

Islamic Marketing: Value Differentiation or a Segmentation Strategy for Muslim Consumers? A Critical Literature Review

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ABSTRACT

The growth of the Muslim population, rising purchasing power, expansion of the halal industry, and increasing awareness of religiously compliant products have positioned Muslim consumers as an important segment of the global market. These developments have encouraged companies to adopt marketing strategies targeting Muslims through halal products, Islamic branding, religious communication, and identity-based differentiation. However, they also raise a critical question: does Islamic marketing represent a value-differentiation paradigm grounded in Islamic principles, or merely a market segmentation strategy based on Muslim identity? This article critically examines the conceptual development of Islamic marketing and distinguishes marketing directed toward Muslim consumers from marketing genuinely grounded in Islamic values. The study employs a qualitative approach through a critical literature review of research on Islamic marketing, halal marketing, Muslim consumer behavior, market segmentation, Islamic business ethics, maqashid al-shariah, value creation, and corporate social responsibility. The findings reveal a tendency to reduce Islamic marketing to halal attributes, religious symbols, and narratives. Nevertheless, Islamic marketing has the potential to become a substantive value-differentiation paradigm when justice, honesty, trustworthiness, transparency, maslahah, and social responsibility are embedded throughout the marketing process. Muslim consumer segmentation is therefore relevant but insufficient to define Islamic marketing. Its development should move from marketing to Muslims toward marketing through Islamic values, and from sharia compliance toward sharia impact.

Keywords: Islamic Marketing, Halal Marketing, Muslim Consumer, Market Segmentation, Islamic Ethics, Value Differentiation, Maqashid al-Shariah, Sharia Impact

INTRODUCTION

The transformation of the global economy over recent decades has demonstrated that religious identity occupies an increasingly important position in consumer behavior and business strategy. Muslim population growth, urbanization, the expansion of the middle class, the development of digital technology, and increasing awareness of halal products have created substantial market opportunities for companies to develop products and services perceived as compatible with Muslim consumers' needs. Halal food and beverages, halal cosmetics, Muslim fashion, pharmaceuticals, Muslim-friendly tourism, Islamic finance, and various digital services based on Islamic values have developed as components of the broader halal economy. This phenomenon demonstrates that religion is no longer confined to the domains of belief and spiritual practice but increasingly interacts with economic activity and consumption (Naeem et al., 2020). These developments naturally encourage companies to understand Muslim consumers as a market segment with particular needs and preferences. From a modern marketing perspective, this represents a rational segmentation opportunity. Consumers can be classified according to demographic, psychographic, lifestyle, value-based, cultural, or religious characteristics. Muslim consumers can constitute one such segment when religious identity influences product preferences, perceived risk, trust in brands, or purchasing decisions. From a managerial perspective, understanding Muslim consumers enables companies to develop more relevant products, establish more appropriate positioning,

and design communication strategies that correspond to the values of their target market (Islam et al., 2024).

However, these developments raise a more fundamental conceptual question. When companies target Muslim consumers by using halal labels, Islamic symbols, religious narratives, or representations of piety, can such practices automatically be considered Islamic marketing? Or are companies simply applying conventional principles of segmentation and targeting to a consumer group characterized by particular religious identities? This question is important because the term Islamic marketing implies more than merely marketing to Muslims. It suggests that Islam is not only a characteristic of consumers but also a source of values, norms, and principles that shape marketing activities. This issue points to a potential gap between the normative and practical dimensions of Islamic marketing. Normatively, Islam provides a set of principles concerning economic activity and exchange. Honesty, trustworthiness, justice, transparency, mutual consent, the prohibition of deception, the prohibition of exploitation, and social responsibility constitute important elements of Islamic commercial ethics. Marketing from this perspective cannot be separated from questions concerning how value is created, how consumers are treated, how information is communicated, and how profits are generated. Thus, Islamic marketing should possess an ethical dimension that extends beyond the halal status of a product (Alam & Seifzadeh, 2020).

