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The Role of Public Relations in Promoting Islamic Products Globally: The Malaysian Experience

Jamilah Ahmad[1]

Abstract

Islamic banking and Muslim products have high demands not only among Muslims but also the non-Muslims worldwide including Malaysia. In general, Muslim consumers present a strong voice that the globalised world of business is paying more attention to, but has yet to be fully understood on how to deal with the market. To understand the global market challenges, it is important for public relations practitioners to apply strategic promotional tools to specifically cater this market. There are tremendous opportunity for growth in global halal market which is valued at approximately US$2.7 trillion annually (Ministry of International Trade & Industry of Malaysia, 2012). Looking at the growth and development of Islamic Products in Malaysia, this article examines the role of public relations in promoting Islamic products globally. The findings indicate that, it is important to used advertising; initiating Corporate Social Responsibility activities as well as correcting misconception of Islam are among the roles that need to be executed by public relations practitioners in promoting Islamic products globally.

Keywords: Public Relations; Islamic Products; Halal Products; Islamic Banking; Malaysia

1. Introduction

Malaysia is focusing its efforts in developing Islamic products and financial system with the aim of becoming an international Islamic hub. The emergence of Islamic banking eliminates the practices of *Riba*, (usury or interest), *Maisir* (gambling) and *Gharar* (uncertainty) which are often associated with the conventional banking system.

[1] PhD, School of Communication, Universiti Sains Malaysia, 11800 Pulau Pinang. Phone: 04-6533603, Email: jahmad@usm.my, Fax: 04-6577736

Some Islamic banking institutions provide similar products like conventional banks, but others are different (Fouad, 2009). To compete with the conventional institutions, Islamic banks must therefore develop products to achieve the goals of *Sharia*, and at the same time meet the economic needs of the society (Fouad, 2009). It is important to note that that there is a widespread use of securitisation *(tawreeq)*, "fictitious" *Morabaha* deals, and certain "fabricated" *Sukuk*, provided by some financial institutions as part as their Islamic banking products and services.

The definition of Islamic bank, as approved by the General Secretariat of the Organisation of Islamic Cooperation (OIC), is "An Islamic bank is a financial institution whose status, rules and procedures expressly state its commitment to the principle of Islamic Shariah and to the banning of the receipt and payment of interest on any of its operations" (OIC , 2014). At present, there are more than 300 Islamic Banks and other financial institutions managing funds to the tune of $300 billion, with deposits exceeding $ 120 billion and operating in 48 countries (Noor, 2007).

According to Abdul Majeed (2012), the rules and practices of Islamic banking derive from the *Quran* and the *Sunnah*, as well as from secondary sources of Islamic Jurisprudence such as opinions collectively agreed among *Shariah* scholars (*Ijma'*), analogy (*Qiyas*) and personal reasoning (*Ijtihad*).

The Holy *Quran* says that commerce and trade comprise of the following three principles: (i) Risk Taking (*Ghorm*); (ii) Work and Effort (*Kasb*) and (iii) Responsibility (*Damam*). Islamic law prohibits investing in businesses that are considered unlawful (*Haram*) such as businesses that sell alcohol or pork; or businesses that produce media (such as gossip columns or pornography); or gambling. The products offered by the Islamic Banks are so tailored made, to abide by three important principles of Islamic Law.

Besides Islamic banking, *Halal* products are also considered as another type of Islamic product. Essentially, the word *Halal* originated from an Arabic word that means "permissible" or "lawful" under Islamic Law (*Syara'*). Kambiz & Mohammad Reza (2011) explained that the realm of *Halal* might extend to all consumables such as toiletries, pharmaceuticals, cosmetics and services including finance. Nestle has become the largest food manufacturer in the Halal sector, with more than $3 billion in annual sales in Islamic and Muslim dominated countries (Kearney, 2006).

2. Islamic Global Products

The Islamic finance industry began its operations in the form of Islamic banks in the 1970s and 1980s, with access to large pools of capital. At that time, it did not see the need to develop financial instruments to attract funds, and it managed instruments that were considered adequate and profitable (Fouad, 2009). In recent years, Islamic investment funds have prospered in the Gulf countries and Malaysia (Fouad, 2009). Referring to South Asia, Islamic banking has been recently revived in Pakistan under the duel banking system. Bangladesh follows more rigorous Islamic banking policies under the increasing market and public demands. India and Afghanistan too may adopt Islamic banking operations in the near future.

