



STRATEGIC
COMMUNICATION
CONSULTANCY

Islamic Banking

Communicating the Message

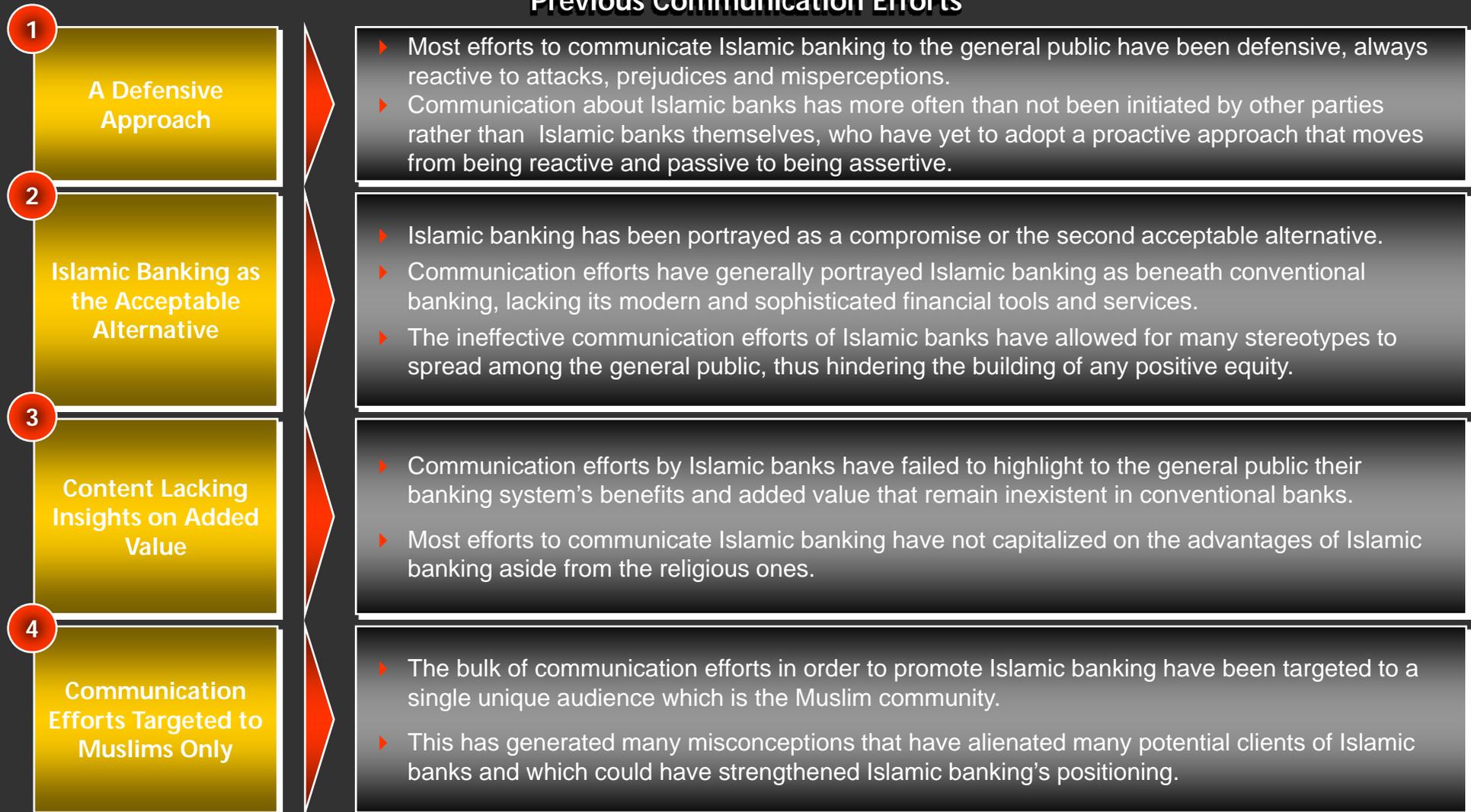
LEBANON OPPORTUNITIES

**Business Opportunities
in Lebanon**

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