CREATING A GLOBAL ISLAMIC BUSINESS

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Background

The Untapped Global Market
Muslims are a large population with presence on all continents.

- 1.57 billion worldwide, 23% of population, over 200 countries
- 62% in Asia
- 20% in Middle East/North Africa
- Most of remainder (15%) in Sub-Saharan Africa
- Only 2.7% in Europe and North America
- Very small in South America, Australia.
- 300 million (20%) in Muslim minority countries
- India 3rd largest number of Muslims at 161 million
- Russia (16m) has more than Jordan and Libya combined (12m)
- Distribution suggests a divide between rich and poor – most relatively poor
- By 2050 2.6 billion (30%), with over 60% of the under 18 global population
Muslim Population by Region (Millions)

- Asia-Pacific: 973
- Middle East – North Africa: 315
- Sub-Saharan Africa: 241
- Europe: 38
- Americas: 5
Similarities and Differences in Muslim Markets

• Similarities
  ▪ Common faith, values and identity as Muslims
  ▪ Similar dietary requirements (Halal)
  ▪ Similar lifestyle requirements (finance, education, entertainment)
  ▪ Strong sense of community and welfare

• Differences
  ▪ Diverse locations
  ▪ Multiple languages and dialects
  ▪ Various cultural and lifestyle differences
  ▪ Varying degrees of religiosity
  ▪ Varying degrees of education, affluence and marketing sophistication
Some Islamic Values with Universal Emotional Appeal

With a list that contains the following and more, aspiring Islamic brands could attract global audiences, not necessarily just Muslims

- Pure
- Honest
- Consistent
- Fair
- Kind
- True
- Trusted
- Responsible
- Credible
- Intelligent
- Wise
- Communicative
Strategic Opportunities for Creating a Global Islamic Business
Strategic Business Opportunities

- Islamic Country Branding (The Nation Brand Effect)
- Home grown opportunistic brands (often GLC’s)
- Islamic Organisations (Non-profit businesses)
- The Halal Industry (food US$ over 650 billion)
- Islamic Lifestyles (apparel, tourism)
- Islamic Finance (globally small but growing)
- Islamic Education (at all levels)
- Islamic Internet businesses (huge future opportunities)
- Brands for Muslim Women (cosmetics, personal care, media)
- Mergers & Acquisitions, and Co-branding (linking with Western brands)
Some Challenges and success factors for building Global Islamic Businesses
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Summary of Strategies
Some Strategies for Non-Muslim Businesses

• Ride on the reputation and positioning of your existing brand(s) (Nestle)
• Develop new, Sharia-compliant products (HSBC)
• Set up a new Islamic business (Standard Chartered Saadiq)
• Go for the luxury market (cosmetics)
• Create branded, Islamic services (Ogilvy Noor)
• Add more lifestyle products to your portfolio (Unilever)
• Use C-O-O to advantage (Germany, Japan)
• Appeal to Muslim values (Nokia, LG)
• Look for new, growing Muslim categories (media, pharmaceuticals)
• Acquire rising Muslim ‘stars’ (Yahoo)
Some Strategies for Muslim Businesses

- Choose a good and relevant brand name (Ummah)
- Become number 1 in your home market first, then go regional (Zain)
- Look for gaps in the market (Chicken Cottage)
- Go for niche global markets and offer an alternative (Fulla)
- Go up-market in niche positions (Bateel)
- Use Islamic values of universal emotional appeal (Al Rajhi)
- Create partnerships with global brands (RIM-PT Indosat)
- Offer web-based solutions for Muslim markets (Crescentrating.com)
- Acquire western businesses and learn brand management fast (Ülker –Godiva)
There can be no doubt that the next wave of branded business development and success will come from the Muslim world
Thank You!

See you at the

Oxford Global Islamic Branding and Marketing Forum

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www.sbs.oxford.edu/islamicmarketing