Marketing: An Islamic Perspective

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The purpose of this paper is to formulate and develop a marketing definition and its framework from Islamic perspective. In present business world, market and globalization are becoming the first truly world creed which binds all corners of the globe into a world-view and set of values. Here marketing practices are playing a vital role in raising the standards of business conducts worldwide. But the roots of it are secularism, value-neutral materialism, Social-Darwinism, Utilitarianism, and ‘rational economic man’ oriented. The spirits of these isms is selfishness, persuasion of profit, and want maximization. But in contrast, Islamic world-view comprises religious values, cultural values, and universal values which can be accepted and respected universally and can visualize a consumer oriented marketing culture which can ensure a balanced synthesis of both the material and the spiritual dimensions of life which emphasize to maximize the welfare of the world and the world hereafter and can establish fraternity and socio economic justice. This descriptive study will attempt to provide a brief review of conventional marketing literature at the same time it will formulate and develop a definition of Islamic Marketing and its framework based on The Holy Quran, ×adÊth and Islamic Literature.

Field of Research: Marketing

Keywords: Islam, Falah, Marketing, Hikmah, Need, Mutual Consent, Tayyibat etc.

1. Introduction

A proper historical account of ‘Marketing’ began with early capitalism and sociological theories of the growth of consumerist culture. Although capitalistic society comprises three forms of capitalism—commercial capitalism, financial capitalism, and industrial capitalism the latest one is now modern capitalism which is the manifestation of productive enterprises. In the course of modern times, the influence of this capitalism has gradually spread over more and more branches of economic efforts; spread steadily over new areas such as production, distribution, exchange, consumption etc (Henri, 2004, Lal, 2002). Though the growth and emergence of the marketing framework began in the 1900s divorcing from its founding discipline of economics but the roots are industrial capitalism which is based on Adam Smith’s free market and laissez faire principles with invisible hand as control mechanism, Marxist historical materialist view of society and the world, Max Weber’s concept of ‘rational economic man’ and Darwinist’s

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concept of survival for the fittest (Weber, 1958, Wolf, 2002). All these things create Secular, Value-neutral, Materialist and Social-Darwinist individuals holding an extreme sense of materialistic worldview, serving self interest human being and pursuit of maximizing wealth and want satisfaction. It, further, symbolizes winners and losers through competition in the society and gives birth of social problems through establishing the greater gap between the rich and the poor and even human livelihood is being determined on the basis of profit for transnational corporations. (Daly and Cobb, 1994)

That’s why it is now essential to rethink about the current marketing trends and practices as well as to introduce a new way which will constitute marketing practices based on Islamic values and ethics with the rules of moral philosophy’ (Robin and Reidenbac, 1987). Because Islamic values comprise religious values, cultural values, and universal values and ensure a balanced synthesis of both the material and the spiritual dimensions of life through maximizing of the welfare (Al Quran, 30:39) of the world and the world hereafter and establish brotherhood (Al Quran, 23:53,49:10; Al Hadith -622,626) and socio economic justice (6:152; Al Hadith -870) truthfulness, trust and sincerity through mutual consultation (Sadeq and Ahmed, 2004; Ahmad ,1995) in all aspects of life . In Islam, all activities and transactions—production, distribution, consumption and exchange—are considered as worship (Ibadah) and subject to the constraints of Halal and Haram as laid down by Islamic Shariah (Sharif, 1996),(5:4,5:48,7:32). In Islam a marketer is expected to perform roles for seeking the pleasure of Allah and every aspects of marketing activities must conform under the guidelines of the Holy Quran and the Hadith (Binti Abdullah 2000).Target of Islamic Marketing System is to maximize the satisfaction of consumers as well as that of whole mankind and to ensure proper exercise of human values, marketing culture, Islamic rules and regulations as because Islam envisages a consumer oriented marketing culture which ensures human wellbeing and sanctified life. In this study it has been tried to focus Marketing from Islamic perspective.