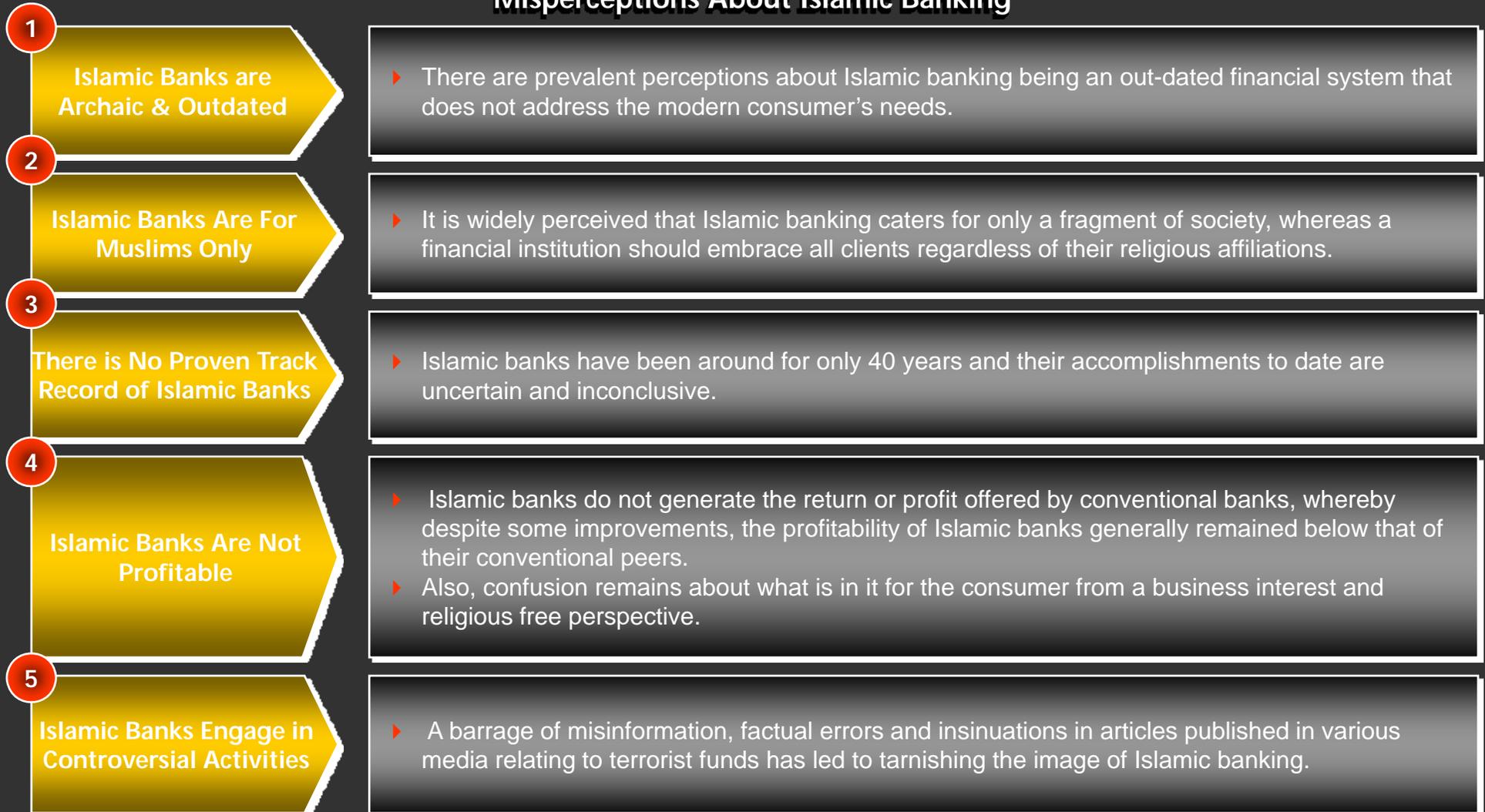
Previous communication efforts of Islamic banks have been defensive, portraying Islamic banks as the second acceptable alternative, lacking insights on added value and targeted to Muslims only

