



Is Islamic Banking Another Marketing Gimmick?

Asma Zeeshan *

Ms Department, Bahria University, Islamabad, Pakistan

Abstract: Islamic banking has proliferated in the past three decades in more than 75 countries globally. The banking system is portrayed as following Sharia law in its true sense, whereas it's not following it, which many religious scholars question. Therefore, this study aims to develop an understanding if there are significant variances in Islamic marketing and conventional being practiced by banks in Pakistan to have answered the following questions. Whether Islamic banks use true Islamic practices or practice Islam as a symbol to market their services? How are banking activities of Islamic banking different from those of conventional banking? Do marketers of Islamic banking use symbolic consumption theory to exploit Muslim customers? This paper follows a qualitative approach to find out whether Islamic banking is practicing Islamic marketing. If not, then how it's market share is increasing so rapidly? Alternatively, is it due to symbolic interactionism due to which Islamic banks are growing rapidly? Our analysis suggests that it is due to symbolic interactionism that Islamic banks are rapidly increasing. Whereas Islamic banks portray that marketing and operations of Islamic banks are Islamic Sharia-compliant, however, these are not practiced. Findings of this study are important as these would help banking firms offering Islamic banking services to better base banking operations on true Islamic sharia laws and develop marketing communication strategies that follow Islamic ethical values and concepts of Halal.

Keywords: *Islamic banking, symbolic interactionism, Islamic marketing, and Sharia compliance, Sharia law, market share*

Received: 15 January 2021; **Accepted:** 18 May 2021; **Published:** 26 June 2021

INTRODUCTION

Islamic marketing is an emerging discipline, which has gathered much consideration from researchers and practitioners in the past few years. The underlying reason for increased interest in Islamic marketing is Muslims' identification as an untapped segment in the business world (Pettigrew, 2006). Therefore, marketers put their effort into enhancing their market share by using new strategies that cater to the untapped segment.

However, it is a matter of great concern that marketers use conventional marketing techniques for Muslims and call it Islamic marketing, as we know that while making the Islamic marketing strategies, marketers should never ignore the Islamic principles (Wilson & Liu, 2010). Therefore, Muslim marketers should endorse that all aspects of marketing strategies are in harmony with the code of practice stipulated in Islam, as Muslim consumers prefer those products and services, which comply with sharia laws (Jumani & Siddiqui, 2012). Abiding Muslims to sharia law is not limited to food only but inter-alia clothing, finance, hospitality, cosmetics, and the banking sector.

Generally, Muslims in a developing country like Pakistan follow Islamic sharia laws in every aspect of life other than banking and financial services. The only services offered by the conventional banking system are interest-based, which is verboten in Islam. Most of the Muslims were uncomfortable taking services from conventional banks

*Correspondence concerning this article should be addressed to Asma Zeeshan, Ms Department, Bahria University, Islamabad, Pakistan.
E-mail: asmamasood872009@gmail.com

(Ahmad, Rustam, & Dent, 2011). This apprehension led to the introduction of Islamic Banking. Hence, the introduction and development of the system went on for the next few decades.

There is a rise of Islamic Financing around the world, and there is also an increase in confusion among Muslims about whether Islamic Financing is "Islamic" in the real sense or is it just a vinaigrette of the old interest-based banking system to lure more Muslims as customers. Though there are minor differences between conventional and Islamic banking services, confusion exists over the banks and the consumer's criteria (Sun, Mohamad, & Ariff, 2017; Wulandari & Subagio, 2015). Therefore, the authors hypothesize that the marketers of Islamic banking Pakistan use Islam as symbolic interactionism to accomplish their marketing goals.

In a Muslim country, products and services offered to Muslims are according to Islamic sharia law, but the marketing strategies adopted are not following Islamic principles. Whereas, the Islamic banks have a major controversial issue that they are not following sharia law and using Islam as a symbol in their marketing strategies to lure the Muslims and claim to be using Islamic marketing strategies.

Research Objectives

This study endeavors to understand any differences between Islamic marketing and conventional marketing done by banks in Pakistan to answer the following questions. What kind of marketing strategies are used by Islamic banks? Whether Islamic banks are Islamic in their true spirit or use Islam as a symbol to market themselves? How are the operations of conventional banking different from Islamic banking? Are marketers using symbolic consumption theory for exploiting Muslim customers? This study is limited to studying the marketing of services offered by Islamic banks and Islamic branches of conventional banks in Pakistan. The remaining study follows the structure in the following order. Section II details the review of the literature. Part III gives the methodology used for this study. Moreover, Section VI discusses the results, conclusion, and recommendations.

LITERATURE REVIEW

Islamic Marketing

Islamic and conventional marketing has no such differences other than the one "the assurance of Halal." The word "Halal" is necessary to be shown in Marketing tools of Islamic products as it's a symbol that the product is eligible to be used or consumed by Muslims according to Islamic Shariah. Conventional and traditional marketing is a managerial process by which the individuals and groups called customers or consumers identify their needs and wants by exchanging and generating products and their value with others (Abdullah & Ahmad, 2010). The marketing process involves the 4P's Product, Price, Promotion, and Placement. This process includes the planning and executing an idea with deciding the price, promotion, and placement of a product or service or combination of both (Jamal & Goode, 2001). The marketing strategies rely only on attaining customer satisfaction; adding value to the product or service through marketing channels can maximize it (Kotler, 2009).