2. Objectives of the Study

The major objective of the present study is to examine some issues and factors related to the Islamic Marketing and formalize Islamic Marketing framework on the basis of primary sources of Islam e.g., The Holy Quran, Hadith and Islamic Literature. The more specific objectives of the present study are:

- To make a critical analysis of the background of Conventional Marketing definitions
- To construct and propose a definition of Islamic Marketing
- To elucidate the core aspects of Islamic Marketing, and
- To point out the social benefits of Marketing from Islamic perspective

3. Methodology of the Study

The present study is not an empirical study; rather it is a theoretical one. This study has been conducted on the basis of reviewing marketing literature, examining the primary
sources of Islam to extract and formalize ideas for Islamic Marketing. The secondary information has been collected from different relevant sources like textbooks and journals. Neither any statistical method nor mathematical modeling is used in support of the discussion presented here.

4. Literature Review Regarding Definitions of Marketing from Conventional Perspective

Marketing is a significant aspect of any business in today’s highly competitive milieu. It is the backbone of every organization. Not only is that it also is something which affects every one of us in every waking moment of our lives. But the term ‘Marketing’ is the creation of recent history especially in the dawn of 20th Century. From then Marketing has travelled a long way in its concept and definition. Different era provided different concepts and definitions from different perspective. But in all of them there reflected the changing view of marketing phenomenon. It should also be developed so that it strengthens the role of Marketing in the organization by alluring reality. If we look into various definitions of Marketing, we will find not a single definition which covers the total welfare of an individual, a community, a society, and a state or the planet as a whole. It is important to comprehend marketing as a dynamic and not a static subject (Cooke et al. 1992). In our discussion we will first review some alternative definitions of Marketing from the business literature especially worldwide recognized – The American Marketing Association’s definition and the Marketing Guru Phillip Kotler’s definition.

The American Marketing Association (AMA) is the leading organization in the United States of America, representing the academic side of Marketing. The organization is comprised of and primarily impacted by people who teach Marketing at the college level. From 1938, AMA is participating to unify Marketing definitions.

In 1948, AMA defined marketing as follows:

“Marketing is the performance of business activities directed toward, and incident to, the flow of goods and services from producer to consumer or user.” (AMA, 1948)

In 1960, the definition was slightly changed as:

“Marketing is the performance of business activities which direct the flow of goods and services from producer to consumer or user.” (AMA 1960)

In 1985, the AMA definition was changed to “The process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.” (AMA 1985)

A new definition approached by the AMA in 2004 is:

“Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders.”(AMA 2004)
In 2007, the new marketing definition was introduced (Approved October 2007) by AMA: “Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.”

Marketing Guru and Father of modern marketing Philip Kotler gave the latest definition as follows:

By 2004 it was slightly modified as to: “A social and managerial process whereby individuals and groups obtain what they need and want through creating and exchanging products and value with others.” (Kotler 2004)

All these definitions have focused conventional marketing concepts and philosophies. According to the aforementioned definitions, Marketing has been considered as a specialized function or process of creating and exchanging some offers (goods and services) that satisfy the customers and the firm’s goals. More broadly it has highlighted the secular and materialist worldviews that has drawn maximum attention to the material aspect of human well-being and to maximize their wealth and want satisfaction very merely.

These definitions have given the notion that marketing is based on wants, not needs as companies seek profit and customers want satisfaction of their needs. So companies provide customers want satisfaction and through which the company will realize profit. Even the societal view of conventional marketing as exchange relationships begins with the basic idea that most human behavior is the planned, purposeful and they always search for want satisfaction; and individuals act to satisfy their wants and desires. Goods/services and commodities are the source of this satisfaction (Cooke et al. 1992). Not only that, Marketers are also spending huge amount of money to reform, modify, influence want and demand through promotional activities which amounted is more than a countries’ total spending budget for education sector which has a greater impact for affecting consumer taste and spending (Durning, 1992). It is also particularly creating a vast array of unwarranted wants, not related to real human needs through advertising in pursuit of their goal of profit maximization. Need remains in the market, marketers only influence wants (Kotler et al. 2010). A customer’s ‘want’ for a product is translated into a demand only if they are willing and able to pay for it. So a product may fulfill a want, but unless there is a real demand, marketers will not be able to fulfill the want profitably. Even marketers are practicing different marketing orientation to create artificial demands. Marketing can influence customers’ wants by making products attractive, appropriate, affordable and easily available. The modern world is getting concerned with the process of providing products and services to people for the satisfaction of human wants (Sharif, 1996). But human wants are almost unlimited. On the other hand the basic needs of humans are limited, and the resources and products, which they call the commodities and services, are certainly sufficient to satisfy the basic human needs. It is possible to satisfy all of the basic needs of mankind completely. The basic needs of man as a human do not increase.
Exchange is the heart of conventional marketing. Traditionally exchange is considered as the central concept of marketing (Bagozzi, 1975; Hunt, 1976). But in this exchange process, customer is free to choose any kind of goods and services, even there is no restriction for suppliers. In conventional marketing alcohol, magic, etc. are also exchangeable if it maximizes profit and utility. It does not matter if the good is harmful or beneficial to the buyer. If anything has an economic utility it can be exchangeable in the market. The pursuit of productions and exchange of products and services are not guided by any ethics (code of conduct) in real form, even though, in the Societal Marketing Concept, a little concern for the social welfare has been shown.

