E-Marketing Strategies for Islamic Banking: A Case Based Study

Ahmad Roumieh, University of Liverpool, Liverpool, UK
Lalit Garg, University of Malta, Msida, Malta
Vipul Gupta, Thapar Institute of Engineering & Technology, Patiala, India
Gurparkash Singh, Thapar University, Patiala, India

ABSTRACT

This article describes how e-marketing is increasingly gaining interest within Islamic businesses. It is important to consider the extent to which it fits comfortably within principle notions of Islam and Sharia law. An Islamic business should ensure that its e-marketing strategy must be devoid of any contentious or exaggerated claims and there must be no excessive risk. As marketing practices include accentuating the benefits and features of products and services, and downplaying the negative attributes which potentially could lead to a consumer making an informed decision based on this unbalanced presentation. Arguably, this presents a form of risk that may be at odds with the fundamental tenets of Islam. This article presents a case-study of a large bank in Kuwait to identify how e-Marketing can be implemented more effectively to attract new customers and retain the existing ones by critically evaluating the viability of e-marketing strategies for promoting Islamic banking. A set of recommendations are also provided to support all Islamic Banks in the development of an e-marketing strategy.

KEYWORDS

E-Marketing, Financial Products, Islamic Banking, Shariah Islamiyyah, Social Media Marketing

1. INTRODUCTION

According to Hafiz (2013), Islamic marketing is an emerging academic and research domain that integrates marketing theory with the beliefs and practices of Islam. It has given rise to the emergence of Islamic marketing which strives to help bridge the gap between the two bodies of knowledge. This generates a number of interesting issues, not least of which because marketing as an industry sector has a reputation for exaggeration (Kotler, Keller, Brady, Goodman, & Hansen, 2012), as well as an increasing desire to shock a target market through contentious marketing practices and communications (Keller, Paramesanwaran & Jacobb, 2011). However, exaggeration and contentious marketing practices are not consistent with Islamic beliefs. It implies that organizations and marketing practitioners who intend to explore and engage within Islamic cultural context need to carefully plan and design marketing practices that balance marketing best practices and the social and cultural requirements of Islam. This has been achieved with some degree of success and has been a major step towards reaching an appropriate compromise (Amin, Isa & Fontaine, 2013). However, it is important to note that further research is still needed to not only understanding marketing practices and Islamic context, but at the same time building best practices for this emerging area of research. The cultural setting

DOI: 10.4018/JGIM.2018100105

Copyright © 2018, IGI Global. Copying or distributing in print or electronic forms without written permission of IGI Global is prohibited.
of this particular study, therefore, demands inclusion of Islamic marketing principles, which, it is anticipated, will form the foundation of any future marketing strategy.

This paper presents an empirical case-study undertaken at a large bank in Kuwait in order to identify how they can utilize social media more effectively to attract new customers and retain the existing ones by critically evaluating the viability of e-marketing strategies that exploiting social media as a tool for promoting Islamic banking. An internal research within the Bank has determined that a more cohesive approach to e-marketing is required to support both local and international expansion of the bank while considering the cultural context of Kuwait, and the need to observe adherence to Islamic practice.

Both a quantitative and qualitative studies were carried-out as part of the case-study. The participants for the quantitative study comprised of 100 customers of the Bank. For the qualitative interviews, five employees of the Bank were selected to participate to ensure a sufficient number of alternative perspectives. As the theoretical contribution of the research, in this paper a set of recommendations are provided to support the Bank in particular and all Islamic Banks in general in the development and introduction of an e-marketing strategy, which utilizes social media in order to broaden the appeal of the bank and attract a new generation of customers. There are no such recommendations were already available focusing on the Islamic marketing.

This paper first presents an extensive literature review in the domain of Islamic banking followed by the systematic research design. Third section describes an empirical case study for data collection from a large bank in Kuwait in order to identify how they can utilize social media more effectively to attract new customers and retain the existing ones by critically evaluating the viability of e-marketing strategies that exploiting social media as a tool for promoting Islamic banking. An internal research within the Bank has determined that a more cohesive approach to e-marketing is required to support both local and international expansion of the bank while considering the cultural context of Kuwait, and the need to observe adherence to Islamic practices. Section four and five deals with descriptive analysis of the data collected and comprehend upon important findings of the study. Last section suggests a set of recommendations to support the Bank in particular and all Islamic Banks in general in the development and introduction of an e-marketing strategy, which utilizes social media in order to broaden the appeal of the bank and attract a new generation of customers.

1.1. Literature Review

1.1.1. The Growth of E-Marketing

A recent trend that has been observed in organizations is the utilization of e-marketing strategies; especially social media, for raising product awareness within target markets (Goulding et al., 2013). Traditionally, for raising product and service awareness, organizations employed strategy of identifying a target market and then devising a marketing plan or an advertisement campaign. Two trends are revolutionizing best practices in marketing strategies. These include increasing sophistication and the pace of technological development. The second trend is the increasing utilization, penetration and widespread use of social media in the mainstream population and organizations alike. These trends have brought e-marketing strategies and use of social media to design marketing campaigns at the forefront of best marketing practices (Becker et al., 2013). The developments in e-marketing and social media have allowed organizations to not only meticulously define markets, but at the same-time track and measure customer interests and perceptions. This has resulted in customized marketing strategies, efficient creation of e-Word-Of-Mouth (e-WOM) discussions around products and services and effective utilization of marketing budgets. (Healy and McDonagh, 2012). Thus, the benefit of social media lies in its inherent characteristic of instantaneous communication which is personal in nature allowing deeper connection and relationship-building with customers. The very nature of social media offers organizations potential opportunities to build their reputation in the market and construct personalized and deep bond with existing and future customers (Solis, 2010).
Facilitating the Merger of Multinational Companies: A Case Study of the Global Virtual Enterprise
[www.igi-global.com/article/facilitating-merger-multinational-companies/73788?camid=4v1a](www.igi-global.com/article/facilitating-merger-multinational-companies/73788?camid=4v1a)

Culture, Information Technology Choice and Empowerment: Revisiting the Interplay
[www.igi-global.com/chapter/culture-information-technology-choice-empowerment/4528?camid=4v1a](www.igi-global.com/chapter/culture-information-technology-choice-empowerment/4528?camid=4v1a)