Conventional marketing typically focuses on satisfying the customers and marketer profits (Alom & Haque, 2011). Conventional marketing does not cover the benefits that are related to the welfare of society or individuals. Moreover, marketing is a tool used by businesses to satisfy their customers and is not concerned with religious perspectives, although Islamic marketing also focuses on the consumer needs but in respect of Islamic perspective (Ahmad et al., 2011). Islamic marketing is the process of identifying and implementing strategies concerned with the welfare of the stakeholders and society regarding the principles of the Holy Quran. In other words, Islamic marketing is a process that focuses on gaining wisdom. Islamic companies' marketing strategies satisfy their customers by delivering Halal pure lawful Food with the consent of the buyer and seller. Islamic marketing emerges in the conjunction of Islamic law and ethics. It starts when the marketer understands the need for a huge market, "Muslims," who use products according to the Halal principle, equity, and justice. Muslims are a group of people who always use the qualified product with the title "Halal." However, the marketing of Halal products has not been part of marketing from the starting; it emerged with time as it is the ethical responsibility of the marketers to show the label of Halal so they can satisfy the customers, especially Muslims to show that they are also the part of this product (Abdurrahman & Osman, 2017).

After the emergence of Islamic marketing has created opportunities for Muslim businesses for value maximization and for the societies who are following the Quranic principles and the Sunnah of Holy Prophet PBUH, it has also been observed that the Muslim economies are based on the Islamic system and stimulate their operation under the Brand "Islam" (Razalli & Hasnan, 2017). Islamic marketing emerged from the concept of traditional marketing and

the Quran by following simple requirements represented by the Quran: Physiological needs and need of safety, which enlightens customers' demand (Quran, 20:118-119; 17:29). Islamic markets represent the marketing thoughts and practices of the Muslim markets, which are graded according to the arrangements of Islam (Daabes, 2018). The Muslim markets' behavior is understood by their religious and cultural conceptions, thus affecting the economic decision of these markets.

Conventional marketing definitions do not fulfill the requirement of Islamic marketing as it is targeting a specific market whose culture, values, and norms are related to its religion (Abdullah & Ahmad, 2010). Three things differentiate conventional marketing from Islamic marketing: first, intentions of the marketing which belong to Allah, second, is the Islamic benchmark that means applying any concepts that make the marketing process, and third, the exchange process as the tool to achieve Allah's blessing.

In Islamic marketing, the word "Tasawwur" is used to define Muslim actions that will help Muslims understand that nothing is beyond Allah's control, and nothing can change the statement of Allah. Islamic marketing is different from conventional marketing as it extremely focuses on the welfare of society or individuals because according to the principle of Islam, every action should be in favor of society or individuals (Ali, Zainuddin, Rashid, & Jusoff, 2009).

In Islamic marketing, the planning and execution of the strategies for pricing, distributing, placement, and promotion of the products are based on the needs of the consumers but according to the regulation of the Islamic Shariah and Islamic traditions (Abdullah & Ahmad, 2010). The main purpose of Islamic marketing is to achieve the spiritual wellbeing of the world and work for the betterment of the people, not only to achieve for the material world.

The Islamic perspective defends the materialistic approach so the people can enjoy their job and increase job satisfaction, but Islam does not only support to be only materialistic. Islamic marketing takes the blessing of Allah as the ultimate goal (Awan & Bukhari, 2011). Islam emphasizes on trading to satisfy the needs of the human. Trading has certain rules that emphasize humans not performing actions that are not in their favor and favor others. Islam has prohibited Muslims from acquiring the assets or property of others, not stealing, not rob, no to manipulate, not cheating, not bribing, and does not allow to take someone's asset through illegal means and emotional manipulation. Islamic marketing encourages people to give accurate information about their assets and does not hide any important information that leads to Gharar. Gharar is known for the negative elements: fraud, danger, risk, uncertainty, deceit, or anything that leads to destruction or loss (Kamarulzaman & Madun, 2013). In conventional marketing, many ethical issues negatively affect society, which sometimes violates trust with customers (Solomon, Russell-Bennett, & Previte, 2012). The unethical issues in marketing are the misrepresentation of goods, price deception, company capabilities; it happens when people want to work for their interest, not in people's interest. These unethical issues should not be part of Islamic marketing, as Islam does not support and prohibit the unethical activity. The main difference is that Islamic marketing should be based on the Quran and Sunnah principles and emphasize the concepts of justice and equity, but conventional marketing is based on the principles made by humans and does not have ethics and justice in general (Abdullah & Ahmad, 2010). The guidelines given by the Quran and Sunnah benefit Islamic marketing to work in the interest of people and themselves, but traditional marketing leads to complications as there is no proper solution and rules and humans themselves solve all problems (Samah, Jusoff, Nor, & Suliaman, 2011).

Symbolic Interactionism

Consumers are often motivated to buy goods to represent themselves in their society with the belief that certain products are a symbolic representation of themselves in society or help them to associate them to some societal referent. The theory termed symbolic interactionism explains this behavior. Marketers understand the concept of symbolic relevance; that is why they gave careful attention to this concept by implementing it within their marketing strategy. Symbolic interactionism is the theory that studies the symbolic purchase behavior of the consumer. This purchasing behavior occurs when there is high competition in society, and people wear goods to compete within the expectation of the society or to represent the symbols attached by society. These products in symbolic interactionism work as social tools to communicate symbolically with the individual and to referents. For example, blue jeans are a symbol of informality in some societies.

Similarly, one may understand it by the concept of brand consciousness; the consumers who are conscious of using brand are mostly using it to represent them different from others through their brand (Doster, 2013). Advertising and marketing communications play an important role in transferring symbolic meaning. The symbolic interactionism literature was discussed for the first time in the mid-1950s. The referent group strongly influences the consumers

who are part of symbolic interactionism. The consumer first identifies a particular group for its social circle and then identifies which clothes are meaningful to those group members. If the consumer believes that symbolism is important, he will tend to behave in a manner that is acceptable and suitable to the eyes of those group referents (Hosany & Martin, 2012).