Three Southeast Asian countries, namely, Indonesia, Malaysia and Singapore are promoting the most comprehensive and advanced version of Islamic banking and finance in the region with the aim of attracting Islamic based businesses from the Middle Eastern countries and elsewhere (M. Mansoor & M. Ishak, 2008). Islamic banks provide comprehensive Islamic financial products including *Modaraba, Istisna*, and *Morabaha,* which are in compliance with the *Sharia* principles and guidelines. According to Kyeong et al. (2012), in some countries (such as Iran and Pakistan), Islamic banks are the only mainstream financial institutions, while in many other countries (such as Malaysia, Indonesia, Bangladesh, and United Kingdom), *Sharia-Compliant* Financing (SCF) exists alongside conventional banking. Now, it is estimated that there are more than 250 Islamic banks operating in over 75 countries.

Table 1: Development of Islamic Banking Worldwide

Year	Islamic Bank
1963	Muslim Pilgrims Savings Corporation Mecca & Medina (Change to Pilgrims Management and Fund Board in 1969)
1973	Philippine Amanah Bank (PAB)
1973	Bank Shariya Mandiri, Indonesia
1975	Dubai Islamic Bank
1977	Faisal Islamic Bank of Sudan
1977	Faisal Islamic Bank of Egypt
1977	Kuwait Finance House, Kuwait (KFH)
1978	Jordan Islamic Bank, Jordan (JIB)
1978	Islamic Finance House Luxembourg (First Islamic banking in western)
1979	Bahrain Islamic Bank
1982	Faysal Islamic Bank, Bahrain (FIBB)
1983	Qatar Islamic Bank, Qatar (QIB)
1983	Islami Bank Bangladesh, Bangladesh (IBBG)
1983	Bank Islam Malayisa Berhad (BIMB) Malaysia
1984	Al Baraka Islamic Investment Bank, Bahrain (BKBN)
1987	Al Rajhi Banking & Investment Corporation, Saudi Arabia (Rajhi)
1987	American Finance House-LARIBA United States
1989	Muslim Community Cooperative Australia (MCCA)
2003	Islamic Bank of Yemen for Finance & Investment
2004	Islamic Bank of Britain (IBB)
2005	University Islamic Financial United States
2006	European Islamic Investment Bank

Apart from Islamic banking, *Halal* products are also considered as one of the important Islamic products. The *Halal* industry shows a significant potential both in domestic and international markets (Yuhanis & Chok, 2012 in Nik Hadiyan & Tajul Ariffin, 2012). It is estimated that 70% of Muslims worldwide adhere to *Halal* food standards and that the Global *Halal* Market currently stands at USD 580 billion (as at 2007) a year (Nazahah & Sutina, 2012). The Canadian International Markets Bureau reported an international *Halal* food trade stands at $150 billion a year. Now, with Muslim population at a staggering figure of 1.8 billion, and amounting to a USD2.1 trillion (as at year 2008) industry, the global *Halal* market is definitely an important market that should not to be taken for granted.

3. Malaysia and Islamic Products

Fatimah & Norma (2010) stated that the existence of Islamic banking operations in Malaysia can be traced back as early as in 1963 when Tabung Haji or the Pilgrims Management and Fund Board was established by the government, concerned at the time to cater for the religious consciousness of the Muslim community in Malaysia. The establishment of Bank Islam Malaysia Berhad (BIMB) in 1983 marked the beginning of a new era in Islamic banking in Malaysia (Majid et al, 2005 in Nai & Kok, 2012). The concept of Islamic window started in March 1993 when the Central Bank of Malaysia or Bank Negara Malaysia (BNM) introduced the "Interest-Free Banking Scheme" (Nai & Kok, 2012).

According to Abdul Aziz et al. (2012), being one of the most progressive Muslim countries in the world, Malaysia promotes the idea of implementing Islamic Banking System (IBS). Islamic banking, by definition of the International Association of Islamic Banks (IAIB), is a banking system, which was established to utilise fund in accordance to Islamic Shariah principles. The purpose of IBS is to expand the ring of unity among the Muslims and to ensure a fair distribution and utilisation of fund in compliance with the Islamic principles and teaching. This means that all the banking operations right from the deposits transactions, financing and products offered by the Islamic banks to it customers should be in compliance with the *Sharia* (body of Islamic religious law) law. Based on the Bank Negara Malaysia (BNM) annual report, there are 17 Islamic banks, registered and given licensed to operate (appendix 1). At present, Malaysia is the world's largest issuer of Islamic bonds *(Sukuk)* (Khan, 2011 in Krasicka & Nowak, 2012).