However, within the development of the contemporary halal industry, these dimensions may be simplified. Islam may be reduced to product attributes, certification labels, packaging designs, slogans, the use of Arabic language, religious symbols, or representations of piety that function primarily to establish brand positioning. In this context, Islamic identity becomes a marketable identity. Companies gain opportunities to connect consumption with religious identity so that products offer not only functional benefits but also symbolic and emotional benefits. Consumers may perceive the purchase of particular products as part of the expression of their identity and religious values. This phenomenon should not necessarily be regarded as negative. Religious identity is indeed part of consumers' lives and may influence their needs and preferences. Muslim consumers have the right to access products that are compatible with their beliefs. Halal certification, for example, serves an important function by providing information and reducing consumer uncertainty. Products that genuinely fulfill consumers' religious needs also represent a legitimate market response to social demand. The critical issue arises when religious identity is used primarily as a persuasive instrument rather than as a representation of values genuinely practiced by the company (Iqbal, 2026).

In other words, the fundamental issue is not whether Islam may serve as a basis for market segmentation, but whether such segmentation has replaced the substance of Islamic marketing. If Muslim consumers are treated merely as a market group characterized by particular religious preferences, Islam occupies the position of a segmentation variable. However, if Islamic principles also determine how companies establish prices, develop products, conduct promotion, distribute products, treat consumers, handle complaints, and fulfill social responsibilities, then Islam has become an organizational principle and a source of value differentiation (Ismail et al., 2024). This distinction becomes increasingly important because Muslim consumers are not a homogeneous group. Muslims differ in their levels of religiosity, religious interpretations, education, income, age, culture, lifestyle, geographical location, and consumption orientation. Not all Muslim consumers have the same preferences toward products that employ religious symbols. Consumers may have a high level of halal awareness without automatically accepting every form of Islamic branding. Conversely, consumers may value quality, transparency, sustainability, and fairness without placing significant emphasis on religious symbols in brand communication. Therefore, equating Muslim identity with particular consumption preferences represents an oversimplification that requires critical examination (Deti, 2025).

At this point, Islamic marketing needs to be distinguished from halal marketing. Halal marketing primarily emphasizes the marketing of products and services that comply with halal requirements and the communication of such products to halal-oriented markets. Islamic marketing, by contrast, potentially has a broader scope because it concerns values and ethics throughout marketing activities. A halal product constitutes an important component, but it is not sufficient by itself to determine whether an entire marketing practice can be characterized as Islamic. This distinction is also important for understanding the concept of value differentiation. In marketing theory, differentiation refers to a company's ability to create distinctive characteristics that provide unique and relevant value to consumers. If the differentiation of Islamic marketing rests solely on halal labels or Islamic symbols, such advantages are relatively easy to imitate and may become merely a branding device. Conversely, if differentiation originates from an underlying value system embedded in corporate behavior, the resulting advantage becomes more complex because it involves organizational culture, reputation, consumer trust, relationships, and ethical consistency. Within this context, trust becomes a critical dimension. When a company explicitly claims an Islamic identity, consumers may develop higher ethical expectations. Religious claims do not merely create expectations regarding product halalness but may also generate expectations concerning corporate integrity. If there is a discrepancy between the Islamic identity communicated by a company and its actual practices, the consequences may extend beyond product dissatisfaction to perceptions that religion is being used as a commercial instrument (Mathew, 2022).

This phenomenon can be understood through the concept of authenticity. The stronger a brand's use of religious symbols and values, the greater the need to demonstrate consistency between communication and action. The authenticity of Islamic marketing is determined not merely by what a company says but also by what it does. Thus, an Islamic claim should carry stronger ethical implications than ordinary commercial positioning. The perspective of *maqashid al-shariah* can provide a broader analytical foundation for this issue. *Maqashid al-shariah* enables economic activities to be assessed not only according to their formal characteristics but also according to their objectives and consequences for *maslahah*. In the context of marketing, this perspective directs attention toward broader questions: Is the information provided to consumers accurate? Are prices fair? Does the product provide genuine benefits? Are consumers protected? Do marketing practices avoid manipulation? And does corporate activity generate positive contributions to society? Accordingly, *maqashid al-shariah* can serve as a framework for connecting sharia compliance with value creation. Marketing should not stop at the question, "Is this product halal?" but should progress toward the broader question, "Does the entire process of creating and delivering this value generate *maslahah*?" This shift is important because halal status and ethical impact represent two related but distinct dimensions (Ibrahim & Mohd Sopian, 2023).

