

# An Empirical Analysis on Perceived Compliance of Islamic Marketing Principles in Bangladesh

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## ABSTRACT

The study aims to investigate the level of perceived compliance to Islamic marketing principles in Bangladesh. The study has analyzed the impact of attitude toward Islamic marketing, ethnocentrism, and religiosity on the perceived compliance of Islamic marketing. The study is empirical and based on the primary data. Data collection has been carried out through the distribution of structured questionnaires and online survey. The results show that businesses in Bangladesh do not satisfactorily comply with sharia principles to conduct marketing activities. Moreover, the study shows that religiosity has significant negative impact on perceived compliance of Islamic marketing practice, but ethnocentrism has significant positive impact. Attitude toward Islamic marketing has negative insignificant effect on perceived compliance of Islamic marketing.

## KEYWORDS

Attitude, Bangladesh, Compliance of Islamic Marketing, Ethnocentrism, Islam, Islamic Marketing, Marketing, Religiosity

## INTRODUCTION

Business and businessman have been given respect and importance in Islam. In holy Quran several verses are present which provides significant directions for business. Allah says in Holy Quran “Do not devour one another’s property by unlawful ways; but do business with mutual consent” (Sura Nisa, 29), “Give just measure and weight, nor withhold from the people the things that are their due” (Sura Hud, verse 85), “Allah has made trade halal and riba haram” (Sura Baqarah, verse 285). Hazarat Muhammad (SAW) Said: “The honest and trustworthy merchant will be with the prophets, the truthful, and the martyrs.” (Source: Sunan al-Tirmidhī 1209). These are just few verses from the Holy Quran and Hadith that reflect the significance of business in Islam. Islam has specific rules and regulations to run business related activities such as finance, marketing, human resource management, accounting etc. Hasan (2020) argued that many conceptual and theoretical indications are available of broader acceptance of Islamic marketing. Wilson (2012) argued that there is a huge demand or interest on Islamic marketing among students, customers, practitioners, and academicians in either Muslim majority countries or Muslim minority countries. Therefore numerous studies have been conducted to investigate consumer perception toward various Islamic marketing topics (Hoque et al, 2019; Ashraf, 2019; Khan et al, 2020; Abdullah and Ahmad, 2010; Kumasi, 2021). However, still now there is a serious lack of studies to evaluate the compliance of Islamic marketing principles by the businesses in Muslim dominating areas of the world.

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Ethnocentrism is a significant and widely investigated variable in marketing literature (Zeugner-Roth, 2015). It is a strong and significant predictor of consumer product evaluations (Orth and Firbasova, 2002). Very often, consumers with ethnocentric attitudes are more likely to evaluate domestic products positively than those with less ethnocentric attitudes (Nijssen et al., 1999). However, the influence of ethnocentrism is lower if the people of a nation treat the domestic products as lower quality (Lu et al, 2004). The impact of ethnocentrism tendency on Muslim consumer's behavior has been investigated in several studies (Sari and Liu, 2017; Farah, 2021). However, the interrelationship between ethnocentrism and perceived compliance to Islamic marketing principles has not been analyzed still now.

Religion still plays a significant role in influencing social and consumer behavior (Kharim, 2010). Previous studies have shown that religiosity and consumption behaviors are strongly linked (Benabdallah & Jolibert, 2013; Rahman et al, 2015). The consumption behavior of Muslims is also heavily influenced by religiosity (Alam et al, 2011). For instance, religiosity significantly influence the consumption of Islamic banking products (Muslichah & Sanusi, 2020). Religiousness is a significant determinant of consumer ethical beliefs (Vitell, 2005). However, the effect of religiosity on perceived compliance of Islamic marketing principles has not been analyzed still now.

Bangladesh is a small country by area but has a huge population. The Census of 2011 has showed that Muslim population in Bangladesh is 135,394,217 covering up 90.4% of Bangladesh (Bangladesh Bureau of Statistics, 2011). According to Pew research center, Muslim population of Bangladesh will reach 182.36 million by the year of 2050 and will constitute 91.7% of the country's population (Pewforum, 2015). There is a gradual increase in the proportion of Muslim population in every decade after the population. Due to the emergence of a middle-class segment and higher percentage of young people Bangladesh is attractive business location for businesses.