5. Defining Marketing from Islamic Perspective

The philosophy, on which this analysis of Islamic Marketing is built, is based on the basic motives of creation of mankind and purpose. Islam is the complete code of life (3: 19, 16:52, 98: 5, and 110:2). It means peace; peace with oneself, peace with other human beings, peace in this life and peace in the hereafter and complete submission to the will of God. In Islam every aspects of human life must be according to the will of Allah. So In Islam, Marketing is not confined with buying and selling or telling and getting profit or about goods and services under any business. All activities and transactions are considered as worship in Islam (2: 30). Islam is the way of life governed by rules and customs defined, explained and practices by Prophet Muhammad (PBUH). Even human nature and behavior is not against Islamic Aqida, Shariah, and Akhlaq. In addition to these, Islam set some dietary laws intended to advance human well being which comes from Allah(5:48). Depending on some basic assumptions, Islamic Marketing can be defined as:

*The process and strategy (Hikmah) of fulfilling need through Halal (Tayyibat) products and services with the mutual consent and welfare (Falah) of both parties i.e. buyers and sellers for the purpose of achieving material and spiritual wellbeing in the world here and the hereafter.*

There are several key words/core aspects which enumerate this definition:

- Strategy (Hikmah)
- Need
- Halal (Tayyibat)
- Mutual Consent
- Welfare (Falah)

All these key words should be crystallized in light of the Holy Quran, Sunnah, and other Islamic literature.

5.1 Strategy (Hikmah)

In Islam the word *Hikmah* is very close to the strategy which indicates 'Wisdom'. It signifies sound perception and sound judgment which is time befitting approach, adaptable to the particular situation. Marketing allows us to consider the subject as
being flexible and dynamic, just like the world we live in. Islamic Marketing can achieve long term goals in this world and the hereafter through interacting with changing environment, situation and even it can purify the beliefs, outlook, morals, habits, customs, and social, cultural, economic and political life of man in its totality. The holy Quran tells of *Hikmah* in different verses such as (2:129, 2:151, 2:231, 2:269, 3:81, 3:164, 33:34, and 56:69-70). Even in a Hadith Prophet (PBUH) says about two people (Al Hadith, 255) “A man whom Allah has given wisdom and who acts in its spirit and imparts it to others.” *Hikmah* will guide also one’s resource moderately to meet one's needs and in spending whatever is left is for charitable purposes. That's why human being should not forget the Book and Wisdom because Allah entrusted them with the glorious task of guiding the world. They should also not forget to good and righteousness (2:143) and not to do injustice and other evil behavior instead of directing the world and human being to the Right Way (16:90).

5.2 Mutual Consent

This is based on the statements of the Quran and the Sunnah. “O believers, trade by mutual consent….” (4:29).” And who (Conduct) their affairs by mutual consultation…” (42:38). Abu Saeed al-Khudri reported: The Messenger of (PBUH) said: The contract of sale becomes lawful with the consent of both parties.” (Ibn Majah) 'Mutual Consent' means that the exchange must be operated on the free will of buyers and sellers and free of undue pressure, fraud and deception. It must not encourage competition rather ensure cooperation among all stakes without elements of compulsion or cheating. In this case, 'the seller and buyer must have the right to keep or return the goods so long as they have not parted or till they part' (Al Hadith 293). The needs that can be satisfied by a group of them through mutual cooperation are many times greater than what individuals are capable of satisfying by them. Al-Dimashqi (1977) said, People are, therefore, necessitated by force of circumstances to be clustered in cities to help each other in fulfilling their mutual needs”. The instance is noticed in the following quotation: 'any transaction might be considered fair and ethical if both parties have adequate and appropriate information and both enter into the transaction willingly and without coercion' (George, 1999). The strong feelings from both parties at the time of exchange should be surrounded by If, however, the dimensions of accountability before an All-Powerful Being, from whom nothing can be hidden (5:3).