Previous Communication Efforts



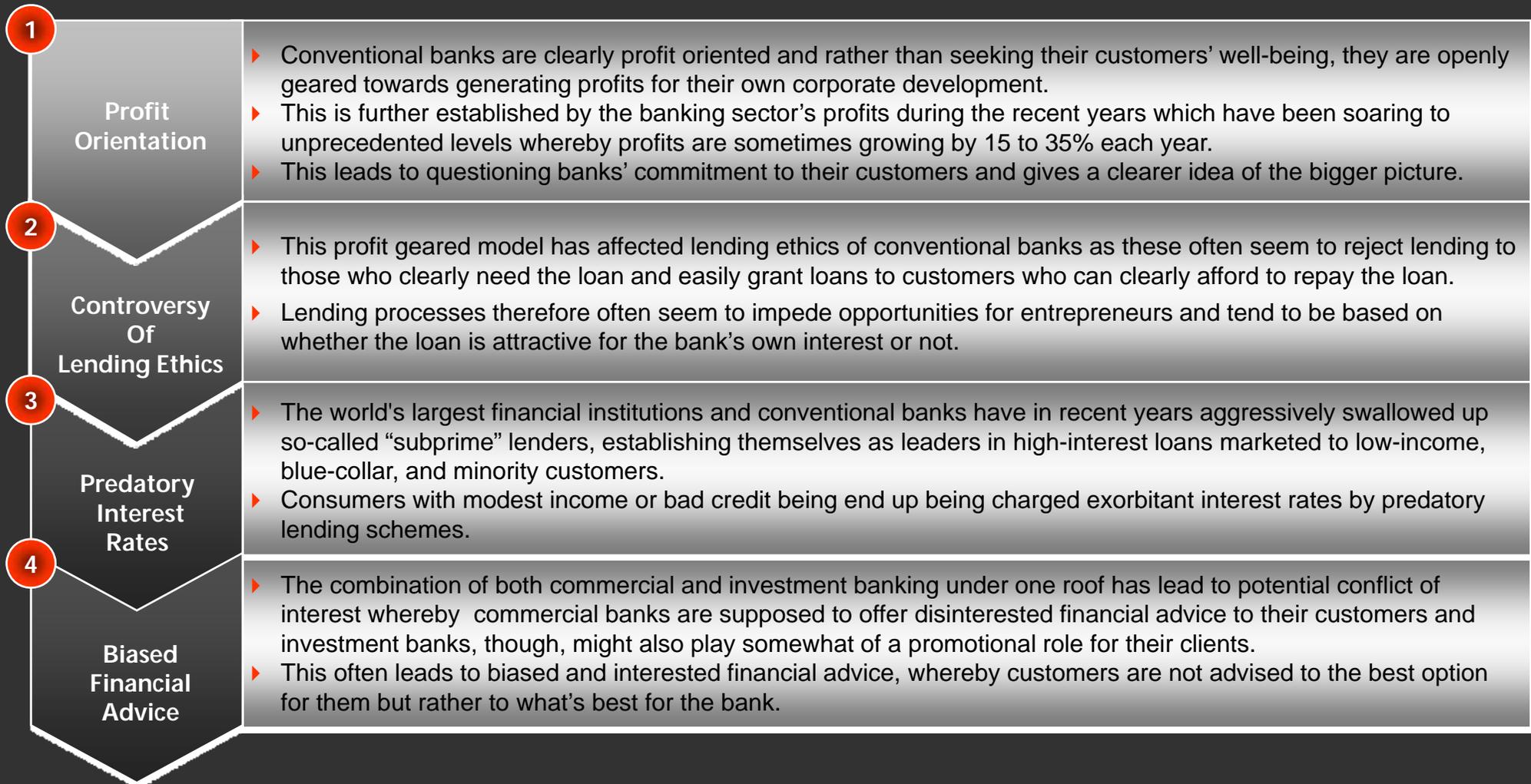
This ineffective communication has led to a range of misperceptions about Islamic banks being archaic, outdated, not profitable, and for Muslims only, with no proven track record but rather suspected controversial activities

Misperceptions About Islamic Banking



On the other hand, despite a number of shortcomings such as being purely profit oriented, with controversial lending ethics, predatory interest rates as well as biased financial advice...

Conventional Banking Shortcomings



...conventional banks have managed to turn these shortcomings into opportunities through aggressive and proactive communication efforts, portraying them as benefactors towards their customers

Conventional Banking Communication Efforts

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 - ▶ Bank of America demonstrates its commitment to the community it serves by maintaining relationships with 3.9 million (57 percent) of the 6.9 million U.S. Hispanic households. These customers have more than \$15 billion in deposits with the bank. Bank of America gives back to the Hispanic community through contributions, sponsorships, an extensive supplier diversity program and recruitment efforts
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 - ▶ Citibank designs communication efforts in order to educate student borrowers about their loan repayment responsibilities. When borrowers enter the payment for the first time, Citibank's Education Unit proactively contacts them to educate them about their repayment options. For those borrowers who demonstrate criminal attitude towards their credit repayment., Citibank's Student Assistance Unit provides counseling about options open to them to help avoid default and to safeguard credit.
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 - ▶ The bank's renowned "The world's local bank" motto is meant to create a sense of comfort for customers, leveraging on the bank's ability to adapt to the local needs despite its international dimension, and emphasizes the bank's capacity to use its international experience to better cater to the needs of its local clients.
 - ▶ The "HSBC bank credit card wherever your holiday takes you" also points out to the bank's efforts in trying to convey to its customers that it does everything in its power to help them live a better life.