The process of symbolic meaning transfer starts when the individual first conveys the symbol attached to the product and then proves its importance to represent group members (Doster, 2013). The group then identifies aspiration group members and, based on their adoption, rewards, etc. For instance, a person who desires to consider himself a part of the country club will notice the current members, their dressing, and their domestic luxury automobiles. This individual will buy a luxury automobile because he perceives that purchasing an automobile will attract the important group referents, and hence they would share their symbolic values with him and accept him as a group member (Leigh & Gabel, 1992). Reference groups are another factor that leads to the purchase of many products by the consumer as basic functional performance does not form the basis of the purchase of many products. One may observe that symbolic relevance sometimes leads to the purchase of certain products (Leigh & Gabel, 1992). Symbolic interactionism has effects on the purchase of services as well as physical goods. Marketers should observe this symbolic purchase behavior of consumers and take advantage of creating a brand as a symbol for individuals to create the brand more symbolic for the consumer. Thus, this will help attain a competitive advantage by creating a symbol in the consumer's mind. That will help the consumer differentiate a brand from another brand; marketing programs should target the consumers to whom the symbolism is more relevant (Hudson & Balmer, 2013).

Islamic Banking

Islamic banking and finance are based on halal branding, as it is the concern of the majority of Muslims. Halal branding is concerned with Halal products because 95% of Muslims believe in the concept of the afterlife and the Day of Judgment (World Values Survey, WVS). The Day of Judgment identifies the good and bad deeds performed in the world, and based on good deeds, they can enter Jannah (Wilson & Liu, 2010). This belief of afterlife judgment makes the Muslims conscious about their actions for using Halal products because Islamic Sharia prohibits consuming products that are not Halal products. This evaluation of their actions makes them decide based on ethics, morality, and justice as the reward of their good action will provide them entrance in Jannah. This evaluation helps them to avoid certain goods and services which are not in favor of their afterlife.

According to Wilson and Liu (2010) study, the Halal symbol has been recognized by many companies, but still, the actual brand recognition is not complete yet. When the companies acknowledged the Halal logo in their products, it raises the issue that it demolishes the corporate names because of the existence of the Halal logo in the product. It happens especially with small-scale companies or with low brand image companies. It confuses the consumers to distinguish that Halal Brand means the Halal ingredients or the logos. The study by Wilson proposes that Halal Certification bodies should administer the Islamic banking industry. They must decide the ingredients, values, and practices for the Islamic companies' activities. Halal-conscious customers are risk-averse, sensitive, and have high-involvement behavioral traits (Wilson & Liu, 2010). The marketers are aware of the Halal consumer traits and understand their emotions and, according to it, push the brand messages. Islamic banking has initiated certain products that hit the emotional involvement of the Muslims and engaging their customers with the brand through the Halal name. The halal paradigm especially involves the Muslims through the strategies of using interest rates in respect to Islam.

It was found by Erol and El-Bdour (1989) that customers are motivated to Islamic banking by peers more than by religion. It concludes by investigating customers' perception of Islamic Banking in Jordan through techniques including univariate and multivariate statistics. People often look up to each other when deciding whether or not to shift from conventional banking to Islamic Banking. Customers are often well aware of the profitability of both systems and how the profits vary among different banks. People in Malaysia consider the institution's reputation, the prices of products, and whether such comply with Islam (Dusuki & Abdullah, 2007).

Malaysia has the most experience with Islamic banking since it is among the few developed Islamic nations and has been working on it for a long time. Each conventional bank in the country is known to offer Islamic services because of the tendency of the people to prefer the Islamic system. According to a study conducted by (Ali et al., 2009), customer satisfaction amount Malaysian Islamic Banking users will be highly impacted if the banks offered more variety in products if they want to compete with conventional banks. Conventional banks offer more variety, and Islamic banks will have to respond to such strategies offering sought-after services if they want to compete. Service

quality and the variety of products were directly related to customer satisfaction by another such study carried out by (Estiri, Hosseini, Yazdani, & Nejad, 2011). Results from both these studies are in agreement with the outcomes of other studies, including those of (Othman & Owen, 2001; Parasuraman, Zeithaml, & Berry, 1988; Parasuraman, Berry, & Zeithaml, 1991).

Amin, Isa, and Fontaine (2013) found out that in Malaysia, Islamic Banking that keeps the highest level of trust among customers is that the products comply with the Sharia Law (Kishada & Wahab, 2015). The staff needs to be more focused on customer satisfaction to build goodwill among customers by improving service quality and raising more awareness, and it will keep growth steady. Another study in Turkey concluded that customers could never be satisfied when they do not trust banks over whether such banks are Sharia Compliant. It was a consistent tendency among both educated and uneducated populations. Among these findings, it also concludes that many customers are ignorant of various Islamic Banking products, which shows low awareness among such customers.

Another study in Bahrain found that Islamic Savings and investment products are more famous among customers than products related to Islamic Financing (Metawa & Almossawi, 1998). Further, this study finds out that being Sharia Compliant is the primary factor, followed by the rate of return for a bank to be selected by a customer. However, in Pakistan, there is a slight difference in the tendencies among customers, where customer service and product features ahead of religion and Sharia-compliance when selecting an Islamic Bank (Awan & Bukhari, 2011). Many other studies arrive at the same results (Abdullah & Ahmad, 2010). Many customers want to buy Islamic Products, but they still don't buy because they are not sure about the nature of the products when it comes to their compliance with the Sharia (Khattak et al., 2010). Many customers would rather not invest when they are not sure about the banks.

Earlier studies in Pakistan have highlighted the confusion among the users of Islamic banking and have led to more investigations about the difference between perception and reality. This study aims at exploring answers to three objectives. First, to develop an understanding of how Islamic marketing is different from conventional marketing and Islamic banks practice it. Second, to examine how symbolic interactionism increases the market share of Islamic banks and Islamic banks employ what marketing strategies. Third, to enhance the understanding of the difference between conventional and Islamic banks and are Islamic banks are sharia-compliant or just using the name of Islam.

METHODOLOGY

This study was carried out within the Islamic banking sector of Pakistan as it has great relevance to our research area. For in-depth insights, we conducted a qualitative study (Cassell & Symon, 1994). Quantitative studies, detailed views of managers, and an in-depth understanding of the phenomena are not possible.