Table 2: The Development of Islamic Banking in Malaysia

Year	Description
1983	The Islamic Banking Act enabled the creation of Islamic banks. Bank Islam Malaysia Berhad, the first Islamic bank in Malaysia, was granted a full banking license in the same year.
1983	The Government Investment Act initiated the issuance of Shariah-compliant government bills and in turn provided liquidity management tools for Islamic banks.
1984	The Enactment of Takaful Act provided regulation for the Islamic insurance industry. Syarikat Takaful Malaysia Berhad, the first Takaful operator in Malaysia, commenced its operation in the same year.
1993	The introduction of Islamic windows allowed conventional banks to attract Islamic customers through their existing network of branches and contributed to creating a more competitive banking environment.
1994	The creation of the Islamic Interbank Money Market provided Islamic financial institutions with the facility for short-term liquidity management.
1997	The Shariah Advisory Council of Bank Negara Malaysia was established to promote harmonization of Shariah rulings in the Islamic finance industry.
2001	Islamic finance was given formal prominence in the government's Financial Sector Master Plan and the Capital Market Master Plan. The establishment of the Islamic Capital Market created a primary and secondary market for Islamic securities.
2005	The creation of the Malaysia Deposit Insurance Corporation ensured that both conventional and Islamic deposits are guaranteed by a common deposit insurance system.
2006	Malaysian government introduced a package of tax exemptions and incentives for Islamic finance.
2009	The financial sector was further liberalized, with nine new banking and insurance licenses granted to foreign financial institutions.
2011	The 2011-2020 Financial Sector Blueprint reinforced Malaysian government's initiatives to establish Malaysia as the international Islamic finance center through the development of innovative Islamic financial instruments, further mobilization of international Islamic financial flows, and strengthening the legal and Shariah frameworks

Source: PricewaterhouseCoopers Malaysia (2008) in Krasicka & Nowak, 2012

In Malaysia Islamic Banking also received a huge benefit from the Yearly Budget 2013, tabled on 28 September 2012. Benefits announced based on the Yearly Budget are described in Table 3 below.

Table 3: Incentives for Islamic Products Based on Budget 2013

Incentives	Description
1. Double tax deductions	1. For additional expenses incurred in the issuance of retail bonds and Sukuk for 2012-2015. 2. For expenses related to the issuances of “agroSukuk” for 2012-2015.
2.Exampt from paying stamp duties	Individual investors will also be exempt from paying stamp duties on retail Sukuk and bond transactions. The measures follow stock exchange operator Bursa Malaysia’s introduction of rules on the listing of exchanges traded bonds and Sukuk on the 27th September.
3.Halal industry fund	Islamic Developemnt Bank will make available a RM200 million Halal Industry Fund to finance the working capital of participating SMEs.

The main principles of Islamic Finance in Malaysia include (Khan, 2009 in Kyeong et al. (2012):

1. Prohibiting transactions at excessive interest rates (Riba);
2. Risk sharing in any transaction between at least two parties so that the provider of capital and the entrepreneur share the business risk in return for a share in profit, namely, the profit and loss sharing (PLS) principle;
3. Prohibiting speculative behavior based on uncertainty (Gharar);
4. Prohibiting investments that violate the rules of Shariah, or investments in businesses related to alcohol, pork related products, conventional financial services, and entertainment.

Muslims are the dominant group within a plural society in Malaysia with 60.4% of the entire population. The issue of Halal is in fact one of the most vital concerns of Muslims in Malaysia (Yuhanis & Chok 2012). Rosita et al. stated that since 2006, Malaysia has taken a holistic approach towards *Halal* goods and services because it realises that it is a new source for the country’s economic growth. For instance, from 2006 to 2010, Malaysia has synchronised its strategy on developing *Halal* products and services industries. This includes *Halal* training programme in 2007 by Halal Development Corporation (HDC), and the country hosting World Halal Forum and World Halal Research as an annual events.

In 2008, incentives for Halal Industries were approved by the Ministry of Finance. In the same year, Halal Industry Master Plan was also approved by the cabinet. In 2009, the first World Halal Directory Widget was launched by HDC.