Conventional Banking Communication Efforts

- ▶ Through their social commitment, corporate communication, corporate identity and proactive measures, conventional banks have managed to outshine the existing flaws of the sector by shaping their customers' positive perceptions about their bank before leaving way for the development of negativity and blaming of the banking sector.
- ▶ As such, conventional banks have succeeded in establishing a relationship between banks and their customers based on trust and appreciation whereby customers are brought to forget about the problems brought about by the banking system to their lives and focus solely on its advantages.

In order to achieve its objectives, Islamic banks' communication efforts should be targeted to the Muslim community, in addition to individual entrepreneurs, institutional investors, and the general public

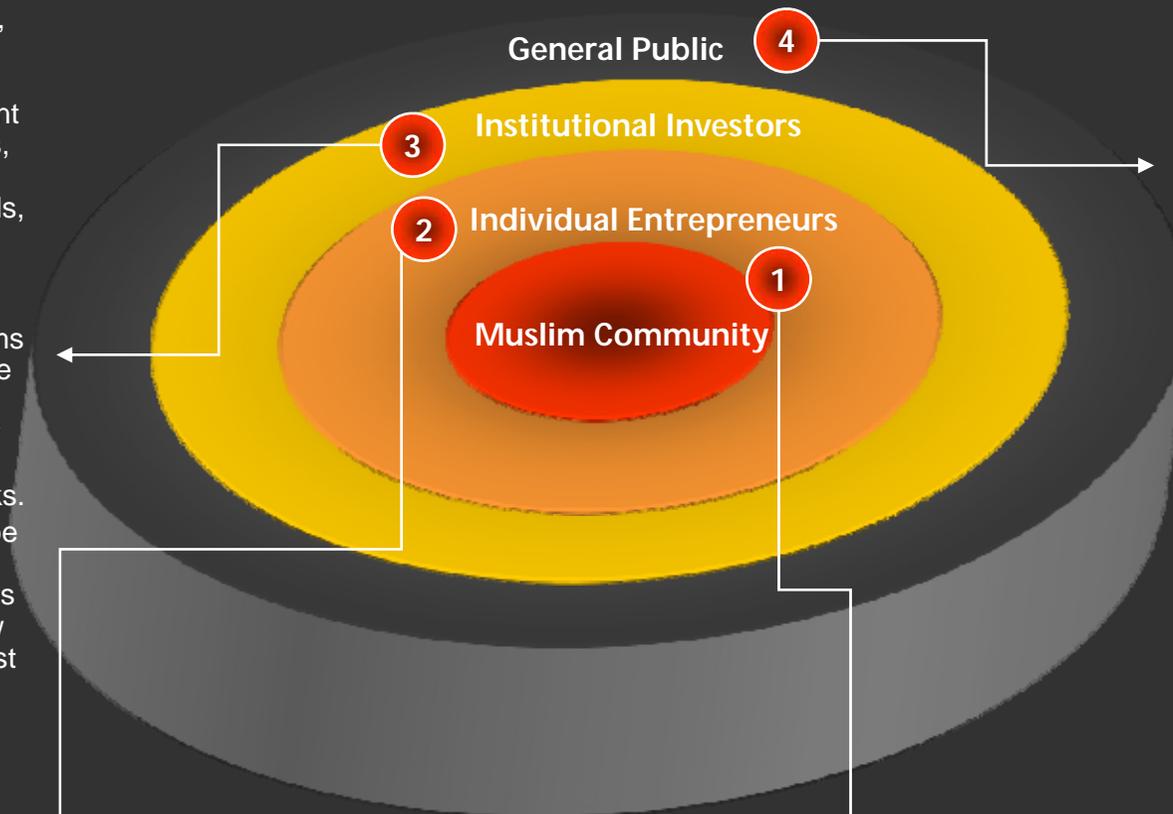
Target Audiences

- ▶ These are local, regional, and international entities with large amounts to invest, such as investment companies, mutual funds, brokerages, insurance companies, pension funds, investment banks, endowment funds, etc.
- ▶ Institutional investors are comprised of both Muslims and Non-Muslims and are assumed to be more knowledgeable, and they are more likely to be dealing with Islamic banks.
- ▶ These investors should be addressed with communication messages that further highlight how Islamic banks are the best banking alternative.