Sample and Data

This study was carried out within the banking sector, offering Islamic banking services in Islamabad and Rawalpindi, cities of Pakistan. Participants of the study were working at managerial positions at various banks, who were at senior positions and could give better insight. In the early stages of the data collection, we sought to ensure a diverse sample to match the fact that current literature has examined Islamic banks with various samples. Thus, we started with snowball sampling and then used a purposive sampling strategy. Participants of the study were approached through personal/professional contacts of the authors, as this approach was deemed appropriate. The interview guide was prepared for participants, using standard techniques of semi-structured interviews (Kvale & Brinkmann, 2009). We interviewed twenty-five bank managers (male and female) representing different banks, working at Islamabad and Rawalpindi of Pakistan.

Data Collection

Primary research conducted in the project followed standard qualitative semi-structured interviews (Kvale & Brinkmann, 2009), which enabled the discovery of participants' perspectives and experiences. The open-ended questions developed for the study could explore unforeseen data and reduce the researcher's influence. Open-ended interview questions for semi-structured interviews to explore the research objectives of the study.

Semi-structured interviews provide the means to collect data to explore informants' naturalistic interpretations of "Islamic marketing" and "Islamic banking" based on the informants' perspectives and words. The interviews began with a briefing about the purpose of the study and areas intended to be explored by this study. Initial questions to participants include: Share your understanding about the marketing of Islamic banks? How would you differentiate

Islamic marketing from conventional marketing? Why are customers attracted to Islamic banking? What is the difference between Islamic banking and conventional banking? We then asked several probing questions. The interview sessions lasted from thirty to fifty minutes, with most of the interviews completed in the twenty to fifty minutes range. Interviews began with a brief description of the study and getting informed consent from all the participants included in the study. After seeking the written consent, all the interviews were audio-recorded for transcription and imported to software (QSR's NVivo version 10) for analysis. The researchers assured participants of maintaining the confidentiality of responses. All the interviewees happily permitted audio-recording of interviews.

A coding structure was used to uphold the anonymity of interviewees; the analysis did not incorporate real names or personal identification. The first part of the code represents the participant number, and the second part describes the gender. The third part of the code represents the age of the participant. For instance, code 1-35-M represents a person who is male thirty-five years old.

Data Analysis

This study follows a thematic analysis approach, which is typical of qualitative studies. Thematic analysis categorizes, unifies, and conveys meanings to patterns seen systematically from the data set (Rice & Ezzy, 1999). The beginning of the analysis identifies basic themes and ideas from reading the literature on Islamic Marketing and marketing strategies. After importing transcribed interviews into N-Vivo, initial analysis observes different patterns, which are used to enhance the coding using basic themes and concepts identified from the transcripts into an ordinal structure by following the guidelines of (Strauss & Corbin, 1998). The analysis of patterns in the transcripts reveals themes and sub-themes. Afterward, the same process was carried out to group all similar discussion topics under one major group. Transcriptions were reviewed to ensure the fitting of each data item in the respective node. It was an iterative process and led to frequent movement between developed nodes and transcripts. A coding scheme was revised, and it led refining themes identified in the beginning after initial analysis and discussion among the authors.

FINDINGS

This section details the outcomes of the analysis of three parts of the data linked with the research objectives. It helps to explore the kinds of marketing strategies used by Islamic banks in the true spirit, and these being used as a symbol to market services of banks to customers, and how these are different from conventional banks. Analysis of the data reflected no latent differences in operations and practices adopted by Islamic and conventional banks. Only symbolic interactionism is helping marketers of Islamic banks to gain share in a market where customers choose Islamic banking services with the belief that it is a symbolic representation of Islamic society. Also, Islamic banks are not practicing Islamic marketing focused on ethical marketing.

Islamic Marketing and Conventional Marketing

Marketing strategies. Most of the participants had a general understanding that, in reality, the banks only use the name of the Islamic marketing. Nobody is using Islamic marketing to market its product and services, not even the organizations that represent themselves as Islamic. For instance, one of the respondents said, "...*maybe, Islamic marketing name exists only in books or research. Whereas, none of the organizations are practicing Islamic marketing, to my knowledge, not even the organizations who do their business on the name of Islam...*" (1-35-M). Majority of the respondents were of the view that Islamic banking though, is using the name of Islam, but they are not practicing Islamic marketing. Also, Islamic banks are not following Islamic Sharia laws in core operations of offering banking services.

Participants involved in the marketing of banks thought that Islamic banks have not been able to create awareness about their positioning, products, and services, as there is no difference in their marketing techniques when compared to conventional banks. It is exemplified by the discussion of one of the participants, "...*in my personal opinion there is no difference in conventional & Islamic banking system marketing techniques...*" (3-45-M)

Similarly, some of the participants thought that the marketing of banking services needs 4P's, which are product, place, price, and promotion. Both Islamic and conventional banking systems are more or less the same, except that Islamic banks use the name of Islam and portray themselves as banks offering ethical banking services.

