more extended part of the script traces the differences and similarities between the Islamic marketing and traditional marketing mix according to the first two chapters. The whole material is enclosed with a short conclusion and suggestions for further research topics.

It is essential to note right now, that although the Islamic marketing stands for a direction within the marketing in some terms, while the 4P as well as the 7P and the traditional marketing regards the complete sphere, i.e. reinterpreting the classic example, “we are comparing a beetle with an insect“, so a subterritory with a complete sector, the script’s goal among others is to release this paradox. It is also important to mention about the script, that it has been provided as a summarizing essay with the usage of reachable literature.

1. ISLAMIC MARKETING MIX

The Islamic marketing stands for quite a new phrase (Abdullah, Hamali and Abdullah, 2015), it looks upon approximately a five-year-old history. The relevant questions were rated to multicultural or ethnic marketing categories earlier, however, in recent half decade it has been made clear, that these two conceptions do not reflect correctly the shades connected with Muslim consumers and markets, the characteristics of marketing activities necessary to reach these markets.

Actually, the modern Muslim world has unique features: the so called Islamic brand joins the branches, including fashion, cosmetics, entertainment, tourism, education, pharmacy and professional services (Wilson, 2014).

The importance of Islamic marketing is also raised by the fact, that the markets of Muslim countries with remarkable population, like Saudi Arabia, Iran or Egypt, do not belong to the developed countries in European and American terms only, but they also have stressed significance for improving economies as well, like the BRICS (Brazil, Russia, India, China and South Africa) and the MINT (Mexico, Indonesia, Nigeria, Turkey).

It is important to stress on the markets of countries belonging to the Muslim world, that at the dawn of globalization there were few brands reachable in each sphere, respectively, it was a typical feature, that the consumers were supplied by local companies. Therefore the sellers were marked by short-term mentality and efforts for the maximalization of profit, the idea of a conscious

marketing construction was not present. At the same time the build-up of a brand did not play in strategic roles either, the completion of each advertisement was supposed to be more like a plan of tactics (Wilson, 2014).

However, this all with the strengthening of globalization evokes a new direction, which is worthy of dividing it into two parts. From one side, the actors of markets of Muslim countries, with the spread of information about the pursuit of foreign marketings, have begun to recognize the advantages of marketing construction and the benefits of marketing in general. In this reflection more and more companies have tried to break out of the trap of OEM (Original Equipment Manufacturer) status, and they wished to take control over the final sale as well, together with the production and delivery. From the other side, an international know-how has arrived to various markets thanks to globalization, so next to the defined countries, Muslim-directed companies have started to develop on international level, making the portfolios of each countries' products and services more colorful, making the local competition more vibrant, evoking the battle for the consumers. It has also been a revolutionary idea, that the marketing experts are able to answer the opportunities and dangers covered by globalization. (Temporal, 2011).

2. THE ISLAMIC MARKETING IN GENERAL

One of the most important peculiarities of Islamic marketing is its relation to its Muslim consumers: we can state, that the ambitious Islamic marketing is an ideology, according to which the professionalism cannot be judged by the products and services only. „*the Islam claims, that individuals both in their professional life and private life must practice, what they preach.*“ (Wilson, 2014).

This powerful religious effect on marketing as well as on the commercial lives of Muslim markets and companies is approachable in more points. For example, regarding the grocery products it is important to know whether they categorize it according to *halal*, i.e. to availability for the religious orders, therefore the merchants, services wishing to approach the Muslim consumers must add special remarkability to reach a qualification (Salam, 2017).

Before we would get on to the specifications of the Islamic marketing field it is essential to emphasize that the studied fields themselves do not necessarily agree with the branches of traditional marketing developed through decades either. Sula and Kertajaya in their work from 2006 introduce four such fields which instead of the traditional marketing tools, or rather they are able to define the pursuit of Islamic marketing more precisely. These are spiritual, ethical, realistic and human tools (Abdullah, 2017).

This evokes a question, to what extension the methods and principles applied in the scientific research of the sphere and the commercial pursuit, for example the 7P, are able to cover the spheres of Islamic marketing. According to related researches, however, it does not represent a problem, rather the completion of the 7P – or any other applied mix – is necessary. This is presented by Damirchi's study, according to which the *product* – i.e. the “product“ part of 7P – is applicable the same way, but requires to be completed with the Islam's spiritual and ethical demands (Darmichi, 2011). For example the product cannot cause bemusement of mind, the product must be transportable, it is needed to provide information about the added value, which influences the product value, to support the consumer's decisions and so on (Darmichi, 2011). In case of advertisements, promotions – “promotions“ it is important to fit the criteria as well, where, for example it is forbidden to use pressure or to deceive families and consumers. These examples are a few only, a more detailed division according to 7P is found in the chapter dealing with the comparison of the Islamic and traditional marketing.