- ▶ These include local, regional, and international risk taking entrepreneurs who are knowledgeable and likely to deposit their money in Islamic banks.
- ▶ This group is comprised of both Muslims and Non-Muslims, and should be addressed with constructive communication that highlight how Islamic banks are a more profitable way of banking.

- ▶ These are Islamic banks' clients who are already convinced that they should only deal with Islamic banks for mere religious reasons.
- ▶ These clients should be addressed with communication messages that highlight the benefits of Islamic banks aside from religious ones.

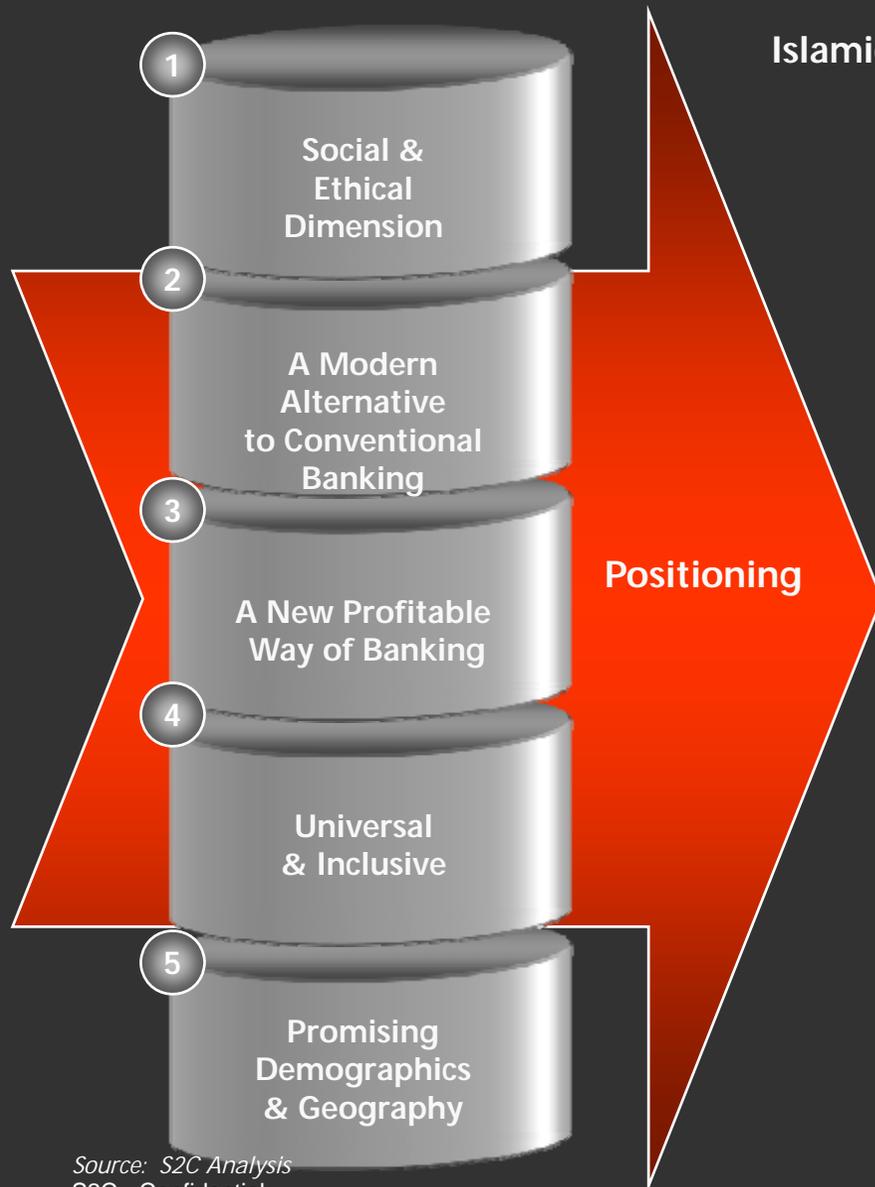
- ▶ The general public should be addressed with constructive communication messages that mitigate any negative vibes, misperceptions and prejudices about Islamic banking.
- ▶ The general public should be enlightened about the true nature and added value of Islamic banking.