Furthermore, most of the participants mentioned that Islamic bank's marketing skills have not been successful enough to show how the Islamic Banking products vary from conventional banking products, which is why the financial

products they have used are not as successful as they could be. Also, most of the participants mentioned several products they believe that the consumers do not know Islamic banks. Response of one of the participants highlights this fact; *"...home Musharkah (for buying, construction, renovation of private residential real estate/property and balance transfer facility), Ijarah Bin Sayyarah (Islamic Car Leasing for both new and used, locally manufactured/imported vehicles), Murabaha, Muswamah, Ijarah, Salam, Istisna and Islamic Export Refinance..."* (19-34-M)

Symbolic interactionism. A thorough analysis of data revealed that most participants said that Islam is being used as a symbol to attract customers. Also, it was evident that twenty-three out of twenty-five managers claim that only the name of Islam is being used to capture the market share. *"...I believe that the main difference between both banking systems is the name of Islam and rest is the equivalent says it. Presently both traditional and Islamic banking are contending in securing most market share..."* (15-38-M). According to the participants, there is no difference between the marketing techniques of conventional and Islamic banks; as both the banks are using the same strategies for marketing their products, such as one of the participant told;

"...Islamic banks are not using any special marketing techniques to spread awareness among the customers. It is only because of the prevailing trends in the market due to which customers are shifting towards Islamic banking. Different Islamic groups' dominating in the society shape those prevailing trends and that is one of the major aspects due to which market share of Islamic bank is increasing with time..." (25-53-M)

Similarly, most of the participants thought that customers know nothing about Islamic banking, and they have merely attracted by the name of Islam. Various indirect questions asked in the qualitative interviews confirmed that banks either use Islam as a symbol or Islamic banks are Islamic in true spirit. Most of the participants thought that, basically, in conventional banking, everything is about the arrangement of earning cash on cash without any effort and urges individuals to acknowledge the philosophy of Islamic banking framework, but in actuality, it seems that banks use only the name of Islamic values. Discussion of one of the managers exemplify it who told; *"...in actuality, it seems like that only the name of Islamic values is being utilized to attract customers..."* (15-38-M). Another participant said; *"...customers are attracted to Islamic banking in our country because it is an Islamic country..."* (24-57-F).

Some of the participants were seen to have different views about services offered by Islamic and conventional banks, and few of the participants used Islamic banks as their unique identity. For instance, one of the managers replied; *"...not really, apparently it might look same; however; in essence, both are based on totally different frameworks..."* (21-39-M).

However, most of the participants said it is just a change of names, their operations, and everything is the same as conventional banks. Majority of the managers were against Islamic banks, which customers think of as entities following Sharia Law. They revealed that when the mechanism of operating, using base rates, and competitiveness of mark-up in Islamic banks are the same as conventional banks, how they could have a separate identity. By changing their names to 'Islamic banks' and not practicing a true sense of the religion, their system does not become Islamic. As one of the managers reported; *"...yes, I believe both are the same. Islamic banks are using fancy Islamic terms to attract the public towards Islamic banking. Most of the banks are opening their Islamic branches due to the State Bank of Pakistan's regulations..."* (16-40-M)

Sharia compliance of Islamic banks: Differences between Islamic banks and conventional banks. Few of the participants had mixed opinions about the differences between Islamic and conventional banks. Many participants said that there is no difference between Islamic banks and conventional banks. Twenty-two managers out twenty-five said that the theory behind both the banking systems is the same. For example, one of the participants told;

"...Islamic banks are mostly convicted of functioning the same as Conventional banks; to some extent, it's true. However, they rename the products to resemble Islamic terms. An example is car Ijarah scheme. Since their car rental is fixed and is termed to be the same as monthly interest..." (20-32-M)

Another important factor highlighted by the respondents that most of the banks operate simultaneously as conventional and Islamic banks. Conventional banks also offer Islamic products and services by opening an Islamic window. Participants thought that how a conventional bank can offer Islamic products and services by just opening an Islamic window. Such as one of the respondents claimed;

"...banks are there to make profits and increase their market share when conventional banks realized that market share of Islamic banks is increasing they also opened an Islamic window for those customers who were more interested and inclined towards the Islamic banking. But in my opinion, that's not possible that Islamic window operations are different from conventional banking as Islamic banking is just a small portion. Therefore rules and regulations followed

by the Islamic window are dominated by conventional banking..." (8-29-F)

Policies: As mentioned earlier that participant looked into Islamic banking as their aid to help them escape Riba. Some of the questions aimed at finding the degree to which participants believed that the Islamic banks are adhering to the principles of the Quran and Sunna. In response, well-informed participants, who understand how banks work and the way the banking system operates, asserted explicitly that the banking system could not be purely Sharia-compliant. When Islamic Banks have to work in a system dominated by conventional banks, most of the things do not adhere to the rules set forth by Quran and Sunna. However, they cannot escape or bypass them completely. For example, the base rate used for the calculation of mark up like conventional banks; on the contrary, Islamic banks have to do the same. Moreover, almost all of the banks use KIBOR in Pakistan (Karachi Inter Bank offered rate), which again defies Sharia as it is not interest-free. One of the participants endorsed this statement by saying;

"...Islamic Banking is an emerging concept in Pakistan, and their practices are not based on Quran and Sunnah, and bankers have introduced new ways or systems (miscellaneous) to mold Islamic banking into more like Conventional banking for greater profit..." (7-27-M)

Satisfaction with Islamic banks:

Trust of customers: The researchers asked participants about how they satisfy their customers and build their trust to explore the way the to meet expectations of customers. The participants claimed that the customers trust Islamic banks due to the usage of the name of Islam used to satisfy the customers. Whereas, the operations of the Islamic banks are the same as the conventional banks; they never share the loss with the customers only profit is being shared. Most of the participants thought that Islamic banks portray that they have Sharia boards consisting of Islamic Scholars and no product or service they offer conflicts with Sharia. However, there are no differences in the process of conventional and Islamic banks in reality. One of the respondents said;

"...clients prefer Islamic banking because of religious beliefs or economic factor. That is the main reason we are trying to satisfy our customers by portraying that every product and service offered by us is according to the Sharia, that's why they only trust the name of Islam in Islamic banking..." (10-39-M)

Most of the participants thought that customers of Islamic banks trust Islamic banking system more because most of the customers are Muslims, and they believe any product or service is trustworthy that has the nametag of Islam.