The number of studies on Islamic marketing in the context of Bangladesh is very rare but due to the composition of population structure it is very essential to conduct such research work. Even still now there is no study to reflect the perception of Bangladeshi consumers regarding the compliance of Islamic marketing principles by the firms. Moreover, the influence of attitude toward Islamic marketing principles, religiosity, and ethnocentrism on perceived compliance of Islamic marketing has not been explored still now. Hence, the present study has tried to fill this research gap by answering the following research question: Do the business firms in Bangladesh maintain compliance with Islamic marketing principles? Does attitude toward Islamic marketing influence perceived compliance of Islamic marketing? Does religiosity influence perceived compliance of Islamic marketing? Does ethnocentrism influence perceived compliance of Islamic marketing?

## **REVIEW OF LITERATURE**

### **Perceived Compliance of Islamic Marketing Practice**

Alserhan (2011) stated that Islamic marketing practice means Shariah-compliant practices, i.e. following the teachings of Islam in all aspects of business by applying Islamic business ethics and observing the market manners as directed by the religion of Islam. Hasan (2019) stated that the concept of Islam Marketing is based on three unique principles: (1) value maximization; (2) Shariah compliance; and (3) welfare for all stakeholders. El-Bassiouny (2016) stated that improvements in the emerging field of Islamic marketing increase academic interest into its foundational principles and the directions that it is taking. The field is guided by the diversity in general marketing thought and the related literature, as well as the abundant research approaches investigating the socio-religious and societal aspects of marketing. Kamassi (2021) showed in a qualitative study that social values (family, tradition and culture), Islamic ethics and rules and regulations are vital factors for advertising practices in Muslim dominated societies. Abdullah and Ahmad (2010) have showed that there is an awareness of Islamic marketing regulations and practices in Malaysia. However, consumers perceived that most of the businesses in Malaysia are not complying with Islamic marketing practice both with respect to

general Islamic marketing principles and with recommended Islamic promotional practices. Moreover, there was also a significant difference in opinions expressed by Muslim consumers due to the influence of their religious educational background and the states in which they resided. Therefore, based on the purpose of the study and above-mentioned literature review we can propose the following hypothesis:

H1: Businesses in Bangladesh maintain compliance to Islamic marketing principles

H2: Businesses in Bangladesh maintain compliance to Islamic promotional principles.

## **RELATIONSHIP OF ATTITUDE TOWARD ISLAMIC MARKETING AND PERCEIVED COMPLIANCE TO ISLAMIC MARKETING PRINCIPLES**

Theory of Reasoned action, a popular theory for discussing consumer behavior, states that the intention of behavior is an immediate behavioral predecessor which is the consequence of a collective attitude toward behavior (Ahmed et al, 2018). The extension of TRA theory is Theory of Planned behavior (Ajzen,1991) which also considered attitude as an important independent variable to explain behavioral intention of consumers. According to Ajzen (1991) Attitude toward the behavior refers to the “degree to which a person has a favorable or unfavorable evaluation of the behavior in question”. Boone and Kurtz (2004) posit attitudes as a person’s enduring favorable or unfavorable evaluations, emotions or action tendencies toward some object or data. Paladino and Ng (2012) demonstrated that the product attitudes of college students positively affect their intention to purchase green mobile phones. Customer attitude is largely affected by others’ expectations (conformance with others expectations, NCC) rather others knowledge and expertise (ICC) (Khandelwal, 2018). Divianjella et al (2020) demonstrated that attitude towards Halal cosmetics has a positive effect on the intention to use Halal cosmetics products. Hoque et al (2019) found that attitude, subjective norm and perceived behavioral control carry positive effects on Muslim consumers’ purchase intention toward Sharia compliant hotels. Moreover, perceived behavioral control and intention to purchase significantly affect purchase behavior towards Shariah compliant hotels. Haque et al (2015) demonstrated that the perception of non-Muslim consumers regarding halal food products is influenced by their attitude, subjective norm and perceived behavioral control, specifically in the context of Malaysia. Khan et al (2020) showed that both positive attitude and societal perceptions towards *halal* have a positive and significant impact on *halal* buying behavior. Ashraf (2019) found that trustworthiness, attitude, normative structure and self-efficacy, significantly influence halal food purchasing among the consumers in Bangladesh. Hence, we can propose the following hypothesis

H3: Attitude toward Islamic marketing has significant influence toward perceived compliance of Islamic marketing principles.