Another issue requiring attention is the increasing dominance of profit orientation within the halal industry. There is no inherent contradiction between profit and Islamic principles. Profit is necessary for companies to survive, grow, compensate employees, innovate, and provide services to consumers. The problem arises when profit becomes the sole measure of success and Islamic values are used merely as tools for increasing product attractiveness (Bukhari & Isa, 2020). Under such circumstances, Islamic values risk becoming instruments rather than ethical objectives. Based on these concerns, this article starts from the assumption that Islamic marketing has two possible orientations. The first is Islamic marketing as segmentation, in which Islam primarily functions as a basis for identifying and targeting consumers. The second is Islamic marketing as value differentiation, in which Islamic values serve as the basis for creating, delivering, and exchanging value. These two orientations may coexist, but they have different theoretical and practical consequences. This article therefore aims to critically examine the position of Islamic marketing between these

two orientations. Specifically, it seeks to answer how the literature conceptualizes the relationship between Muslim consumers and Islamic marketing, to what extent halal attributes and religious identity can be considered forms of value differentiation, how the risk of religious commodification emerges in marketing practices, and how maqashid al-shariah can contribute to the development of a more substantive framework for Islamic marketing.

METHOD

This study employs a qualitative approach using the critical literature review method. This method was selected because the purpose of the study is not to statistically test relationships between variables but to critically examine the development of concepts, assumptions, debates, and gaps within the Islamic marketing literature. A critical literature review enables researchers not only to summarize previous findings but also to evaluate how particular concepts have been constructed, what assumptions underlie them, and what theoretical and practical consequences emerge from their use. The literature examined focuses on research and academic works concerning Islamic marketing, halal marketing, Muslim consumer behavior, consumer religiosity, market segmentation and targeting, Islamic branding, Islamic business ethics, value creation, consumer trust, maqashid al-shariah, and corporate social responsibility. The literature is analyzed not merely according to formal definitions but also according to assumptions concerning marketing objectives, the position of consumers, corporate orientation, and the relationship between economic profit and ethical values (Assyakurrohim et al., 2022).

The analysis employs thematic and conceptual approaches. First, the literature is mapped according to how Islamic marketing is defined. Particular attention is given to whether Islam is positioned as a consumer characteristic, a product characteristic, or a principle governing the entire marketing process. Second, the literature is analyzed according to the value orientation it offers, particularly in relation to justice, honesty, trustworthiness, transparency, *maslahah*, and social responsibility. Third, the literature is compared to identify gaps between the normative orientation of Islamic marketing and marketing practices oriented toward Muslim consumer segmentation. The analysis subsequently focuses on the relationship between sharia compliance and sharia impact. Sharia compliance is used to describe the dimension of formal conformity with Islamic principles, whereas sharia impact is used as an analytical concept for evaluating the consequences of marketing practices for consumers and society. This framework helps avoid the overly narrow assumption that formal compliance automatically guarantees the fulfillment of broader Islamic ethical objectives.

The perspective of maqashid al-shariah serves as the conceptual foundation for interpretation. This approach allows the literature to be examined in terms of the objectives of economic activities rather than merely their formal characteristics. Thus, the analysis does not ask only whether marketing activities comply with sharia requirements, but also whether they provide benefits, protect consumers, promote justice, reduce harm, and establish healthy economic relationships. Because this research constitutes a critical literature review, its findings are not intended to provide empirical generalizations about all companies or Muslim consumers. The findings represent a conceptual synthesis based on patterns of argumentation identified in the literature. This limitation simultaneously creates opportunities for future empirical research to examine whether value differentiation based on Islamic principles actually produces higher levels of trust, loyalty, satisfaction, or social impact compared with marketing strategies that rely primarily on Muslim identity segmentation.

RESULTS AND DISCUSSION

RESULTS

The results of the critical literature review indicate that the concept of Islamic marketing has developed within a heterogeneous conceptual space. Some literature places Muslim consumers at the center of analysis, particularly through studies of purchasing behavior, halal awareness, religiosity, product preferences, and perceptions of Islamic brands. This approach makes an important contribution to understanding the characteristics of the Muslim market. However, when this approach becomes the primary definition of Islamic marketing, the concept tends to move closer to identity-based market segmentation. Within the segmentation orientation, Muslim identity is treated as a market characteristic that can be used to identify target consumers. Products are then adapted to this market through halal attributes, design, language, symbols, or communication messages considered relevant. Such strategies can be commercially effective because they enable companies to establish market fit. However, commercial effectiveness alone does not demonstrate the existence of substantive Islamic value differentiation. The review also identifies a second orientation that understands Islamic marketing as value-based marketing. From this perspective, Islam does not merely determine who the consumers are, but also determines how companies create and deliver value. Principles such as honesty, trustworthiness, justice, transparency, responsibility, and *maslahah* become embedded in marketing behavior. Companies are therefore expected not only to offer halal products but also to conduct marketing processes ethically (Djallel & Abdul Rahim, 2020).