Customer retention. Participants were of the view that satisfied customers are loyal to Islamic banks. Therefore, the Islamic banks must provide its customers with facilities as good as conventional banking so they can retain their customers. The discussion of one of the participants endorses it; *"...our customers are satisfied and never leave Islamic banking because we are offering them the same profits as offered by conventional banks..." (18-44-F)*

Most of the participants claimed that if they did not offer profits like conventional banks, we would not be able to increase market share and retain the existing customers. One respondent said; *"...people opt for banks for making profits not to share loss; if we start sharing the loss with our customers, then no one will opt for Islamic banking..." (10-39-M)*

Switching to an Islamic bank: According to the findings, Islamic banking is a banking system, for Muslims who want to escape conventional banking as their religion forbids interest. However, they want to have a substitute through which they can enjoy the services just as conventional banks are offering such as interest on fixed deposits. Therefore, the participants of the study mentioned it explicitly that customers who want to escape from conventional banking they have opted Islamic banks without considering that it is Islamic in the true sense or not. Discussion of one of the participants highlights it;

"...Islamic banks are lucrative for the people who are following the name of Islam. The increasing number of the Muslim population is now able to access the product and services of Islamic banks, which cater specific demands of Muslim market all over the world. The Muslim community at first had no choices available to exercise financing activities in the name of Islam, so conventional banking was adopted. However, at present, a substitute financial framework is available for those who want to avail it keeping Islamic banks' reality apart..." (6-30-M)

The participants thought that most of the Muslim customers are switching to Islamic banks so that they can enjoy the same products and services as conventional banks under the name of Islam as most of the customers resorted to Islamic Banks for Savings and Business accounts that involve profits or in other words interest. On the contrary, participants were indifferent when it was to be decided for a current or salary account as the accounts did not involve any dealings with profits or in other words, interest. For instance, one of the participants said;

"...the introduction of Islamic banking is an option for the customers who have a religious belief; they avail

the services of those Islamic banks on the name of Islam without interrogating that are its products and services Sharia-compliant or not..." (6-30-M)

In addition to religious concerns, this study found evidence for another factor for switching by customers, i.e., payment and return on loan. Islamic banks offer a loan on relatively lower returns, and also their repayment schedule is comfortable and convenient, and this is one of the reasons why consumers opt for Islamic banks. As mentioned by one of the participants of the study that, "*...the terms of payment are easy that can be one of the reasons people are switching to the Islamic banking system...*" (19-34-M)

Exploring reasons to opt for a career in Islamic banks revealed that the managers decided to have a career with Islamic banks because they are offering comparatively better opportunity to grow as compared to conventional banks. The interviews with the managers make it clear that their religious beliefs or the philosophy and codes followed in Islamic banks do not influence their decision of staying with Islamic Bank in any way. As said by a respondent of this study, "*...I shifted because of better opportunity...*" (16-40-M).

Benefits to society: Evaluation of the results discloses that the participants emphasized that Islam as a religion has emphasized on benefiting society. Islamic banks consequently should have a strong focus on benefits offered to their surroundings. The researchers asked participants about the social justice and benefit to society their bank has provided and what other aspects do they think Islamic banks have to work on to gain social status. According to one respondent, "*...presentation of Islamic banking is giving advantages to the general public as it is providing the public with another option of banking system other than conventional banking...*" (5-47-M).

Most of the respondents thought social justice or benefiting the society is a difficult thing to deal with, as none of the entity is working for welfare, they are there to earn profits and not only earn profits but maximize profits as much as their counterparts', i.e., conventional banks. If they want to survive in a competitive environment, they have to offer products that give them almost the same returns if not more. As one participant said; "*...banks always lend someone based on lender's assets and funds and in return receive double, e.g., principal amount plus a markup. No bank is ready to lend someone who does not have any equity...*" (16-40-M). This statement exemplifies a moral and ethical dilemma between practices of Islamic Banks and raises a question on Sharia compliance of these Islamic Banks.

DISCUSSION

This study aimed at exploring answers to three objectives. First, to develop an understanding of how Islamic marketing is different from conventional marketing and do Islamic banks practice it. Second, to examine how symbolic interactionism is increasing the market share of Islamic banks and what marketing strategies they use. Third, to enhance the understanding of the difference between conventional and Islamic banks and are Islamic banks sharia-compliant or are they just using the name of Islam. Findings of the study indicate that though there is a difference between Islamic marketing and conventional marketing; Islamic marketing should be focused on ethical values more instead of merely focusing on increasing the market share. Unfortunately, the self-claimed Islamic organizations like Islamic banks are not following Islamic marketing in its true spirit, according to Sharia. Then the main point of concern is that if Islamic banks do not practice Islamic marketing, then how the market share of Islamic bank is on the rise. While exploring this question, it came out that the findings are consistent with Daabes (2018), as the majority of Muslim customers in Pakistan are just following the name of Islam without giving due consideration to Islamic practices. And Muslim markets' behavior can be understood by their religious and cultural conceptions.

This study also reveals that customers of Islamic banks procure their products and services for their symbolic significance. So, Islamic banking services are not different from conventional banking, and they are not promoting their products with Islamic marketing or any other specific marketing techniques. It is visible from the findings that consumers of Islamic banks are using the services for reasons other than the product's basic functional performance. Customers of Islamic banks are driven to use the banking services based on what it represents to themselves, and to others with whom they associate or to some societal referent. The findings provide evidence that consumer behavior manifests symbolic interactionism in the form of symbolic purchasing behavior. Islamic banking consumers acquire a specific service for what it signifies, based on the symbols attached by society. Islamic banking is acting as a social tool that serves to communicate symbolically between the individual and his/her significant referents.

An important finding came out as a weakness of Islamic banks that they are unable to position their products, participants themselves shared their view that customers are unaware of products offered by different Islamic banks. It is only because of the symbolic interactionism that market share of Islamic banks is increasing. On the other hand,

their counterparts offering conventional banking, have extensively relied on their marketing techniques to position their products and by keeping a good quality service, which is why they are successful in attracting more customers. It is proven by a high share in the market, as witnessed by the findings of studies conducted in different countries like Malaysia and Iran (Ali et al., 2009; Estiri et al., 2011).