## **IMPACT OF RELIGIOSITY ON PERCEIVED COMPLIANCE OF ISLAMIC MARKETING PRINCIPLE**

Religious identity is a powerful identity because religion and religious institutions provide social, economic, and psychological benefits in addition to fulfilling spiritual needs (Peek, 2005). Religious consumers perform in ways that preserve and augment their sense of religious self (Hollenbeck and Kaikati, 2012). Several studies have integrated religiosity with theory of planned behavior to analyze the purchase behavior of Muslim consumers and found that religiosity has a significant role toward purchase intention (Bukhari et al, 2020). Religious identity and religiosity have been shown to stimulate consumers’ product choice (Rahman et al., 2015). Religiosity has a positive and significant impact on perceived value (Auliarahman & Sumadi, 2020). Karsi (2013) showed that religiosity plays a significant role in the decision of charitable giving. Mabrouk, & Najjar (2019)

demonstrated that religiosity has a moderating effect only on the antecedents of purchase intentions but not on the antecedent attitude towards the advertisement. Hari and Adawiyah.(2018) showed that Religiosity moderated the relationship between environmental orientation and environmental marketing practices. The study was conducted among Muslim entrepreneurs in Indonesia. Rehman (2010) found that Religiosity affects new product adoption among Muslim consumers of Pakistan. Shah et al (2011) stated that entrepreneurs must not neglect the element of religion in their marketing activities, particularly in the development of products because religiosity is an important determinant of consumer behavior. Hence, we can propose the following hypotheses:

H4: Religiosity has significant influence on Perceived compliance of Islamic marketing principles

H5: Religiosity mediates the relationship between attitude toward Islamic marketing practice and perceived compliance toward Islamic marketing practice.

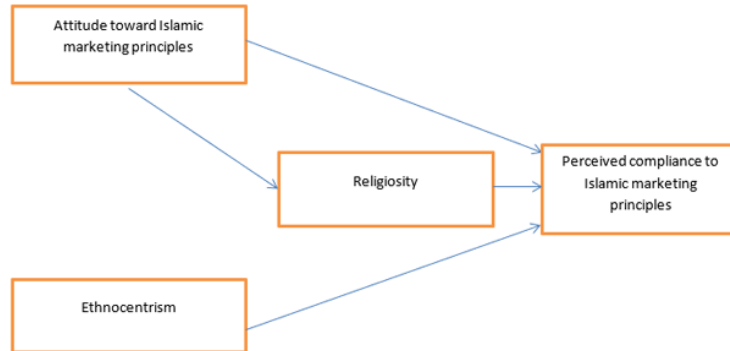
### **IMPACT OF ETHNOCENTRISM ON PERCEIVED COMPLIANCE OF ISLAMIC MARKETING PRINCIPLE**