Target Audience Analysis

- ▶ Consideration of a diverse target audience helps generate awareness of the need to balance the concerns of diverse investors in addition to the general public.
- ▶ For each target group or audience, its unique concerns, interests and perceptions will be analyzed, as different audiences may require separate communication messages and initiatives.

The positioning of Islamic banking should capitalize on its many opportunities and strengths and position itself as the first choice rather than a mere compromise



Islamic Banking Positioning

The First Choice and Not the Compromise

- ▶ *Islamic banking's distinctive social and ethical dimensions as well as its modern, profitable, and value-added services render it a genuine first choice rather than a compromise, away from stereotypes, pre-conceived ideas, and religious sensitivities and hostilities.*
- ▶ Islamic banking's positioning rests upon five major pillars which should be highlighted across all communication messages and communication efforts of Islamic banks.
- ▶ These principles are the following:
 - Islamic banks' social and ethical dimension.
 - Islamic banks' modern alternative to conventional banking.
 - A new profitable way of banking.
 - Islamic banks' universality and inclusiveness.
 - Islamic banks' demographics and geography.

Communication messages should be derived from Islamic banking's aspired positioning, emphasizing the social and ethical dimensions or edge...

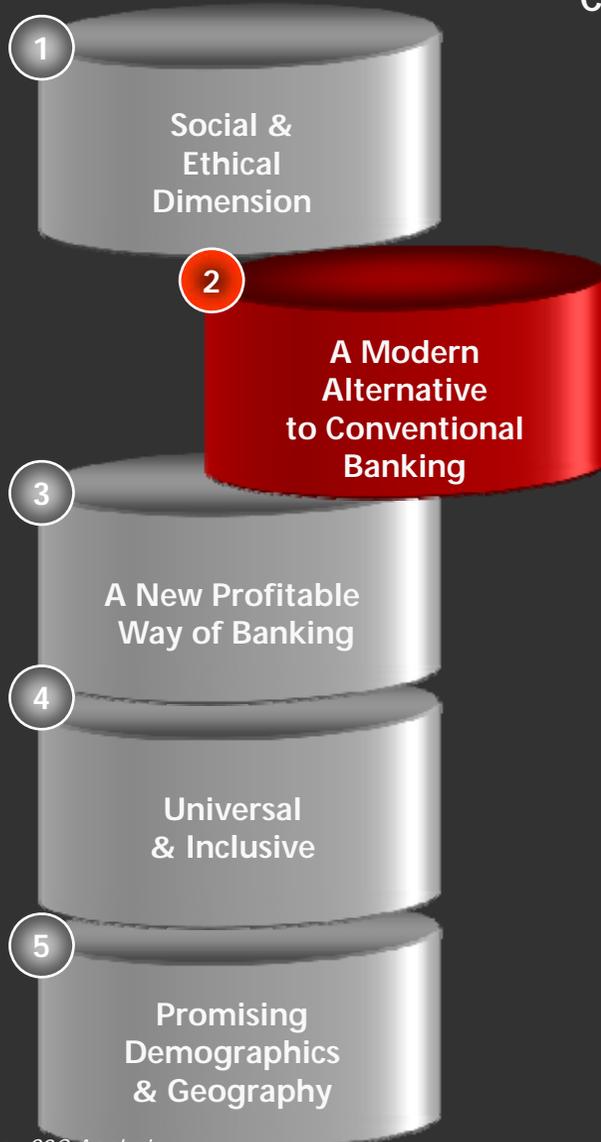
Communication Messages



- ▶ Where conventional banks have lost all social and ethical dimensions whereby their sole purpose is usury and profit generation, Islamic banking carries the noble cause of contributing to the elimination of exploitation and to the establishment of a just society.
- ▶ The objective of Islamic banking is to make a positive contribution to the fulfillment of socio-economic advancement of the society in all areas.
- ▶ As such, Islamic banking fosters a system of values that are in line with the values of reform values that are being hailed across the region and established as ideal catalysts for the socioeconomic and political development of many countries.
- ▶ Values of openness, honesty, accountability, transparency, inclusiveness, equal opportunities, etc. are therefore at the core of Islamic banking and are geared towards better serving the people, and not the bank's corporate ambitions.