In finding out the validation of Sharia Law, it came out that many managers do not agree with how Islamic banks work, and how accurate Islamic banks are in light of Sharia compliance. According to them, Islamic banks do not indulge themselves in risky events, they prefer to invest in the real economy as compared to their conventional counterparts, but they are against of how Islamic banks calculate basis for profit/loss sharing. These results further validate the studies of Kishada and Wahab (2015) and Abedifar, Hasan, and Tarazi (2016). However, many managers agreed that the major criticism faced by Islamic banks is the mechanism used to share profit is still questionable as Islamic banks have no policy to disclose how they devise procedures to set the base rates. Although as mentioned earlier, participants disclosed that very few customers knew the technicalities of the banking system; however, we observe that the concern to investigate is on the rise. Participants thought if Islamic banks bring transparency in disclosing their mechanisms of calculating profits, they can attract more customers as agreed by previous studies such as (Kishada & Wahab, 2015).

Participants of the study view that apart from the raising concern of Sharia compliance, the general satisfaction level of customers from Islamic banks in Pakistan, was seen to be high due to their service quality, customer relations, and the trust that they are Sharia-compliant as also reported by (Kishada & Wahab, 2015). In Pakistan, the fact that Islamic banking exists, and Islamic banks practice it mollifies current customers. And they have an opportunity to invest their money, and returns they get are Halal as stipulated by Islamic Sharia-laws, and it came out to be the main reason for customers' intentions to keep banking with their current banks and not to switch. Evidence emerging from the outcomes of this study authenticates the past studies, which show that most customers prefer keeping saving accounts with Islamic banks due to the profit and loss sharing which is allowed in Quran and Sunna (Dusuki & Abdullah, 2007).

Participant managers explained the weaknesses of Islamic banks in light of their understanding as a Sharia-compliant entity. Firstly, the mechanism of calculation was questionable, where the base rates used by Islamic bank is same as of conventional banks like in the case of Pakistan it is KIBOR. Secondly, the sources of finance for Islamic banks are not interest-free as they are no isolated from the money market, which is interest-based. Thirdly, the benchmark fixed by Islamic banks is not interest-free. Also, the 'mark-up' is as competitive as the prevailing interest rate charged by any Conventional bank which confirms the findings of Sun et al. (2017) and Wulandari and Subagio (2015) asserted that no significant difference exists between the two types of institutions, though minor differences one observes only minor variances.

CONCLUSION

The current study has brought new insights to the literature by exploring how Islamic banks marketing share increasing, even without adopting proper marketing techniques when compared with conventional banks. It came out that there is no difference between Islamic banks and conventional banks services and marketing techniques. Islamic banks must follow Islamic marketing focused on ethical marketing instead of concentrating on increasing market share for wealth maximization. Therefore, Theory of symbolic interactionism is valid in the case of Islamic banks. Participants were of the view that the customers consider Islamic banks as alternates to a conventional bank. However, there are no significant differences between the two, except for a few minor differences. Therefore, Islamic banks use the term of Islamic banking as a symbol only, and it is just another marketing gimmick. The authors recommend similar studies in other countries to validate these findings and to have higher generalizability of the results. What is alarming is the gap between what Islamic banking in actual, and how Islamic banks project it to the customers? Managers are well aware of this fact, and it is about time that Islamic banks should take measures to satisfy their customers regarding their Sharia-compliance. And they should recognize the need to be governed by a separate financial system, which is purely based on Islamic Sharia-law instead of merely using the word Islam as a symbol to increase their market share.

Limitations and Future Research

This research is confined to the marketing of services provided by Islamic banks and Islamic branches of conventional banks in Pakistan. Further studies can look into marketing strategies in detail and can compare them with conventional banks.