Consumer ethnocentrism means views held by consumers regarding the appropriateness, indeed morality, of buying foreign-made products (Shimp and Sharma, 1987, p. 280). Turner (1987) has discussed the ethnocentric characteristics of consumers through Social Identity Theory (SIT). According to this theory, ethnocentric consumers see themselves as representatives of a distinctive group rather than unique individuals. This process leads them to adopt a social identity where their beliefs, ideas, attitudes, values, and behaviors tend to reflect norms of their group and they see their group as superior, positive and distinct as compared to others (Turner, 1987). Some ethnocentric consumers may prefer national products over overseas ones to defend the home economy or as a symbol of their loyalty and support for their country (Shoham and Gavish, 2016; Verlegh, 2007). Other ethnocentric consumers may tend to reject foreign or anything foreign (Siamagka and Balabanis, 2015). C. Min and Chen (2018) suggested that ethnocentric advertising may not encourage purchases of domestic brands but can discourage foreign brand purchases. Moreover, the study demonstrated that individualistic consumers were found to show a greater preference for foreign brands and their brand choices were less affected by the ethnocentric advertising. However, Ahmad and Rehman (2018) showed that brand personality and consumer ethnocentrism tendencies do not guarantee sales of local brands. Rather brand image has a greater effect on purchase intention, perceived quality, and brand trust than consumer ethnocentrism. Sari and Liu (2017) demonstrated that Muslim consumers do not boycott solely for religious reasons and can boycott products to protect their local products. Farah (2021) posited that hat Sunni consumers indicate a greater trust in judgment of and willingness to buy foreign Halal products compared to their Shiite counterparts, Moreover, religiosity, ethnocentrism, subjective norms, brand trust and product judgment have been found to significantly influence consumer purchase intention. Some consumers regard halal products as foreign (Mcgregor, 2006) or avoid consuming halal products if it contributes Islamification of the society (Wilson and Liu, 2010). Hence, we can propose the following hypothesis:

H6: Ethnocentrism has significant influence on Perceived compliance of Islamic marketing principles

On the basis of the above-mentioned literature review and proposed hypothesis we have formulated the conceptual framework of the study as below:

Figure 1. Conceptual Framework



## METHODOLOGY

The study is descriptive and quantitative in nature aiming to analyze the perceived compliance of Bangladeshi businesses toward Islamic marketing principles. Moreover, the researchers have tried to analyze the impact of attitude toward Islamic marketing principles, religiosity, and ethnocentrism on perceived compliance of Islamic marketing.

## SELECTION OF SAMPLE AND DATA COLLECTION

The study is empirical and based on the primary data. The data has been collected from the graduates, academicians and professionals related to the fields of business, economics, and Islamic studies of Bangladesh. Data collection has been carried out on a randomly chosen sample of 173 respondents, through distribution of structured questionnaires and online survey. According to Kline (2005) a sample size below 100 is considered low, a sample size between 100 to 200 is considered medium and a sample size more than 200 will be considered large. Hence, the size of the sample is adequate to run structural equation modeling. A group of MBA students of Patuakhali Science and Technology University was given proper instructions and has been sent to the chosen respondents. The respondents have been selected based on their familiarity with business practices in Bangladesh. The respondents are undergraduate and graduate students from selected public universities, faculties of a government run universities, executives of private and public commercial firms, and businessmen. The questionnaire has been compiled in such a way that extensive information can be collected on the demographic characteristics of the respondents. The questionnaire also contained abundant items regarding respondent's views on attitude toward Islamic marketing principles, religiosity, ethnocentrism and perceived compliance of Islamic marketing.

## METHOD OF DATA ANALYSIS

The statistical package SPSS (version 23.0) has been used for data analysis. First, Reliability and validity analysis of the questionnaire have been performed through Cronbach alpha and factor loading; Second, Perceived compliance to Islamic marketing principles has been analyzed through frequency distribution, one sample t test and mean value; Third, Structural equation modeling has been applied through AMOS to test the hypothesized relationships;

## SCALE AND MEASUREMENT

As discussed in the above section, we have considered attitude toward Islamic marketing, ethnocentrism and religiosity independent variable and perceived compliance to Islamic marketing principle as dependent variable. We have also considered religiosity as mediating variable between attitude toward Islamic marketing and perceived compliance toward Islamic marketing. Each of the variables has been measured reliably with a multi-item scale. The researcher has measured the study variables by utilizing five-point likert scale (1 = strongly disagree” and 5 = strongly agree. The researcher has adapted questionnaire items from previous research works to suit the need of current research. The questionnaire items to measure perceived compliance to Islamic marketing and Islamic promotion have been adapted from Abdullah and Ahmad (2010). Measurement items have been adapted from Akar and Topcu (2011) to measure the attitude toward Islamic marketing principles. To measure religiosity and ethnocentrism items have been adapted from Zafar et al (2012) and Haque et al (2011).