Since 2009, Malaysia has taken a serious approach towards developing *Halal* products, because it realised that *Halal* considerations is the new attraction for the country's Muslim customers. Halal in Malaysia by Trade Description 1975, applied to the halal food are; *"Ditanggung Halal"* (Halal Compliance) or *"Makan Halal"* (Eat/Dine Halal) which mean that Muslims are permitted by their religion to consume such foods (Hayati @ Habibah et al., 2008).

According to Nik Hadiyan & Tajul Ariffin (2012), in line with this development, the Malaysian government focuses on increasing Halal products in making Malaysia as an international Halal hub. The Halal certification especially the food processing companies can depend on Malaysia's strength in Halal certification. Mohamed (2011) in Nazahah & Sutina (2012) added that Halal foods are foods permitted under the Shariah law which fulfills conditions, namely:

(a) Does not contain any parts or products of animals that are non-Halal to Muslims or products of animals, which are not slaughtered according to Shariah law;
(b) Does not contain any ingredients that are najs (filth or unclean) according to Shariah law;
(c) Is safe and not harmful;
(d) Is not prepared, processed or manufactured using equipment that is contaminated with things that are najs according to Shariah law;
(e) The food or its ingredients do not contain any human parts or its derivatives that are not permitted by Shariah law; and
(f) During its preparation, processing, packaging, storage or transportation, the food is physically separated from any other food that does not meet the requirements stated in items (a-d) or any other things that have been decreed as najs (filth or unclean) by Shariah law.

4. Challenges to Promote or Introduce Islamic Products

There are many challenges in introducing and promoting Islamic financial products. These include the nature of Islamic financial products and the extent to which they are different from other products and services provided by conventional banks. The challenge is here is to develop products which are in compliance with the *Sharia* (Al Aloush, 2005 in Fouad, 2009). On the other hand, the impact of the entry of international banks that provide Islamic services on Islamic banks in the region, given their limited capital base, is clear and evident.

Certain aspects of the entry of international banks into local markets are limited in nature.

The issue of accepting dealing in bank interest *(riba)* is a controversial one. The *Sheikh Al Azhar* in Egypt made a ruling *(fatwa)* that charging bank interest is not a violation of Sharia. However, such an issue must be decided by a consensus of Islamic scholars, and the consensus is that bank interest is a violation of *Sharia*. Some scholars at *Al Azhar* are against the idea that charging bank interest is not a violation of *Sharia* (Al Alaywi, 2006). The differences between Islamic scholars on the issue still could not be resolved.

Another challenge faced by Islamic Banks is to introduce or promote more financial products to the public. Islamic banking institutions need to explain that the products they offer do not only provide monetary benefits, but they also generate better 'human soul and spirit" in the eye of Islam and the Al-mighty God. Islamic banking is built based on the principles of justice to avoid the elements of *gharar* (uncertainty), *maysir* (gambling) and *riba* (interest). However according to Loo (2010), proliferation and prolificacy of Islamic accounts with Islamic names such as *Wadiah, Mudharabah, Ijraa, Umrah* and *Murabah* can be quite confusing and alien to the non-Muslim. Some bank staffs also possess inadequate knowledge of the products and they find difficulty in explaining the differences between Islamic Banking and Conventional Banking to the customers. Therefore, it is important for Islamic banking promotional materials to speak customers' language in order to make them understand.

Similar to Islamic Banking, *Halal* products also have to face challenges. According to Alfi Khairiansyah et al. (2011), most *Halal* products owners are joint stock companies. Each product may have more than one owner and its shareholders may possibly be non-Muslims. This creates ambiguous ownership status of the manufacturer. Some companies submit false information to attain *Halal* status. Therefore policy must be strictly and actively enforced by the Department of Islamic Development (JAKIM) in order to ensure continuous customers' trust.

Another challenge faced by *Halal* products is the inconsistency of global *Halal* standards worldwide. Different countries have their own *Halal* logos and trademarks.

While countries like Malaysia, Singapore, Thailand and Australia have *Halal* certification systems, some other Muslim countries such as Turkey have no indication of *Halal* logo or trademark and expect consumers to know that their products are *Halal*. This creates difficulties for companies in Turkey to export *Halal* products to other countries. Imported foods may be assumed not to be *Halal* in some countries and are arguably in greater need of a reliable and easily recognizable certification system (Riaz, 2010 in Kambiz & Mohammad Reza, 2011).