There are more points which are compatible with the rules of the traditional marketing's system of values. However, it is important to claim two things: first, the classification is different, the spiritualism and ethics do not occur in any traditional classification – 4P/7P/4C/7C, and it supports the view with Muslim background regularly refraining in factual literature, that its effort is the maximization of profit in the latter one, while the Islam, over it all, makes efforts to create a harmonic relationship between seller and buyer.

The second point is, that in spite of this all, we cannot classify the Islamic marketing as a sphere originated from Islamic religion., as next to the pursuit of Muslim markets the Muslim and non-Muslim mundane actors of the market form it with their activities as well. It is being formed as part of a natural phenomena, where the marketing grows between the evolutionary and revolutionary mind and its practical phases, in order to preserve its relevance and effectivity in the new environment.

3. TRADITIONAL MARKETING MIX

The marketing mix is the summary of tools, which are being used by an organization to reach marketing goals on a defined market. Hereunder the structure of the 7P marketing mix (picture 1), and the introduction of each aspect's function are presented.

Figure 1. 7P marketing mix



Source: marketingmix.co.uk

3.1. Products and Product Policy (“product“)

To make a definition from a marketing view the product means everything that satisfies the demands and needs of the consumers. It may be divided to two essential types: there are touchable objects and abstract objects (for example services or information).

3.2. Price and Price Policy (“price“)

Under price – not surprisingly – we understand the amount, that a consumer must pay for the product. It also has psychological relations, - thinking of the fact, the price of how many products end with number 9, indicating a lower price – respectively, the price is an important feature of a certain brand and prestige of the product.

3.3. Sale and Place of the Product (“place“)

It is the part of marketing mix that deals with the access to products and services. Practically it considers what way the companies are able to satisfy the consumers’ demands comfortably and practically.

3.4. Advertising and Promotion Policy (“promotion“)

It is a sphere responsible for marketing communication. It involves advertising, PR activity, direct marketing and valorizing promotions as well.

3.5. Human Factors (“people“)

The company, the products and services are presented to people by employers. The responsibility of the salesmen and sellers is huge in marketing, as the quality service is a part of consumer satisfaction as well as a good marketing message or place of the product. This recognition has led to the fact, that HR must be the part of marketing services.

3.6. Aspects of environment and Objects (“physical environment“)

The environment is where the customer and the seller step into interaction, where the customers are served. It includes furnishing and the built-up or natural environment as well.

3.7. Process (“process“)

It is the sequence of duties and activities one after another during serving the customers (4P and 7P, online).

4. DIFFERENCES AND SIMILARITIES

Up to now the existence of Islamic marketing is an issue that is being discussed by researchers, experts and other scholars, especially in non-Muslim countries. Many of them use the argument that Islamic marketing is important in contemporary commercial activities, but the conception of 7P in marketing should be built up with the Islamic principles (Hashim & Hamzah, 2013). According to the latter suggestion, hereunder the Islamic marketing and the traditional marketing are compared on the basis of 7P aspects:

4.1. Pragmatism and Product

Wilson (2012) determined pragmatism with its studies about its applicable theories in the real world or its truth and meaning. The aim of the products is providing the clients essential benefits and services with high values (Lovelock, 2011). This conception of product and pragmatism mean coordination with the Islam teachings, therefore there is no significant difference here.

4.2. Pertinence and Promotion

In case of the second P we must build in the phrases of sensitivity and promotion. Wilson (2012) describes the relevance and applicability of Islamic marketing in the traditional marketing study-plan of English commercial schools. The logic of integrating the availability and promotion is that the conception stresses the spread of suitable information for the clients. At the same time the clients are being taught about the practical benefit of a purchase of the products or services and their advantages. This conception is simultaneous with the teaching of Islam, according to which the products must communicate within the ethical limits, as the Islam forbids the practice of exaggerating promises in order to avoid the clients' disappointment (Trim, 2008; Arham, 2010).

4.3. Palliation and the Price

In case of the third P the relationship between the palliation and the price may be reasonable, as palliation presents the minimalization of difficulties between marketing managers and clients (Wilson, 2012). Meanwhile the price does not define the company's profit only, but also the Islamic marketing recognizes those expenses of clients, which may represent a higher amount, than the price paid to the seller (Lovelock, 2011). Palliation is a form of this case: to assure discounts budget reduction arrangements to the clients in order to release the load of purchase when it is being effected by economy and inflation of expenses. Therefore, the integration of these phrases are also in coordination with the teachings of Islam, according to which prophet Mohamed sells his products, on the basis of selling volume and determining a price which can be acceptable by the market (Trim, 2008).

4.4. Peer-Support and People

The integration of peer-support and the people belong to the fourth P. It ensures consistent and mutual efforts between marketing managers in order to construct positive relationships both with inner and external individuals involved, that is also possible to coordinate with the Islam theses (Hashim & Hmzah, 2013).

4.5. Pedagogy and Physical Environment

In case of the fifth P the pedagogy and the physical environment should be built in as a common conception. Pedagogy stands for the realization and subscription to clear educational conception, methods and practises (Wilson, 2012). Meanwhile, the physical environment is defined as the creation of a service environment, which evokes the client's attention on the company-profit relationship. In case of prophet Mohammed the name itself meant guarantee for quality, honesty and integrity (Arham, 2010).

