

# Takaful and re-Takaful: Marketing strategy for Takaful companies



**TAKAFUL & RE-TAKAFUL (EUROPE)**

By Ezzedine Ghlamallah

The marketing approach of a Takaful product in the European region has to be based on a three-pronged vision: cultural, organizational and strategic, as well as reflect the atmosphere of a Takaful company while it must have the purpose of maintaining coherence of actions and ensure veracity of speech.

As in all key areas of a Takaful company, the commitment of leaders is essential. Marketing can be defined as an effort to adapt organizations to competitive markets, in order to influence the public's behavior on which they depend, by an offer whose perceived value is higher than competitors.

**“ It is by using a tailored marketing mix adapted to the Takaful industry that companies will manage to meet their customers' needs and ensure commercial success ”**

Marketing for Takaful companies is therefore a customer-oriented mindset but it also relates to profitability. It is the set of techniques that enable the meeting of products and services intended to satisfy the consumers' expectations.

Today, the power of customers is growing, thanks to the development of blogs, forums and social networks. It is possible to enquire before a purchase, to testify as a result of good or bad experiences, to propose improvements products, etc. Takaful companies must learn to take this into account in a transparent and respectful manner. It



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## The seven Ps of the Takaful marketing mix

1. **Pedagogy:** The more knowledge a person has about Takaful, the more Takaful will interest him. Consequently, if the Takaful company wishes to increase the degree of his interest, it is necessary to increase the degree of his knowledge.
2. **Pureness (Shariah compliance):** Companies must build trust through honesty, transparency and sincerity and must participate in social and educational activities. Proposed contracts must be validated by Shariah scholars and surpluses must be allocated between companies and participants.
3. **Price:** Affordable prices must be sought without seeking to take advantage of the absence or weakness of competition to increase them, at the risk of creating mistrust which would be perceived as a misappropriation of religious values of solidarity and mutual assistance for pecuniary ends.
4. **Product:** To ensure successful commercialization, the products offered must meet real needs arising from cultural, religious, social and economic factors.
5. **Professionalism:** Takaful companies' credibility depends

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on the professionalism of their representatives, who must be competent, honest and focused on meeting customer needs.

6. **Place:** One of the main challenges is distribution where it must be optimized so that the tariff can be competitive with the conventional offer. Marketing should be in tune with the spirit of these types of Islamic products which unfortunately are badly perceived to use aggressive sales techniques.
7. **Promotion:** Develop viral marketing to demonstrate the solvency and solidity of the Takaful company by communicating both on compliance and on the quality of products and services. ☺

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