

Conference Paper

Marketing Mix 7Ps in Islamic Perspective

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Abstract

There are so many strategic concepts in business that are offered. Islam views trade as an important factor in human life as long as the process is in line with Islamic teachings relating to business behavior. Specifically, Allah SWT destined the Prophet Muhammad to be a successful entrepreneur before his prophetic life. Because Islam is a way of life, the marketing code of ethics must be guided by the Quran and Hadith, the two main references that Muslims obey to succeed in life and the hereafter. Until now, the term marketing and the existence of Islam and its acceptance is still a widely debated issue among academics, students, practitioners and consumers, especially in non-Islamic countries. Because there are arguments from experts that Islamic marketing is important in contemporary commercial activities, the 7P concept in marketing must be combined with Islamic principles. The 7P concept was chosen because of its wide acceptance as the main pillar of marketing. Therefore, the purpose of this paper is to develop an understanding of 7P based on Islamic and contemporary marketing perspectives, which explains how the marketing mix in the perspective of Islam, which in practice must be in accordance with the rules in force in muamalah, this regulation does not harm consumers and producers. A thorough discussion related to the issues mentioned will provide an in-depth understanding of each of the 7Ps elements.

Keywords: Islamic Marketing, Marketing Mix7Ps.

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Received: 10 February 2019

Accepted: 14 March 2019

Published: 28 March 2019

Publishing services provided by
Knowledge E

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Selection and Peer-review under the responsibility of the ICIEBP Conference Committee.

1. Introduction

Marketing as defined by Chartered Institute of Marketing (2009) is the management process responsible for identifying, anticipating and satisfying customer requirements profitably. A broader understanding of marketing is defined as a strategic and competitive plan pursued by top management which is supported by a set of functional activities performed by line managers and a customer-driven orientation practiced by the entire organization members with the aim of a profitable relationship (Lovelock, 2011). Nevertheless, Islam viewed commerce as a vital source for a person to make a living as long as the process is in parallel with Islamic teachings pertaining to the proper ways of doing business. Notably, Allah SWT destined Prophet Muhammad SAW to be a successful businessman before his prophetic life (Antonio, 2007; Trim, 2009). Since

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Islam is a Muslims' way of life, the marketing code of conduct should be guided by the *Quran* and *Hadith*, which are the two main reference sources for Muslims in order to be successful in their lives and the hereafter.

To date, the issues of Islamic marketing remains a much heated debated amongst academics, students, practitioners and consumers as the demand and interest for the particular issue become questionable between Muslim minorities countries and Muslim majorities countries (Wilson, 2012). However, marketers play a critical role in delivering products and services to keep pace with the sophisticated customer's expectation. Consequently, companies are expected to deliver their products and services in a morally acceptable way. Therefore, Islamic marketing provided an avenue for the implementation of a morally acceptable way of marketing. Islam is a comprehensive way of life which provide rules for everything including commercial activities (Arham, 2010). On this regard, Allah SWT states the issues through one of the Quranic verse which is as follows:

O you who believe! Eat not up your property among yourselves unjustly except it to be a trade amongst you, by mutual consent. And do not kill yourselves (nor kill one another). Surely, Allah is Most Merciful to you (Quran 4:29).

In particular, Islamic marketing could be potentially significant in contemporary commercial activities. The concept of 7P's in contemporary marketing is proposed to be merged with Islamic marketing perspective as the 7P's is considered as the basic pillars for understanding the nature of marketing. Moreover, the concept of 7P's of services marketing are needed to create viable strategies for meeting customer needs profitably in a stiff marketplace (Lovelock, 2011). Therefore, the purpose of this paper is to develop the understanding of 7P's based on the integration of both Islamic and contemporary marketing perspectives.

2. Research Method

This study uses descriptive qualitative method. The research develops concepts and fact compilation with internet and literature studies, yet does not conduct hypothesis testing (Utami and Purnama, 2012).

