

What Indonesia teaches us about Islamic Marketing

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Islam is the fastest-growing religion in the world. But to really connect with Muslim consumers, brands need to adopt an Islamic marketing approach shaped as much by local culture as it is by faith. This is especially true in Indonesia, which has more Muslim citizens than any other country in the world.

Despite the title, this article isn't about religion. Instead, it's about how culture and religion are combining to influence the attitudes and spending habits of Indonesian Muslim consumers.

Indonesia is particularly interesting to marketers because it's home to the world's largest

concentration of Muslims. Eighty-seven percent of the country's 260 million citizens are Muslim – and combined they have a vast spending power.

The Indonesian consumer market is currently valued at a staggering \$2.1 trillion, and it's growing by \$500 billion annually. This has created a huge opportunity for global brands willing to adopt an Islamic marketing approach in this market.

Consumers in Indonesia are becoming increasingly influenced by their faith

Very simply, Islamic marketing is designed to be empathetic to Sharia law, which governs, or at least informs, every aspect of a Muslim's life. This is a complex area, and some Muslim countries follow Sharia law more strictly than others.

Indonesia, for example, is very liberal compared to some other Islamic countries and is home to a number of different sects, each of whom follows Sharia law to different degrees. So while Indonesia's Muslims are predominantly Sunni, other sects worship freely here too. Only one province (Aceh) practices Sharia law in its strictest sense.

What's clear though, is that consumers in Indonesia are becoming increasingly influenced by their faith. Three trends stand out:

More people are choosing halal

The halal foods industry in Indonesia is valued at \$500 billion and growing. Consumers are always on the lookout for the latest halal restaurants and eateries. Bloggers such as Halal Corner provide consumers with real-time updates about restaurants with halal certification.

But halal is about more than just food. Wardah, an Indonesian-based cosmetics company, has had great success with an 'always-on' halal communication regarding premium beauty

care. And Wardah's visuals always include hijab- and non-hijab wearers, emphasizing the brand is for all Muslims – however strictly they observe – and everyone else too.

This message of inclusivity is important in Indonesia, which has a very collective culture. As MediaCom's Cultural Connections study tells us, Indonesia is a 'We' not 'Me' country. People here are concerned about the welfare of their peers and community.



Islamic fashion has gone mainstream

Turn on a TV or open a magazine and you are likely to see a celebrity wearing a stylish hijab. That's because Islamic fashion is part of mainstream culture in Indonesia.

Events like the Jakarta Islamic Fashion Week are growing every year, while movies big on Islamic sentiment are increasingly popular. Dramas like *Ayat-ayat cinta*, *Ketika Cinta Bertasbih* and *Emak ingin naik haji*, all of which speak about Islamic life, have had a big impact.

An interesting consequence is that online search queries in Indonesia are now dominated by Islamic topics. In 2016, the nation's top three search queries were: 'Religion', 'Cantik-

islam' (being beautiful), and 'fashion' (baju, busana). 'hijab' also ranks highly.

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Brands have reacted to the growing demand for Islamic fashion in different ways. Some digital platforms, like branded YouTube channels, now have special tabbed sections for 'hijab' tutorials and in many content portals relating to fashion and lifestyle, hijab is present as a separate tab.

There's also a demand for Islamic fashion online. HIJUP, launched in 2011, is known as the world's preeminent e-commerce platform for Islamic modest fashion. It was also one of the first Muslim lifestyle companies to receive funding from global investors.

HIJUP offers private shopping via messenger apps, including WhatsApp, BlackBerry Messenger, and Line. It uses paid search to sell hijabs, dress, hair care and halal cosmetics.

More people are investing in Islamic finance

Global Islamic banking assets are currently valued at more than \$1.1 trillion and growing 18% year-on-year. But while Islamic finance was introduced in Indonesia more than two decades ago, it's still only a small part of the overall banking system.

Indonesian Islamic banks hold roughly 5% of total banking assets. This compares with more than 20% in neighbouring Malaysia and about a third of total banking assets in several Gulf countries.

In recent years, however, the Indonesian government has launched a national plan to develop its Islamic finance industry via two key initiatives: lending support to more charity

projects and granting interest-free savings for Indonesian pilgrims planning a Hajj visit to Mecca in Saudi Arabia.

The government's goal is to see Islamic finance take as much as a 20% share of the financial sector in 10 years. It has also committed to boosting its use of Islamic debt instruments to as much as 50% of total issuance in 10 years. Currently, Islamic instruments represent around 13% of total outstanding government debt.



Adopting an always-on approach

Festivals such as Eid and Ramadhan provide obvious opportunities for brands to reach Muslims with Islamic marketing messages, and advertisers in Indonesia are doing this in increasingly sophisticated (and collective) ways. Since 2014, Google and other brands have completely digitised Ramadhan, with activities such as live broadcasts of daily prayers from Mecca.

FMCG brands are particularly active at these times, targeting families when they come together. In Indonesia, advertisers sponsor Ramadan-related content (including TV shows and the YouTube Ramadan channel) and drive social conversations about topics they can

Speak credibly about (family, homecare, cooking).

But successful Islamic marketing needs to go beyond key calendar dates. Just as adherents practice their faith every day of the year, so too should brands that are serious about creating real and strong consumer loyalty. They can't just share Islamic messages sporadically and expect Muslims to embrace them. Instead, brands need to adopt an always-on approach.

They might do this by including Islamic actors and actresses in their ads, or more explicitly by introducing new product lines for Muslims. In Indonesia, hair brand Dove, for example, features groups of Islamic women in its TV ads.

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Other brands, like Persil, Pril and The Body Shop, also feature immediately identifiable Muslim consumers in their campaigns. Going one step further, hair care brand Sunsilk introduced a shampoo into Indonesia specifically targeted at hijab wearers. It now speaks credibly to Muslims year-round.

This isn't the only example of brands changing their approach in Indonesia to comply with Islamic law or culture. When McDonald's started selling ice cream in the region, for example, it used Halal-approved products. As a result, McDonald's took share from Haagen-Dazs, which did not have the same certification.

Some brands, including Saaf Cosmetics and Colgate-Palmolive, have gone a step further by following Sharia law through every stage of their business process, from manufacturing to branding.

Lessons that work across borders

In Islamic markets like Indonesia, making sure your products are acceptable to an Islamic audience isn't just a 'nice to have' anymore, it's a 'must have'.

The first step for brands embarking on this journey is to research current interests and conversations around faith. They also need to map out where their brand is missing opportunities and where it might play a positive role.

While Sharia law isn't enforced across the whole of Indonesia, the global brands that are growing here are those that have adapted their messages to conform in some way.

The most compliant brands are also giving themselves a chance to extend their messages beyond Indonesia into other Muslim territories. But to work elsewhere, of course, they will need to be sensitive to the specific beliefs and behaviours of Muslims in those target markets.

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