...while also establishing it as a modern alternative to conventional banking rather than an outdated system...

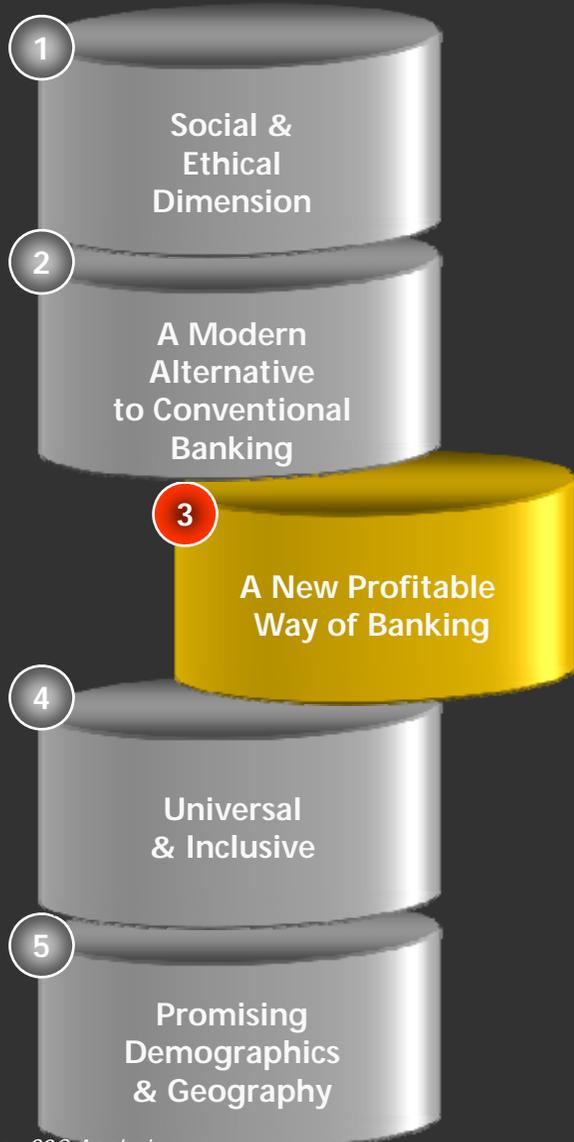
Communication Messages (cont'd)



- ▶ Islamic banking's concept of profit-and-loss sharing as a basis of financial transactions is a progressive one as it distinguishes between good and mediocre performance, encouraging better resource management.
- ▶ Islamic bankers, keeping pace with sophisticated techniques and latest developments have evolved value-added investment instruments that are not only profitable but are also ethically motivated.

...revealing Islamic banking as a new and profitable way of banking targeted to knowledgeable and entrepreneurial investors,...

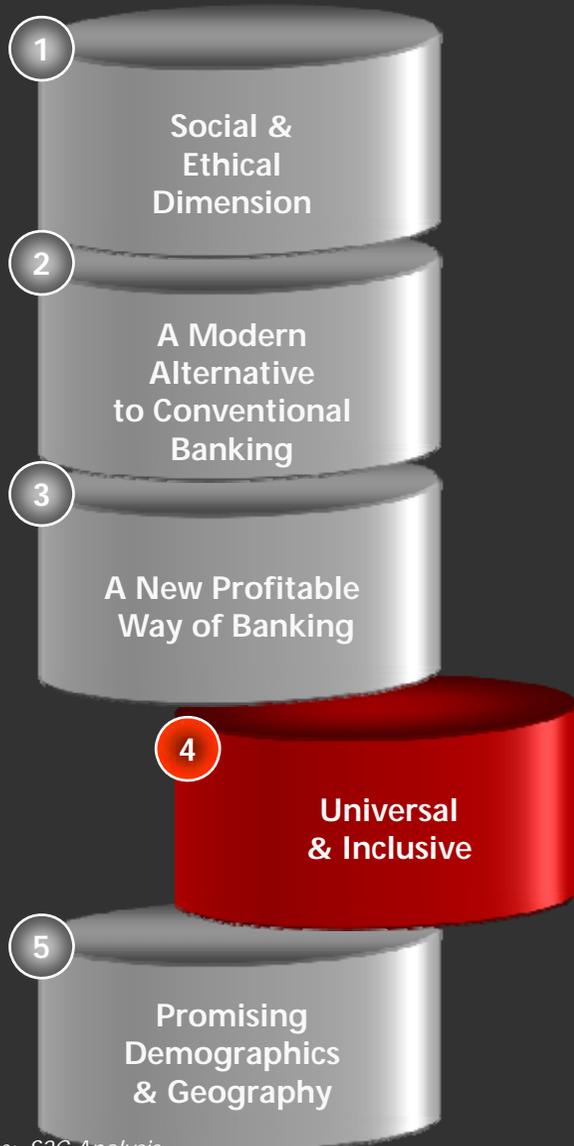
Communication Messages (cont'd)