4.6. Persistence and Process

In case of the sixth P the integration of persistence and process seem relevant in the Islamic marketing, as persistence is defined as consistent work without problems and difficulties (Wilson, 2012). At the same time the process refers to the best practises on providing products and services to the clients with the aim to make them happy and satisfied (Lovelock, 2011). This is in harmony with the teachings of Islam, which prescribes to make a mutual agreement during the selling and buying process, and the absence of the agreement's conditions makes the delivery unacceptable (Hashim & Hamzah, 2013).

4.7. Patience and Place

Last but not least, the seventh P, which involves patience and the conception of unity, assures, that the marketing managers must express an honest and ethic behaviour at spreading their products and services (Hashim & Hamzah, 2013). For a company to achieve an advantage in competition in a certain industrial branch, they must understand the needs and demands of clients. Marketing may support the company in its work, respectively in surviving in this complex, changing and stormy environment. Essentially, the main aim of marketing is to maintain the satisfaction of clients, and together with it to make a profit for the company.

Regarding the Muslim consumers, it is essential to mention, that they prefer the purchase of Islamic products and services. Therefore, the companies aiming at Muslim consumers must be able to differentiate their marketing strategies, which include products originated from traditional marketing as well. The differentiation must be described in a clear way. (Shamsudin & Rahman, 2014).

CONCLUSION

As it turns out of the above described, the basis of Islamic economy and marketing are highly determined by religious studies, as the actions of the world of business, so as the marketing are supposed to be in conformity with the Islamic doctrines. However, from the comparison it is clearly visible too, that the traditional marketing mix elements as the Islamic marketing mix principles, in the future will probably infiltrate into the traditional marketing concept. The Islamic marketing supplements and brings these statements to perfection, supporting the orientation to the Muslim consumer behaviour. Besides, it defines the marketing mix according to the consumer behaviour and demonstrates it from its practical side. It leads pragmatism to product policy, in which the usefulness, favourability of the product is pointed out furthermore, it judges the advantages added to product services important. The condemnation of exaggerated promises and the consumer's ramping is significant as well as the introduction of the physical environment as service environment.

Besides the numerous similarities it is essential to emphasize, that the Islam has brought such elements to marketing mix as spirituality, ethics or humanism, which in the world of profit maximalism was hardly or not at all present. Therefore, the main question of this thesis, which is the comparison of traditional and Islamic marketing, as well as its justification for existence is worth to close by claiming, that however the Islam marketing can be understood in comparison with the traditional marketing, it is more appropriate to define as its further development, which on one hand supports the involvement of Muslim trades and customers, on the other hand, with the integration of new components allows the extending and perfecting of traditional marketing mix.

RECOMMENDATION TO FURTHER RESEARCH TOPICS

Regarding the above described, three research topics have arisen, whose survey can be broadened by the source material with its great amount according to the topics touched upon.

Firstly, it is worth to examine, whether the Islam studies related to Muslim trades can be repeated in cases of other religions or regions. In this way, for instance can through the teaching of Hinduism or Sikhism the relevant Hindu and other trades be reached, or by any chance, can some specific branches of teaching of Buddhism help to conquer the trades of principally Buddhistic countries.

Secondly, the novelties brought in by the Islam marketing can be an interesting field of research, too, to examine the possible results of spirituality or

ethics from the point of view of the Quran regarding the trades of non-Muslim countries.

Finally, from the historical point of view, it would be interesting to look through, according to which marketing mix, the 4P, 7P, 4C or 7C the adaptation to the Islam marketing can be carried out the most. In such case, it can help to understand the usage of which mix is the most up to date if we put the Muslim trades into consideration as well.

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UPOREDNA ANALIZA ISLAMSKOG I TRADICIONALNOG MARKETING MIKSA

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REZIME

Tumačenje islama, naročito usled današnje globalne političke situacije, je posebno popularna tema u međunarodnim akademskim krugovima. Međutim, ne samo kao akademski interes, već i u vezi sa svakodnevnim životom, važno pitanje je u kojoj meri smo sposobni da se prilagodimo novim tokovima: da li možemo da ponudimo muslimanskim turistima, investitorima iz islamskih zemalja, nešto što ispunjava njihova očekivanja. Ali koja su njihova očekivanja? Da li zaista postoji tolika razlika između islamskog i hrišćanskog pristupa biznisu? Jedan od njegovih segmenata je tzv. Islamsko marketinško istraživanje koje uvodi jedan novi aspekt marketinga. Teza ovog rada sadrži uporednu analizu tradicionalnog marketing miksa i islamskog marketinga, sa posebnim naglaskom na pitanje koliko su ova dva termina slična, kao i da li možemo razgovarati o naučnoj podređenosti ili superiornosti.

KLJUČNE REČI

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