

# Don't neglect the Islamic market

OXFORD, UK: A leading expert on Islamic brands is highlighting the untapped potential in Islamic markets which most companies are failing to exploit.



A typical street scene, Cairo, Egypt. (Chris Clarke from Dubai, UAE, via Wikimedia Commons)

The global Muslim market is now over 20% of the world's population at around 1.6 billion, and is expected to increase to 2.2 billion by 2030, situated in both those regions where Muslims are in the majority, but also in other countries where Muslims are a significant and growing minority, including those in the West. The value of Muslim trade is assessed as worth trillions of dollars worldwide.

'The Muslim market represents a significant untapped market' says Paul Temporal. 'These days, when companies are facing ever stronger competition in established markets and while many companies are rushing into high profile regions such as China, India and Brazil, the single biggest market in the world has been largely overlooked. Islamic markets could present a potentially greater opportunity for growth with comparatively little competition from international or local brands. While some Western brands have been active in these markets since the 90s, there is potential for other products and services to enter these markets. With relentless competitive pressure elsewhere and many companies facing hits to their bottom line as traditional markets continue to under perform, Muslim markets could represent a valuable opportunity for many companies.'

## There are valuable market niche opportunities for those companies prepared to cater for Muslim consumer needs

Muslim consumers have been underserved to date with few products tailored to their needs and wants. Western brands often have a cachet and are well-liked, but many of them are not compliant with Shariah law and are not considered to be Halaal. This impacts particularly on some product groups such as pharmaceuticals, cosmetics, food stuffs, beverages and financial products, creating valuable market niche opportunities for those companies prepared to cater for Muslim consumer needs.

'It is clear that Islam as a religion influences the needs and wants of its followers' says Paul Temporal. 'There is the opportunity therefore to develop brands that appeal to this global population. The global Halaal food market is estimated to be worth around US\$650 billion annually, for instance. Companies like Nestle have been manufacturing many of its brands using Halaal processes and securing Halaal accreditation to fast track its growth in Muslim markets. In 2008 Nestle achieved US\$5.2 billion revenue in Halaal products. Others such as L'Oreal see the potential in personal care and cosmetics, particularly with the growth of the middle class in many Muslim markets. There is huge scope for other brands to exploit these opportunities. '

## Rapid social and economic development

A number of Islamic countries are developing rapidly socially and economically. As global citizens, significant numbers

within these populations aspire to branded goods and services both from Western and indigenous providers. However, understanding the subtleties of these markets and the drivers of consumer behaviour are key to success. 'The Muslim market is not homogenous' says Paul Temporal. 'Within the Muslim market there are many different forms of consumer behaviour that are dependent on a wide range of cultural and religious factors.'

Different countries also have different requirements in terms of Halaal accreditation which complicates things, but despite these differences, successful Islamic products all conform to common Islamic principles and values and Western brands can successfully build upon an understanding of these to grow in these markets.'

'There are a number of emerging market sectors which will offer huge opportunities in the future' says Dr Temporal. 'By 2050, over 60% of the world's persons under 18 years old will be Muslim. Research suggests these consumers will keep to their Islamic values and will want appropriate products. Lifestyle products such as fast food, personal care, fashion, cosmetics, media products including social media and digital products are all likely to benefit from this demographic trend. As Islamic finance continues to expand in double-digit figures annually, this embryonic market will attract many more players, including the big high street names in consumer finance from around the world. HSBC and Standard Chartered are already developing products for these markets but there is plenty of room for more entrants and for further product innovation. Halaal medicines and vaccines are also likely to grow rapidly.'

## **Don't expect to have it all your own way**

However, Western brands should not expect to have it all their own way. 'An increasing challenge will come from indigenous brands which are developing in response to successful introductions from multinationals' says Paul Temporal. 'I foresee a time when these Muslim brands will not only command market share in Muslim majority countries but will begin to take on the household names from Western multinationals in their own markets, appealing to Western Muslims.'

Dr Paul Temporal has published a new book on these issues: *Islamic Branding and Marketing: Creating a Global Islamic Business*. [Click here](#) for details.

To discuss Islamic branding with Paul Temporal, please contact the press office at Saïd Business School:

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1. [About the book](#)

2. [Dr. Paul Temporal](#) is a leading global expert on brand strategy and management. He has over 30 years of experience in consulting and training, and is a much sought after international speaker. He has consulted for many of the top

corporations and governments around the world, and is well known for his practical and results-oriented approach.

He is an Associate Fellow at Saïd Business School's Executive Education Centre, University of Oxford as well as a Visiting Professor in Marketing at Shanghai Jiao Tong University. As part of his work, Dr. Temporal directs a research and education project on Islamic branding and marketing.

He is a frequent contributor to the global media and has published numerous bestselling books, including *Advanced Brand Management*, *Branding in Asia*, *Asia's Star Brands*, *Romancing the Customer*, and *The Branding of MTV*.

3. [Saïd Business School](http://www.sbs.ox.ac.uk/) was established in 1996 and regarded as one of Europe's youngest and most entrepreneurial business schools with a reputation for innovative business education. An integral part of Oxford University, the school embodies the academic rigour and forward thinking that has made Oxford a world leader in education and research. The school has an established reputation for research in a wide range of areas, including finance and accounting, organisational analysis, international management, strategy and operations management. The school is dedicated to developing a new generation of business leaders and entrepreneurs and conducting research into not only the nature of business, but the connections between business and the wider world. In the *Financial Times* European Business School ranking (Dec 2010) Saïd is ranked 11th. It is ranked number one in the UK (11th worldwide) in the *FT*'s combined ranking of Executive Education programmes (May 2011) and 27th in the world in the *FT* ranking of MBA programmes (Jan 2011). In the UK university league tables it is ranked first of all UK universities for undergraduate business and management in *The Guardian* (May 2011) and has ranked first in eight of the last nine years in *The Times*. For more information, see [www.sbs.ox.ac.uk/](http://www.sbs.ox.ac.uk/)

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