5.3 Need

Islamic marketing is based on need (17:29; H 3:373).H286, 306) when conventional marketing is based on wants. This is because company wants profit and customers wants satisfaction of their needs. The basic idea in conventional marketing is that most human behavior is planned, purposeful quest and search for want satisfaction and Individuals act to satisfy their wants and desires. Goods, services, or ideas are the source of this satisfaction (Cooke et al. 1992). In Islam a person should consume according to his need and marketing promotional activities should not be the art of deception or cheating consumers and only for noble purpose, it will provide information clearly for the benefit of the people (Faruqi, 1995, al-Qardawi, 1980)(Al Hadith 94).
The Quran explicitly points out the basic needs of a man. (20:118-119). The Quran firstly establishes the physiological needs of man-food, clothing, water and shelter which are universal and resources are available to meet the basic needs of all human beings. (HAQ, 1996) Islam calls for a moderated and balanced satisfaction of human needs. It emphasizes on fulfilling basic biological needs for the survival of human life based on a Hadith that mentioned the rights of every human to have shelter, clothes, course bread (food), and water (narrated by al-Tirmidhi, Ahmad, and al-Hakim); and another Hadith that mentioned the concept of sharing basic biological needs such as water, grass, and fire (narrated by Abu Dawd, Ahmad, and Ibn Majah). All these elements mentioned by the Prophet actually help people fulfill their biological needs such as hunger, thirst, oxygen, and sex.

Although Islam acknowledges material wants and the joy of their satisfaction but does not considers them the end or ultimate goal in life. Men and woman are created to glorify and worship Allah. The ultimate happiness of the believers is in performing this role as a true servant of Allah. Life before death and after death is closely interrelated in Islam. As the secular and materialist worldviews giving maximum attention and importance to the material aspect of human well-being and to maximize their wealth and want satisfaction, consequently the basic needs of a large number of people remain unfulfilled and inequalities of income and wealth have continued to rise. In addition, there is also a rise in the disintegration of the family, crime and anomie, and a decline in peace of mind and inner happiness of human beings. (Easterlin 2001, 1995 and 1974; Oswald, 1997; Blanchflower and Oswald, 2000; Diener and Oishi, 2000; and Kenny, 1999.)

### 5.4 Tayybat/Halal

Islam is not an accidental religion and does not aim at depriving the human being of the good things that Allah has provided. "Oh mankind! Eat from the earth that which is Îllalâh (lawful) and (Tayyib) wholesome." (2:168). The prophet (PBUH) also confirms it in his Hadith: “The Halal is which Allah has made lawful in His book and the Haram is that which He has forbidden, and that concerning which He is silent He has permitted as a favor”, (Qardawi, 1980). These parameters define the eating habits and by extension, the purchasing preferences of two billion people around the world. These parameters are, essentially, non-negotiable; they are unmovd by fad or fashion, they are not subject to age, income or geography, and are all the more powerful by not being enforced. They are the parameters of a people who choose, freely, to eat what is lawful (5:4). In the Islamic outlook, consumer goods are the God given, useful, clean, wholesome, beneficial consumable materials whose utilization brings about material, moral and spiritual betterment of the consumers. Islam does not recognize all goods as products even though there is a high demand for those particular products. Only goods that are safe, beneficial and useful to consumer morally and ethically and are not in conflict with what is forbidden by Islam are recognized as products (Kahf, 1982).

In the Islamic frame of reference, goods are bounties bestowed by Allah on mankind. The Holy Quran always refers to consumable goods by using the term which attributes moral and ideological values to them. Tayyibat - the term repeated eighteen times and
its derivatives are repeated forty three times in the Quran(2:56,2:168,2:172,5:4,5:5,5:87,5:88,7:32 and so on). The term means ‘the good and pure things’. Yusuf Ali (1975) indicates the meaning of ÙayyabÉt in five different phases to express the ethical and spiritual values. According to him Tayyibat means ‘good things’, ‘good and pure things’, ‘clean and pure things’, ‘good and wholesome things’ and ‘edibles of the best’. Accordingly prohibited materials are not considered as goods in Islam, and do not carry any value in exchange. Consumption and satisfaction are not condemned as long as they do not involve any harm or harmful things but it must be through Tayyibat. Allah says in the Quran, “Say: Who has forbidden the beautiful (gifts) of God which he has produced for his servants and Tayyibat (the things clean and pure), which he has provided for sustenance. (7:32) And, “O you who believe! Do not prohibit the good things which Allah made ÎalÉl for you.” (5: 87).