- ▶ Islamic banking allows individuals to retain any surplus wealth and become profitable while reducing the margin of the surplus for the well-being of the community as a whole.
- ▶ Islamic banking is therefore a more profitable way of banking, whereby contrary to common misperceptions, investment in Islamic financial institutions provides considerable profit in proportion to the risk assumed to satisfy the different demands of participants in the contemporary environment and within the guidelines of the Shariah.
- ▶ Islamic banking is therefore targeted at knowledgeable, entrepreneurial, and risk-taking individuals and institutions that are looking for a more profitable way of banking.

...entrenching Islamic banking as a universal and inclusive concept that is able to draw Muslims and non-Muslims alike...

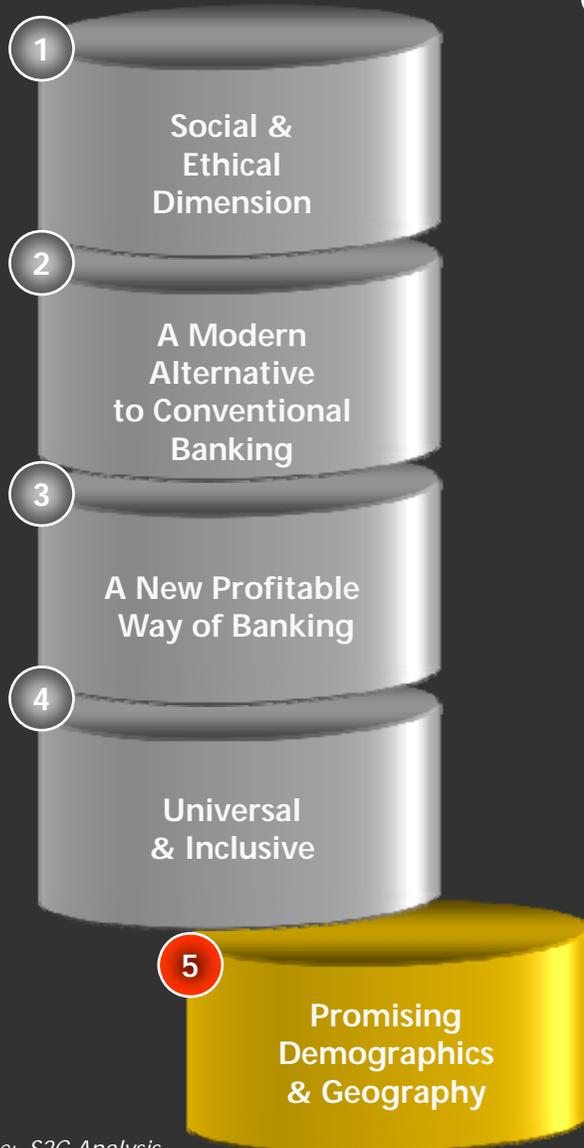
Communication Messages (cont'd)



- ▶ Away from stereotype, Islamic banking is a universally inclusive concept that continues to grow at a rapid pace because of its value-oriented ethos that enables it to draw both Muslims and non-Muslims alike.
- ▶ Contrarily to the widespread perception of Islamic banking as a banking system which is only for Muslims, Islamic banking is therefore open to the vast array of potential customers worldwide and open to diversity of its clientele.

...and finally, highlighting Islamic banking's many growth opportunities given the promising demographics and geographic distribution of potential customers

Communication Messages (cont'd)



- ▶ Promising geographic coverage and demographic distribution of target Muslim and other investors and the vast pool of potential consumers across the world offer Islamic banking great growth and development opportunities.
- ▶ Islamic banking can therefore expect long term expansion opportunities whereby prospects are for robust growth and viability.