The findings further indicate that these two orientations are not always clearly separated. A company may segment Muslim consumers while simultaneously implementing Islamic ethical principles. Therefore, segmentation is not inherently incompatible with Islamic marketing. Segmentation can serve as a tool for understanding consumers, while Islamic values determine how that tool is employed. The problem arises when segmentation becomes the substance of Islamic marketing while Islamic values are reduced to communication decoration. The review also demonstrates that halal constitutes an important component of the Islamic marketing ecosystem but cannot be equated with the entire concept. Halal provides assurance regarding the conformity of products or processes with particular religious requirements, whereas marketing encompasses broader dimensions such as communication, pricing, distribution, service, data management, consumer relationships, and corporate responsibility. Consequently, halal products can be marketed in unethical ways, while products that do not explicitly use Islamic symbols may nevertheless be marketed according to ethical principles compatible with Islam. Another important finding is the potential commodification of religious identity. Muslim identity can be transformed into symbolic value that increases product attractiveness. Consumers do not merely purchase the functional benefits of products but may also purchase the religious meanings associated with them. In certain contexts, this process enables consumers to express their identity. However, when religion is primarily used to stimulate consumption, a shift occurs from religious values toward commercialized identity (Alimusa et al., 2025).

The literature also indicates that the use of Islamic claims creates expectations concerning corporate integrity. When companies employ religious identity as part of their brand, consumers may evaluate them not only based on product quality but also according to the consistency between their claims and behavior. Thus, trust in Islamic marketing is not generated solely by product quality and halal certification but also by ethical consistency. The findings further demonstrate that value differentiation requires consistency across multiple points of interaction between companies and consumers. Islamic values need to be reflected in product quality, clarity of information, fair pricing, accuracy of promotional claims, customer service, complaint mechanisms, consumer protection, and corporate social responsibility. Such differentiation is more difficult to imitate than visual symbols and

attributes because it is connected to the internal systems and culture of the organization. The final major finding concerns the need to develop the concept of sharia impact. The success of Islamic marketing should not be evaluated solely in terms of sales, market share, or consumer loyalty. Evaluation should also consider whether marketing creates trust, satisfaction, justice, transparency, consumer protection, and social benefits. Such a shift can bring Islamic marketing closer to the ethical objectives of Islam rather than allowing it to function merely as an identity-based commercial strategy (Shah et al., 2020).

DISCUSSION

Marketing to Muslims and Islamic Marketing: A Conceptual Distinction

The distinction between marketing to Muslims and Islamic marketing represents an important starting point for understanding this debate. Marketing to Muslims refers to marketing strategies directed toward Muslim consumers. Its primary focus is understanding the needs, preferences, behaviors, and characteristics of the Muslim market. Within this framework, religion functions as one of the variables that helps companies conduct segmentation and targeting. Islamic marketing, by contrast, should explain how Islamic principles shape marketing activities. Its focus is not only on who is being targeted but also on how companies create value, conduct exchanges, communicate, and establish relationships with consumers. This distinction demonstrates that marketing to Muslims can be part of Islamic marketing, but the two concepts are not synonymous. This distinction is important because without it, almost every product directed toward Muslim consumers could be labeled Islamic marketing. If that were the case, the concept would lose much of its theoretical explanatory power. Islamic marketing would become merely another term for religion-based market segmentation. Yet Islamic values have the potential to contribute much more substantially to marketing theory. Therefore, Muslim consumer segmentation should be regarded as a tool rather than an objective. Segmentation helps companies understand the market, while Islamic principles should determine how companies use that understanding ethically. This is where the difference between commercially effective marketing and ethically grounded marketing becomes apparent (Al-Aidid & Alkaff, 2026).