5. Strategies and Promotions of Islamic Products in Malaysia

There are various strategies introduced by the Malaysian government through the Ministry of International Trade and Industry to promote Islamic products (MITI, 17 April, 2012). Malaysia-IDB Group Investment Forum was initiated in 2012 with the aim of outlining strategy and business plan between Malaysia and IDB and enhancing IDB's partnership with the private sector. Through this initiative, the private sector will be directly linked to other IDB member countries through IDB/MCPS. Besides, they will also promote investment opportunities in this country especially to capital surplus investors from the Gulf Cooperation Council (GCC) region. The Forum also is an ideal opportunity for Malaysia to engage with successful entrepreneurs from the IDB member countries, who are owners of capital and founders of business empires.

As for the Malaysian *Halal* industry investment, Malaysian Industrial Development Authority (MIDA) reported that during the period of 1996-2006, total approved investment for food and selected non-food industries was at RM 10.2 billion; for foreign investment was RM5.2 billion and domestic investment was at RM 5 billion (Rosita et al, 2012). Data on Malaysia’s export of processed food significantly increased from 1996 to 2005, from RM 2.3 billion in 1996 to RM6.5 billion in 2005. In the non-food category, export of medical devices and pharmaceuticals grew at an average annual rate of 8% and 10.6%, respectively. In order to increase export of *Halal* products and services, the *Halal* industries manufacturers in Malaysia are required to implement the Malaysian Halal Standard.

The promotion of *Halal* products is widely practiced in Malaysia upon realizing the growing awareness of *Halal* products and services beyond *Halal* food and the increasing demand of such products worldwide (Siti Khadijah, 2008).

The Malaysia External Trade Development Corp (Matrade) also plays vital roles in the development of *Halal* industry and provides avenues for businesses to find markets for their products and services overseas. MATRADE is responsible to organize important events such as The Malaysia International Halal Showcase (MIHAS). MIHAS aims to facilitate the sourcing and selling of quality *Halal* consumables, products and services globally; this annual trade fair is in effect the largest congregation of *Halal* industry players. As an international trade fair focusing on *Halal*, MIHAS attracts a huge number of visitors and exhibitors. It embraces the *Halal* concept in all its dimensions from pharmaceuticals and herbal products, cosmetics and health care to Islamic investment, banking and takaful. Every year since its inception, MIHAS hosts over 500 buyers and matches them with participants of MIHAS from Malaysia (MATRADE, 2012).

Halal park is another initiative of *Halal* industry development in Malaysia. Halal park is one of the infrastructures facilitating the growth of the Malaysian *Halal* industry. Halal Park – communities of *Halal*-oriented businesses built on common property where they are provided with the infrastructure and service support. Halal Industry Development Corporation (HDC) is tasked with mission to make Halal park a success in Malaysia by attracting foreign companies, particularly multi-national corporations, to invest in the 20 Halal parks located across the country. Penang International Halal Expo and Conference (Pihec) 2013 which was held on January 2013 is another effort to promote *Halal* products. The expo comprised of 200 booths represented by local and international industry players (The Star, 10 November 2012). These efforts help to boost Malaysia's exports of *Halal* products from RM23.1bil in 2010 to RM35.4bil in 2011 (The Star, 7 May 2012). Malaysian *Halal* food manufacturers have also been invited to the Sharjah Expo Centre in the United Arab Emirates (UAE) for the "*Halal* Food Middle East" trade show in December (The Star, 5 April 2012).

In order to establish *Halal* industry in Malaysia, the Halal Standard was initiated in 2003. It uses the Halal Certification Scheme that is certified by the Department of Islamic Development Malaysia (JAKIM) (MOSTI, 2008). Under JAKIM, there are three types of Malaysian Halal Standards. (1) MS 1900:2005, Quality Management System-Islamic Perspectives. (2) MS 22200-1:2008, Islamic Consumer Goods-Part1: Cosmetics and Personal Care –General Guidelines. (3) MS 1500:2004, Halal Food-Production, Preparation, Handling and Storage-General Guidelines.

JAKIM is responsible for issuing the certification for halal products for exports and imports, while the state department of Islamic Affairs (JAIN) issues halal certifications for local consumptions. Halal certification refers to the examination of the processes in its preparation, slaughtering and cleaning, processing, handling, disinfecting, transportation and management practices (MOSTI, 2008).