In the Islamic viewpoints, the responsibility of a marketer is to ensure that the product is pure i.e. tayyib – processed in permissible way (Halal) manner and would not cause any harm to the consumers and the society (Saeed et al., 2001). Even the pursuit of productions and exchange of goods are guided by the Islamic code of conduct, Shariah. The exchange of goods or services, such as alcohol, gambling, magic, etc., are not permitted to be exchanged in the market even if they meet the maximization goals of profits and utilities. Transaction of these types of activities is undesirable from a moral stand of social welfare.

5.5 Falah(Welfare)

Islamic marketing must ensure human Falah on the basis of cooperation and participation between producer and consumer, seller and buyer. It ensure as "Our Lord, gives us what is good in this world and also what is good in the hereafter and saves us from the torment of Fire." (2:201; Al Hadith -391,487). In Islamic Marketing, Market is viewed as a mechanism or institution in which buyers and sellers interact with goods and services in establishing prices through balances the conduct of buyers and sellers in ensuring greater welfare in this world, as well as the greatest reward in the world hereafter and maximize profits. Falah is comprehensive and a worldly concept. Falah arrives at 40 points of the Quran. The term denotes all-sided welfare of this life as well as that of the Hereafter. It implies that achievement of material wellbeing should be in a manner consistent with the achievement of welfare in the more important and eternal phase of human life-the Hereafter. (Siddiqi, 1979).

Moreover, the Qur'anic term Falah (prosperity, success) has not been used in the limited sense of worldly success. Rather, it denotes that enduring success which admits of no failure regardless of whether one is able to achieve success in the present phase of one's existence or not. Success not implies worldly prosperity, but true and real success everlasting bliss in this world as well as in the Hereafter. Sattar (1988), describes Falah as the achievement of well-being in the present world and the Hereafter.

True success is not confined to transitory worldly and material prosperity but it comprises both successes in this life and in the life after death in the Hereafter, and is
attained by sincere Faith and righteous deeds. To understand the real concept of the true success one should study the following verses of the Qur'an: (2:5, 3:200, 7:8, 157, 9:88, 10:17, 22:77, 23:1, 11:24:31, 87:14).

In Islam business must not solely be directed by profits but also endeavors to uphold and heighten the welfare of human beings. Success (Falah) in Islam is not solely measured by profits or other material gains but also in the pleasure of the Allah (Siddiqi, 1979). While material goals concentrate primarily on goods and services that contribute to physical comfort and well-being, spiritual goals include nearness to God, peace of mind, inner happiness, honesty, justice, mutual care and cooperation, family and social harmony, and the absence of crime and anomie. (3:110, 6:152, 16:90, 23:53, 33:21)

6. How Society can be Benefitted from Islamic Marketing

In Islamic Marketing the ethical standard is not compromised. So it can bring good luck for all the stakeholders in the market irrespective to their race, religion and classes. Marketing is being criticized for charging High Prices, Deceptive Practices, High-pressure selling, Shoddy or unsafe products, Planned Obsolescence, Poor services to the disadvantaged consumers, False wants and Too much materialism, Too much political power, Creating undue competition etc. (Kotler, 2004) Islamic marketing may resolve all these complaints as it must ensure highest level of marketers accountability to the almighty God and they will always be holding the fear of punishment in the hereafter. If the Islamic Marketing is established, society will always be getting pure products and be enjoying the good conducts from the part of the marketers.

7. Conclusion

Marketing affects organizations’ dealings at the marketplace. So marketing should emphasize value-maximization in view of the greater good of the society rather than the selfish pursuit of profit and want maximization. Profit cannot be fair if business does not follow the religious instructions. Only Islamic Marketing and its worldview can ensure a balanced synthesis of both the material and the spiritual dimensions of life satisfying needs of human beings by the proper instructions of Islamic Sharī'ah and can maximize the welfare of the world here and the world hereafter and can establish the brotherhood among all the stakeholders as well as socio economic justice in every sphere of human life.

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