Halal Marketing Is Not the Whole of Islamic Marketing

The growth of the halal industry has resulted in the terms halal and Islamic frequently being used interchangeably. However, they have different scopes. Halal primarily concerns the status of products, materials, processes, or activities in relation to Islamic requirements. Marketing, meanwhile, encompasses the broader process of communicating and exchanging value between companies and consumers. Consequently, a halal product may not necessarily be marketed in a fully ethical manner. Exaggerated promotion, incomplete information, manipulation of perceptions, or pricing strategies that disadvantage consumers remain ethical concerns even when the product itself is halal. Halal should therefore be regarded as a foundation rather than the entirety of Islamic marketing. From this perspective, Islamic marketing has a broader scope because it integrates halal requirements with ethics. Products should be halal, but marketing processes should also reflect honesty, justice, transparency, and responsibility. This means that Islamic marketing concerns not only what is sold, but also how it is sold and what consequences arise from the selling process (Pradhita, 2024).

Religiosity as a Basis for Segmentation: Opportunities and Risks

Religiosity can influence consumption behavior, but it should not be treated as a completely homogeneous variable. Muslim consumers with the same religious identity may possess different levels of religiosity and different preferences. Therefore, using “Muslim” as the sole basis for segmentation can produce an overly simplistic understanding of the market. From a strategic perspective, companies need to understand these differences. Muslim consumers may vary in halal awareness, preferences for Islamic brands, price sensitivity, sustainability orientation, and responses to religious symbols. More nuanced segmentation

can help companies avoid stereotypes about Muslim consumers. However, risks emerge when religiosity is used as an overly aggressive persuasive instrument. Marketing strategies may exploit fear, guilt, or social pressure by connecting product purchases with religious piety. Such practices require ethical scrutiny because they transform spiritual values into mechanisms for stimulating consumption. Therefore, marketing directed toward Muslim consumers should have ethical boundaries. Understanding religiosity should be used to create products and services that are genuinely relevant to consumers' needs rather than to exploit psychological or religious vulnerabilities (Floren et al., 2020).

Religious Commodification and Islamic Branding

Religious commodification is one of the most critical issues in the development of the halal market. When religious symbols become part of branding strategies, religion acquires economic value. Products may gain premium value not only because of their quality but also because of the religious meanings constructed around the brand. This phenomenon can provide benefits when religious values are genuinely reflected in the product and corporate behavior. However, risks emerge when symbols become more dominant than substance. A brand may appear Islamic through packaging and communication while its business practices demonstrate no meaningful ethical distinction. This problem can be described as symbolic Islamic marketing. Under such conditions, Islam primarily functions as a differentiation symbol. Brand advantage is constructed through religious identity, but Islamic values do not deeply influence the organization's systems or behavior. Such strategies may be effective in the short term but are vulnerable to trust crises when consumers discover inconsistencies between image and practice. More sustainable differentiation emerges when symbols are supported by substance. If a brand claims to be trustworthy, corporate behavior must demonstrate trustworthiness. If it claims to promote fairness, pricing and service policies must reflect fairness. If it claims to generate benefits, its products and activities must produce meaningful benefits. Thus, strong Islamic branding requires consistent Islamic business conduct (Mamun et al., 2021).

Islamic Marketing as Value Creation

Marketing fundamentally involves processes of creating and exchanging value. Therefore, an important question in Islamic marketing concerns what type of value is created and how that value is distributed. From an Islamic perspective, economic value should not be completely separated from moral value. The value created by a company is not limited to financial value for owners but also includes value for consumers, employees, business partners, and society. Consumers benefit from product quality and safety. Employees benefit from fair employment relationships. Society may benefit from corporate social and environmental contributions. Thus, Islamic marketing can be developed toward a form of stakeholder-oriented value creation. Within this framework, competitive advantage does not arise solely from product attributes but also from relationship quality. Companies that consistently implement Islamic values can develop deeper trust because consumers perceive alignment between promises and actions. Such trust may develop into loyalty, reputation, and long-term relationships (Shah et al., 2022).