3. Result and Discussion

3.1. The 7P's of contemporary marketing

Traditionally, the pillars of marketing were known as 4Ps which stands for Product, Price, Place and Promotion. However, as the customers are becoming more sophisticated, three further 'Ps' were added mainly for service industries namely People, Process and Physical Environment. Nowadays, these considerations are known as 7P's of marketing and sometimes called as the marketing mix (Lovelock, 2011).

- Product elements – Service products consist of core and supplementary (value-added) elements.
- Place and time – Service distribution through physical and non-physical channels.
- Price and other user outlays – Generation of incomes and profits with consideration of other customer costs.
- Promotion and education – Provide information, persuade customers and teach customers to become effective through the service process.
- Process – The operation of inputs and outputs from marketers/sellers to customers.
- Physical environment – Design servicescape (physical appearance) and provide tangible evidence of service performance.
- People – Interactions between customers and contact personnel which can affect their satisfaction.

3.2. The 7P's in Islamic marketing

The new wave of reciprocity-based and consumer driven marketing requires much more pillars than the regular 4P's of marketing. In the case of Islamic marketing, Wilson (2012) has added 7P's from the Islamic perspectives which defined the elements as the following:

- Pragmatism – Assessing the truth and meaning of theories which grounded in an applied scientific and real world/time approach.
- Pertinence – Demonstrating relevance and applicability.
- Palliation – To close the gaps and make difficulties less severe whilst accepting that many of the root causes may never disappear.
- Peer-support – Identifying and engaging with social networks of stakeholder groups with authenticity.

- Pedagogy – Empowering stakeholders through providing transparent instructional concepts, methods and practices regardless of whether they are marketers, academics or consumers.
- Persistent – Continuous work regardless of any difficulties.
- Patience – Laying the foundations for subject longevity.

3.3. Discussion

The concept of Islamic marketing could be significant if it can incorporate with the modern marketing concept (Arham, 2010). In this part, the authors would like to present the realization of Islamic teachings into marketing mix so-called 7P's.

1. Pragmatism and Product

For this first P, the authors would like to address the relevancy of integration of pragmatism and product. Wilson (2012) defined pragmatism as reviewing the truth and meaning of theories or beliefs that are applicable in the real world. Whereas, products are meant to provide core benefits and value added services to customers (Lovelock, 2011). This concept of product and pragmatism are in line with Islamic teaching whereby Prophet Muhammad SAW chose to sell commodities which are needed by all people and are not rotten (Trim, 2009). Besides, Prophet Muhammad SAW prohibited to mix the low quality and the high-quality products on the same place (Al-Fatih, 2009) cited by Arham (2010).

2. Pertinence and Promotion

For the second P, the concept of pertinence and promotion should be incorporated. Wilson (2012) describe pertinence as relevancy and applicability of Islamic marketing to be incorporated into the traditional marketing curriculum among UK business schools. The rationale behind the integration of pertinence and promotion is that the concept emphasizes on the dissemination of proper information to the customers. At the same time, the customers are educated on the practicality and benefit received through the use of the products or services. This concept is in line with Islamic teaching whereby products should be communicated within ethical boundaries as Islam prohibits the practice of over promising so that the customers do not get frustrated (Trim, 2008; Arham, 2010).

3. Palliation and Price

For the third P, the incorporation between palliation and price could be meaningful as palliation portrays the minimization of difficulties faced by marketers and customers (Wilson, 2012). Meanwhile, price does not only determine the income or profit obtained by the company but it also recognizes the customer costs which can be more than the price paid for the seller (Lovelock, 2011). In this case, an example of palliation is by providing discounts to the customers and engaging in cost-cutting measures in order to ease or relieve their burden of making a purchase when the economy is affected by cost-push inflation. Hence, the integration of these concepts is in line with Islamic teaching whereby Prophet Muhammad SAW sold his products based on sales volume and with a price which could be absorbed by the market (Trim, 2008). Possibly, this strategy enlarge his market share with such pricing (Arham, 2010).