According to Nik Hadiyan & Tajul Ariffin (2009), Malaysia intends to position itself as the knowledge centre for trade and investment promotion of *Halal* products and services. This is evidenced in the organization of Malaysia International Halal Showcase (MIHAS) and the World Halal Forum (WHF) as the international avenue for Halal trade (MANTRADE, 2011). Apart from foods, global demand for *Halal* products and services also include non-food products such as personal care products, cosmetics, pharmaceuticals as well as services covering restaurants and hotels, banking and financing, tourism and logistics.

6. Public Relations Roles on Islamic Products in Malaysia

The essence of public relations is to look after the nature and quality of relationship between the organization and its different publics and to create a mutual understanding with them (Brassington & Pettitt, 2000). In order to build strong relationship with stakeholers, Barathy et al., (2011) stated that Islamic banking facilities need to facilitate the understanding of Islamic banking products and services being offered. Hamid and Nordin (2001) in Barathy et al., (2011) argued that a better consumer education will assist in making people more aware of Islamic products.

In Malaysia, most of public relations practitioners explain Islamic banking policy through corporate websites and social media. Al Rajhi Bank Malaysia for instance, disseminate their banking information through website. The role of public relations practitioners is to update information about Islamic banking products such as why compound interest or *Riba* is banned, and commercial dealings are based on the principal of profit and loss sharing. This information is essential because it can educate public about Islamic Banking and how it differs from the conventional banking

Malaysia's Central Bank Governor, Zeti Akhtar Aziz encourages Islamic banks in Malaysia to expand further in the Southeast Asian region (Asian banking & finance news, 21 September 2012).

One example of such expansion is CIMB Islamic, who signed a Commodity Murabahah agreement and a Foreign Exchange (FX) - forward Agreement with London-based European Islamic Investment Bank (EIIB). Bank Muamalat Malaysia Bhd also collaborated with China's Bank of Shi Zui Shan to set up its first Islamic bank in China - in Ningxia Province, in two years, with the aim of developing and promoting Islamic banking in China (IslamicFinace.de, 26 July 2012).

Advertising is also considered as one of the most important strategies to maintain organization sales. Brassington & Pettitt (2000) defined advertising as any paid form of non-personal communication directed towards target audiences and transmitted through various mass media in order to promote and present a product, service or idea. However, according to Zulfiqar and Kamran (2012), for Islamic product advertisement, a brand should fulfill all aspects of the Islamic laws and norms before being presented to its consumers.

Halal trademarks and Islamic products can easily capture Muslim market worldwide as there are 1.6 billion Muslims all over the world. Branding of Islamic products and promoting its ideology could be one of the best ways to penetrate the market. For instance, Bank Islam Thematic TV Advertisement 2008 on Youtube is one of good example of the right Islamic advertisement as it used Muslim models with proper dress code (*aurah*). Islamic product advertisement is different from conventional product. Abul Hassan et al., (2008) explained that in Islamic ethics, promotional techniques must not use sexual appeal, emotional appeal, fear appeal, false testimonies and pseudo research appeal, or contribute to the dullness of the mind or encourage extravagance.

Over the last decade, an emerging body of public relations research has attempted to establish the role of website communication in building relationships with publics (Callison & Seltzer, 2010 in Sommerfeldt, Kent & Taylor, 2012). Kent and Taylor (1998) argued that strategically designed and well-managed websites may provide organizations with opportunities to engage in dialogic communication. Due to the importance of website, abundance of Islamic products in Malaysia utilize the use of website as a tool to engage with its key publics. Nestle, for example, become the largest food manufacturer in the *Halal* sector, with more than $3 billion in annual sales in Islamic country (Kearney, 2006).

In order to establish their reputation and relationship with the public, Nestle Malaysia create their own website and social media sites including Facebook and Twitter. Through the use of website and social media sites, public relations practitioners not only can be contacted by the public but they can also publish information and promote their products.

The terrain of public relations practice is also shifting with new media bringing about substantial increases in stakeholder strength through communication within stakeholder groups and between different stakeholder groups (Van der Merwe, Pitt & Abratt, 2005). Through Nestle Malaysia website, Nestle Malaysia can inform the public that they are the first multinational to voluntarily request for Halal Certification of all its food products when it was first introduced in 1996. Public relations practitioners of Nestle also utilize the internet to solve certain issues such as the controversy of the use of non-Halal substances in their products. Nestle Malaysia published “Halal Media” to inform the public of their swift action to suspend the production of its products after traces of pork were found (Halal Media, 2 Februari 2011). Handling issues and conflicts quickly is crucial to ensure that the image and reputation of the organization continues to be preserved (Middleberg, 2001). Overall, the presence of new technologies provides an opportunity for organizations to establish two-way communications with their publics (Gregory, 2004; Grunig, 1992).