REFERENCES

- Abdullah, K., & Ahmad, M. I. (2010). Compliance to Islamic marketing practices among businesses in Malaysia. *Journal of Islamic Marketing*, 1(3), 286-297. doi:<https://doi.org/10.1108/17590831011082446>
- Abdurrahman, D. T., & Osman, Z. (2017). Development of conceptual framework for nigerian generation Y-ers' purchase intention and response towards indigenous celebrity-endorsed products: A PLS-SEM study on selected mobile service providers in Nigeria. *Journal of Administrative and Business Studies*, 3(1), 49-59. doi:<https://doi.org/10.20474/jabs-3.1.4>
- Abedifar, P., Hasan, I., & Tarazi, A. (2016). Finance-growth nexus and dual-banking systems: Relative importance of Islamic banks. *Journal of Economic Behavior & Organization*, 132, 198-215. doi:<https://doi.org/10.1016/j.jebo.2016.03.005>
- Ahmad, K., Rustam, G. A., & Dent, M. M. (2011). Brand preference in Islamic banking. *Journal of Islamic Marketing*, 2(1), 74-82. doi:<https://doi.org/10.1108/17590831111115259>
- Ali, H., Zainuddin, A., Rashid, W. E. W., & Jusoff, K. (2009). Customers satisfaction in Malaysian Islamic banking. *International Journal of Economics and Finance*, 1(1), 197-202.
- Alom, M. M., & Haque, M. S. (2011). Marketing: An Islamic perspective. *World Journal of Social Sciences*, 1(3), 71-81.
- Amin, M., Isa, Z., & Fontaine, R. (2013). Islamic banks: Contrasting the drivers of customer satisfaction on image, trust, and loyalty of Muslim and non-Muslim customers in Malaysia. *International Journal of Bank Marketing*, 31(2), 79-97.
- Awan, H. M., & Bukhari, K. S. (2011). Customer's criteria for selecting an Islamic bank: Evidence from Pakistan. *Journal of Islamic marketing*, 2(1), 14-27. doi:<https://doi.org/10.1108/17590831111115213>
- Cassell, C., & Symon, G. (1994). *Qualitative methods in organizational research: A practical guide*. London, UK: Sage Publications Ltd.
- Daabes, A. A. (2018). Islamic marketing paradoxes: A way to understand it again. *Journal of Islamic Marketing*, 9(2), 329-337. doi:<https://doi.org/10.1108/jima-12-2016-0106>
- Doster, L. (2013). Millennial teens design and redesign themselves in online social networks. *Journal of Consumer Behaviour*, 12(4), 267-279. doi:<https://doi.org/10.1002/cb.1407>
- Dusuki, A. W., & Abdullah, N. I. (2007). Why do Malaysian customers patronise Islamic banks? *International Journal of Bank Marketing*, 25(3), 142-160. doi:<https://doi.org/10.1108/02652320710739850>
- Erol, C., & El-Bdour, R. (1989). Attitudes, behaviour, and patronage factors of bank customers towards Islamic banks. *International Journal of Bank Marketing*, 7(6), 31-37. doi:<https://doi.org/10.1108/02652328910132060>
- Estiri, M., Hosseini, F., Yazdani, H., & Nejad, H. J. (2011). Determinants of customer satisfaction in Islamic banking: Evidence from Iran. *International Journal of Islamic and Middle Eastern Finance and Management*, 4(4), 295-307.
- Hosany, S., & Martin, D. (2012). Self-image congruence in consumer behavior. *Journal of Business Research*, 65(5), 685-691. doi:<https://doi.org/10.1016/j.jbusres.2011.03.015>
- Hudson, B. T., & Balmer, J. M. (2013). Corporate heritage brands: Mead's theory of the past. *Corporate Communications: An International Journal*, 18(3), 347-361. doi:<https://doi.org/10.1108/ccij-apr-2012-0027>
- Jamal, A., & Goode, M. M. (2001). Consumers and brands: A study of the impact of self-image congruence on brand preference and satisfaction. *Marketing Intelligence & Planning*, 19(7), 482-492. doi:<https://doi.org/10.1108/02634500110408286>
- Jumani, Z., & Siddiqui, K. (2012). Bases of Islamic branding in Pakistan: Perceptions or believes. *Interdisciplinary Journal of Contemporary Research in Business*, 3(9), 840-847.
- Kamarulzaman, Y., & Madun, A. (2013). Marketing Islamic banking products: Malaysian perspective. *Business Strategy Series*, 14(2), 60-66. doi:<https://doi.org/10.1108/17515631311325114>
- Khattak, N. A., et al. (2010). Customer satisfaction and awareness of Islamic banking system in Pakistan. *African Journal of Business Management*, 4(5), 662-671.
- Kishada, Z., & Wahab, N. A. (2015). Influence of customer satisfaction, service quality, and trust on customer loyalty in Malaysian Islamic banking. *International Journal of Business and Social Science*, 6(11), 110-119.
- Kotler, P. (2009). *Marketing management: A South Asian perspective*. New Dehli, India: Pearson Education.

- Kvale, S., & Brinkmann, S. (2009). *Interviews: Learning the craft of qualitative research interviewing*. London, UK: Sage.
- Leigh, J. H., & Gabel, T. G. (1992). Symbolic interactionism: Its effects on consumer behavior and implications for marketing strategy. *Journal of Consumer Marketing*, 9(1), 27-38.
- Metawa, S. A., & Almosawi, M. (1998). Banking behavior of Islamic bank customers: Perspectives and implications. *International Journal of Bank Marketing*, 16(7), 299-313. doi:<https://doi.org/10.1108/02652329810246028>
- Othman, A., & Owen, L. (2001). Adopting and measuring customer Service Quality (SQ) in Islamic banks: A case study in Kuwait finance house. *International Journal of Islamic Financial Services*, 3(1), 1-26.
- Parasuraman, A., Berry, L. L., & Zeithaml, V. A. (1991). Understanding customer expectations of service. *Sloan Management Review*, 32(3), 39-48.
- Parasuraman, A., Zeithaml, V. A., & Berry, L. (1988). SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality. *Journal of Retailing*, 64(1), 12-40.
- Pettigrew, S. (2006). Symbolic double-coding: The case of Australian pubs. *Qualitative Market Research: An International Journal*, 9(2), 157-169. doi:<https://doi.org/10.1108/13522750610658793>
- Razalli, M. R., & Hasnan, N. (2017). Managing change for radical business process improvement: Effects on Islamic banks performance. *International Journal of Business and Economic Affairs*, 2(6), 327-334. doi:<https://doi.org/10.24088/ijbea-2017-26001>
- Rice, P. L., & Ezzy, D. (1999). *Qualitative research methods: A health focus*. Melbourne, Australia: Oxford University Press.
- Samah, S. A. A., Jusoff, K., Nor, M. R. M., & Suliaman, I. (2011). Prophetic best practices in business for human capital development. In *International Islamic Finance and Business Symposium and Carnival*, Universiti Teknologi MARA, Shah Alam, Malaysia.
- Solomon, M., Russell-Bennett, R., & Previte, J. (2012). *Consumer behaviour*. New York, NY: Pearson Higher Education AU.
- Strauss, A., & Corbin, J. (1998). *Basics of qualitative research: Techniques and procedures for developing grounded theory*. New York, NY: Sage Publications, Inc.
- Sun, P. H., Mohamad, S., & Ariff, M. (2017). Determinants driving bank performance: A comparison of two types of banks in the OIC. *Pacific-Basin Finance Journal*, 42, 193-203. doi:<https://doi.org/10.1016/j.pacfin.2016.02.007>
- Wilson, J. A., & Liu, J. (2010). Shaping the halal into a brand? *Journal of Islamic Marketing*, 1(2), 107-123. doi:<https://doi.org/10.1108/17590831011055851>
- Wulandari, D., & Subagio, A. (2015). Consumer decision making in conventional banks and islamic bank based on quality of service perception. *Procedia-Social and Behavioral Sciences*, 211, 471-475.