4. Peer-support and People

For the fourth P, the integration of peer support and people allows for a continuous and mutual effort among the marketers in building positive relationships with both the internal and external stakeholders. Peer-support is defined by Wilson (2012) as engagement with social networks of stakeholder with authenticity, while People is termed as the interaction between marketers/sellers with internal and external customers (Lovelock, 2011). Thus, the authors suggests that these concepts should be emerged as it provides a quite similar meaning and understanding. Moreover, Sula and Kartajaya (2006) cited by Arham (2010) stated that customers or buyers should be treated well. In addition, Prophet Muhammad SAW provides an exemplary business partner role in terms of ethical conduct as Prophet Muhammad SAW never quarrelled and cheated with his stakeholders (Antonio, 2007).

5. Pedagogy and Physical environment

For the fifth P, the authors suggests that the pedagogy and physical environment should be incorporated as a single concept. Pedagogy is referred to as empowerment to stakeholders by providing transparent instructional concepts, methods and practices (Wilson, 2012). Meanwhile, physical environment is defined as the design of service environment which lead customers to recall the company for profitable relationship (Lovelock, 2012). In the case of Prophet Muhammad SAW, his name was already the guarantee for quality, honesty and integrity (Arham, 2010).

6. Persistence and Process

For the sixth P, the integration of persistence and process seems to be relevant in Islamic marketing a persistence is defined as continuous work regardless of troubles and hardships (Wilson, 2012). Meanwhile, process refers to the best practices in delivering products and services to the customers with the aim of making them happy and satisfied (Lovelock, 2011). The concepts of persistence and process are vital in the marketing mix as customers may have the first impression based upon the delivery process and persistence depicted by the marketers. Since Islam teaches its followers to arrive at a mutual agreement in the process of buying and selling, failing to meet the conditions of the agreement will cause the delivery process to be unacceptable (Ayub, 2007).

7. Patience and Place

Last but not least, the seventh P which incorporates patience and place as a single concept ensures that marketers abide to fair and ethical business conduct when distributing their products and services. Wilson (2012) refers patience as the underlying the fundamental of subject endurance, whereas place is defined by Lovelock (2011) as service distribution either through physical or non-physical channels. In dealing with customers, Prophet Muhammad SAW asked sellers not to conceal anything to their customers during transactions (Trim, 2008). Moreover, Prophet Muhammad SAW did not allowed sellers to sell something that does not exist. Besides, sellers were not allowed to go to other buyers unless the first negotiation failed. Prophet Muhammad SAW taught Muslims to prioritize the first customers/buyers in order to satisfy and respect all the customers (Trim, 2009).

4. Conclusion

Based on the above discussion, it is believed that the Islamic perspectives towards 7Ps of marketing should not be separated from the contemporary marketing mix. The integration of both Islamic and contemporary marketing as will bring an in-depth understanding on each elements of the 7Ps that fits into current understanding of Islamic management and Muslim customer behaviour. In addition, the marketing mix can be potentially considered as one of the ingredients for Muslims and even the Non-Muslims to succeed in the business world. Furthermore, the integrated concepts derived from both traditional Islamic theology and modern business practices, can be academically and practically relevant to Western marketing practitioners and academicians who are not prejudiced to acknowledge the new concept of Islamic marketing. Besides, this study could provide valuable new insight on related issues surrounding Islamic marketing,

namely the demarcation of *halal* and *haram* in the F&B trade, usury-free, *gharar* (uncertainty) and *syariah*-compliant business conduct, and honesty and modesty in advertising. It is believed that future studies on Islamic marketing should be aggressively embarked with the objective to bind together the various discrete knowledge of Islamic business practices and to gain acceptance from the scientific community. On the other hand, the outcome of the integration of the 7Ps from the Islamic and contemporary marketing perspectives should be refined and evolved into a full-scale theoretical model with a measureable valid research instrument that can be used for the investigation of a causal-effect relationship.

Acknowledgements

The author would like to thank the Department of Islamic Economics, University of Indonesia Education and Airlangga University, Surabaya for facilitating the publication of this paper, may Allah SWT give blessings and affection to all of us.

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