Honesty and Transparency as Sources of Differentiation

Honesty is one of the most relevant principles in marketing because consumers frequently face uncertainty concerning product quality. Information asymmetry between companies and consumers may create opportunities for firms to exaggerate product benefits or conceal unfavorable information. In Islamic marketing, this issue is particularly important because honesty is not merely a reputation-building strategy but part of the ethics of exchange. Companies have a responsibility to provide accurate information and avoid misleading consumers. Transparency becomes a component of value creation because it enables consumers to make more informed decisions. When consistently applied, honesty can become a source of differentiation. Companies do not need to rely exclusively on religious

claims; their reputation for honesty and transparency can become a strategic asset. In this way, Islamic values can generate competitive advantage without always appearing in explicit religious symbols (Yusran et al., 2025).

Price, Promotion, and Justice in Islamic Marketing

The pricing dimension also requires greater attention in Islamic marketing. Products carrying halal labels or Islamic positioning may possess symbolic value that allows companies to charge premium prices. Premium pricing is not inherently inconsistent with Islamic principles. Ethical concerns arise, however, when premium prices are established through exploitation of religious identity or information asymmetry. Fairness in pricing concerns the reasonableness of exchange and transparency. Consumers should understand what they are paying for and what value they receive. When a premium price results from quality, certification, innovation, or superior services, there may be an understandable economic basis. However, when a premium is created primarily through religious claims without corresponding additional value, such differentiation requires critical examination. The same principle applies to promotion. Islamic promotion should not merely employ religious language. Promotional practices should remain honest, non-manipulative, and supported by verifiable claims. Ethical communication is therefore an essential component of Islamic marketing (Islam, 2021).

Maqashid al-Shariah as an Evaluative Framework

Islamic marketing requires an evaluative framework capable of connecting Islamic principles with economic objectives. Maqashid al-shariah can play this role because it places *maslahah* at the center of understanding the objectives of Islamic law. In marketing, a maqashid-based approach can be used to assess whether products and marketing practices genuinely provide benefits. Consumer protection, product safety, truthful information, fair transactions, protection of wealth, and avoidance of harm can become dimensions of such evaluation. This perspective expands the meaning of Islamic marketing. Marketing is no longer understood merely as an activity designed to maximize persuasion and sales, but as a process of creating value that must consider social and moral consequences. Thus, maqashid al-shariah can serve as a bridge between contemporary marketing theory and Islamic economic ethics (Islam et al., 2024).

From Sharia Compliance to Sharia Impact

One of the principal conceptual contributions of this review is the need to distinguish sharia compliance from sharia impact. Sharia compliance addresses whether marketing activities conform to the normative boundaries of Islamic law. This question is important and cannot be neglected. However, formal compliance does not necessarily explain the ultimate consequences of marketing activities. A product may be halal while consumers are still harmed by non-transparent information. A brand may use Islamic symbols while failing to provide fair customer service. A company may satisfy formal requirements while producing limited social benefits. Therefore, sharia impact should be considered as an additional dimension. Sharia impact examines the extent to which Islamic values and principles generate tangible improvements in the quality of economic relationships. Such impact may be reflected in increased trust, consumer protection, fairness in exchange, transparency, satisfaction, empowerment, and social contribution (Alam & Seifzadeh, 2020). This shift produces a clearer conceptual hierarchy. Sharia compliance represents the foundation, value creation represents the process, while *maslahah* and positive impact represent the ultimate orientation. Companies should therefore not stop at asking, “Is this practice halal?” but continue by asking, “What impact does this practice have on people and society?”

Does Islamic Marketing Require Islamic Symbols?

Another important question is whether marketing practices must use Islamic symbols to qualify as Islamic marketing. This review suggests that symbols are not the primary requirement for value differentiation. Symbols can help consumers recognize product

positioning and identity, but symbols alone do not guarantee substance. Indeed, Islamic values may be implemented without explicit religious symbols. A company that practices transparency, honesty, fairness, responsibility, and *maslahah* may demonstrate values compatible with Islamic principles even if it does not use religious terminology or symbols in its branding. This argument broadens the scope of Islamic marketing. The Islamic character of a practice should not primarily be assessed through external appearance but through the principles governing behavior and its consequences. Accordingly, Islamic marketing can be understood as value-based marketing grounded in Islamic ethics (Iqbal, 2026).