Roshayani et al. (2012) stated that the demands for corporate social responsibility (CSR) initiatives are increasing. Organizations operating within the principles of Islamic law (*Sha'ria*), such as Islamic banks, are exposed to additional demands with regards to their CSR initiatives. These Islamic organizations need to provide information on CSR activities that reflect the Islamic perspectives. Asyraf & Nurdianawati (2007) on their research about Islamic banks in Malaysia also stated that social responsibility could be used as a strategic tool to enhance reputation and public image of a business institution. CSR also proves to be profitable for any business institution in the long run. Indeed, Islamic banking should lead the way in promoting good social responsibility practices.

Besides, public relations (PR) practitioners also need to play important roles in correcting any misconception or wrong perception of Islam. Issues related to prejudices, racism and Islamophobia need to be clearly explained because Malaysia had played a major part by developing an Islamic financial system and the halal industry. (Bernama, 6 Disember 2011).

7. Conclusion

Islamic banking and Muslim products have high demands not only among Muslims but also the non-Muslims in Malaysia. Islamic products have great potentials and are essential to many Muslims all round the world. Islamic products need good public relations messages to convey to the publics that they are in accordance to the *Sharia*. With a high population worldwide, Muslims have a strong voice that the globalized world of business must pay more attention to. However, it is important for public relations practitioners to apply strategic promotional tools to specifically cater to this market.

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Appendix 1

Bank	Type
1. Affin Islamic Bank Berhad	Local
2. Alliance Islamic Bank Berhad	Local
3. AmIslamic Bank Berhad	Local
4. Bank Islam Malaysia Berhad	Local
5. Bank Muamalat Malaysia Berhad	Local
6. CIMB Islamic Bank Berhad	Local
7. EONCAP Islamic Bank Berhad	Local
8. Hong Leong Islamic Bank Berhad	Local
9. Maybank Islamic Berhad	Local
10. Public Islamic Bank Berhad	Local
11. RHB Islamic Bank Berhad	Local
12. Al Rajhi Banking & Investment Corporation (Malaysia) Berhad	Foreign
13. Asian Finance Bank Berhad	Foreign
14. HSBC Amanah Malaysia Berhad	Foreign
15. Kuwait Finance House (Malaysia) Berhad	Foreign
16. OCBC Al-Amin Bank Berhad	Foreign
17. Standard Chartered Saadiq Berhad	Foreign

Source: Central Bank of Malaysia, 201

Glossary of terms

Ijara: Leasing. Similar to the conventional lease, it is a contract under which the financial institution buys and leases out an asset or equipment required by its client for a rental fee.

Morabaha: (Cost-plus financing). The financial institution agrees to fund the purchase of a given asset or goods from a third party at the request of its client, and then resells the assets or goods to its client with a mark-up profit.

Mosharaka (Partnership Financing): Although it is substantially similar to the Mudaraba contract, it is different in that all parties involved in a certain partnership provide capital towards the financing of the investment.

Mudaraba: (Trust Financing). Mudaraba is a form of partnership in which one party provides the capital required for funding a project, while the other party, manages the investment using his expertise. Profits arising from the investment are distributed according to a fixed, pre-determined ratio.

Riba: Interest. The legal notion extends beyond just interest, but in simple terms, riba covers any return of money on money. Riba is strictly prohibited in Islam.

Extra notes:

Islamic Sukuk

Another development in the area of Islamic financial instruments is a new form of debt; Islamic *Sukuk*, in their diversity and capability to provide funds. *Sukuk* can be considered an ideal solution to the limited availability of Islamic finance instruments in local markets, where there is a concentration on *Ijara, Morabaha,* and *Wakala* investment, in addition to securitization, which is considered controversial by religious figures. Islamic *Sukuk* can be an ideal solution in developing an integrated market of financial instruments of various risk levels to meet the needs of the investors. Islamic *Sukuk* will enhance the ability of the markets to grow, because its growth will not depend on the size of the institution and its ability to borrow, but on its ability to issue *Sukuk* resulting from securitizing assets.