Toward a More Substantive Conceptual Model of Islamic Marketing

Based on the literature synthesis, substantive Islamic marketing can be understood through three interconnected layers. The first layer is market recognition, referring to a company's ability to understand the needs and characteristics of Muslim consumers. At this level, segmentation and targeting play important roles. The second layer is value creation, referring to a company's ability to translate Islamic principles into products, pricing, promotion, distribution, services, and consumer relationships. At this level, Islamic values function as operational principles (Mathew, 2022). The third layer is social and ethical impact, referring to the consequences of marketing activities for consumers and society. At this level, *maqashid al-shariah* can provide an evaluative framework for determining whether marketing activities genuinely generate *maslahah*. These three layers demonstrate that Muslim segmentation should not be rejected. Segmentation constitutes a starting point. However, Islamic marketing acquires stronger theoretical identity when segmentation is followed by Islamic value creation and produces outcomes consistent with ethical objectives.

Theoretical and Practical Implications

Theoretically, this review demonstrates that Islamic marketing needs to move beyond definitions that focus excessively on consumer characteristics. If Muslims are positioned merely as a market segment, the theoretical contribution of Islamic marketing to marketing scholarship remains limited. Conversely, if Islamic values are positioned as a source of theory concerning value creation and exchange, the field has an opportunity to provide an alternative perspective to the dominance of consumer- and profit-oriented approaches in contemporary marketing. Practically, companies need to recognize that the use of Islamic identity creates additional responsibilities. The stronger the Islamic claims employed in branding, the greater the expectations for behavioral consistency. Companies must therefore ensure that communicated values are reflected in their actual operations. For consumers, this approach provides a basis for evaluating brands more critically. Consumers should not only ask whether a product is *halal* but also how the product is produced, marketed, priced, and communicated. Muslim consumer literacy can therefore move beyond *halal* awareness toward broader ethical awareness. For academics, these developments open opportunities for broader research. Islamic marketing research can move beyond simply examining the influence of religiosity on purchasing decisions toward investigating relationships among Islamic values, trust, brand authenticity, fairness, consumer experience, and social impact. Such a shift can strengthen the position of Islamic marketing as a field with both theoretical and practical contributions (Ibrahim & Mohd Sopian, 2023).

CONCLUSION

This review demonstrates that Islamic marketing has two possible and distinct interpretations. First, it may be understood as a marketing strategy targeting Muslim consumers through identity-based segmentation, *halal* needs, religiosity, and specific preferences. This approach is managerially relevant and should not be considered inherently problematic because companies need to understand the characteristics of the markets they serve. However, this approach alone is insufficient to explain the distinctive theoretical character of Islamic marketing as a discipline or paradigm. Second, Islamic marketing may be

understood as value-based marketing that places Islamic principles at the foundation of value creation, delivery, and exchange. From this perspective, halal is a foundation but not the entirety of the concept. Honesty, trustworthiness, justice, transparency, consumer protection, social responsibility, and maslahah constitute integral components of the marketing process.

Therefore, the question of “value differentiation or segmentation strategy?” does not necessarily require an exclusive choice between the two. Muslim consumer segmentation can serve as an initial instrument within Islamic marketing, but it must be followed by value creation grounded in Islamic principles. Segmentation answers the question of who is being served, whereas Islamic values answer the question of how those consumers are served. The central problem arises when Islamic identity is used merely as a commercial instrument. Halal labels, religious symbols, and narratives of piety can generate short-term differentiation, but they do not automatically produce substantive competitive advantage. Stronger differentiation emerges when such identities are supported by corporate behavior consistent with the values being communicated. The perspective of maqashid al-shariah can strengthen this orientation by shifting attention from formal compliance toward maslahah. In marketing, this means that success should not be measured solely by sales and consumer loyalty but also by fairness, transparency, trust, consumer protection, and positive social impact.

Therefore, the development of Islamic marketing should move from marketing to Muslims toward marketing through Islamic values. Companies should not merely understand Muslim consumers as a target market but should make Islamic values principles that guide how value is created and delivered. This shift also means moving from sharia compliance toward sharia impact. Ultimately, the differentiation of Islamic marketing should not depend on how many Islamic symbols a brand employs but on how consistently Islamic values are translated into action. Halal products constitute the starting point; honest and fair marketing represents the process; while maslahah, trust, and positive impact constitute the ultimate orientation. Within this framework, Islamic marketing can develop beyond a strategy for winning the Muslim consumer segment and become a value-based marketing paradigm that offers an ethical alternative to contemporary marketing practices.

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