Table 1 shows the reliability and validity statistics. The reliability of all of the constructs is high. The Cronbach alpha values of most the constructs are above the acceptable levels. Only the alpha value of the construct ‘compliance to Islamic promotional practice’ is 0.585 which is very close to the acceptable limit 0.6. Nunnally (1967) suggested that alpha values can be accepted to the limit of 0.50 and a lower number of items can produce a lower alpha value (Tavakol and Dennick, 2011). In our case the number of items in the construct ‘compliance to Islamic promotional practice’ is only 3. The Exploratory factor analysis has been conducted to check the validity of the questionnaire items. The factor loadings of all the questionnaire items are also within the satisfactory level which ensures the validity of the questionnaire.

Table 1. Reliability and Validity

Factors	No. of items	Cronbach ‘s Alpha	Questionnaire Items	Factor loading
<b>Compliance to Islamic marketing practices</b>	4	.663	CI 1	.958
			CI 2	.727
			CI 3	.646
			CI 4	.559
<b>Compliance to Islamic Promotional Practices</b>	3	.585	CP 1	0.609
			CP 2	0.867
			CP 3	0.572
<b>Attitude towards Islamic marketing</b>	4	0.787	AI 1	0.857
			AI 2	0.673
			AI 3	0.699
			AI 4	0.704
<b>Religiosity</b>	4	0.742	RE 1	0.632
			RE 2	0.482
			RE 3	0.732
			RE 4	0.646
<b>Ethnocentrism</b>	3	0.647	ET 1	0.690
			ET 2	0.841
			ET 3	0.590

**Table 2. Demographic Profile of the Respondents**

	<i>Frequency</i>	<i>Percent</i>
<b>Respondent's Age Group</b>		
19 to 29	130	75%
30 to 39	41	24%
40 to 49	2	1%
50 to 59	0	0%
60 +	0	0%
<b>Gender</b>		
Male	139	80%
Female	34	20%
<b>Marital status</b>		
Married	124	71%
Unmarried	49	29%
<b>Educational Qualifications</b>		
Graduate	73	43%
Post-Graduate	86	49%
Above	14	8%
<b>Professions</b>		
Student (Graduate and Post Graduate)	90	52%
Academicians	39	22%
Private sector employee	28	17%
Businessman	4	2%
Others	12	7%

To verify the discriminant validity and convergent validity of the variables, confirmatory factor analyses (CFA) were conducted. The measurement models showed a good fit between the model and the data. Although the chi square was significant, the values of CFI (0.91), AGFI (0.89), RMSEA(0.06) and GFI (0.873) are within satisfactory level which ensures good fit of the model. The significance of the t-values for each path coefficient of the CFA model was evaluated to ensure convergent validity

## RESULTS AND DISCUSSIONS

Table 3 shows the mean value of the statements regarding perceived compliance of Islamic marketing. The mean value of the statement “Business activities are conducted according to Islamic guidelines and regulations in Bangladesh” is only 2.32 which is much below the neutral value. According to the respondents the Muslim businessmen maintain compliance with Islamic marketing principles more (mean value = 2.79) than the non- Muslim businessmen (mean value= 2.39). The t-value of the statements are negative and significant when the test value was 3 (neutral value). Therefore, the first hypothesis that “Businesses in Bangladesh maintain compliance to Islamic marketing principles” has not been accepted.

Table 4 shows the mean value of the statements regarding perceived compliance of Islamic principles in promotional activities. The mean value of the statement “Businesses in Bangladesh are following Islamic guidelines regarding disclosure to buyers is only” 2.68 which is much below the neutral value. The mean value of the statement “Businesses in Bangladesh are following Islamic guidelines on advertising (no vulgarity, no deception)” is 2.82. The mean value of the other statement regarding appearance (stereotyping) of woman in advertisements is above 3.50 which indicates that the appearance of women in advertisements is not guided by Islamic principles. The t-value of the statements are negative and significant (neutral value=3). Therefore, the second hypothesis that “Businesses in Bangladesh maintain compliance to Islamic promotional principles.” has not been accepted.

**Table 3. Perceived Compliance of Islamic marketing**

Statements	N	Mean	Standard Deviation	Std Error of Mean	T-Value	Sig value	Mean difference
Business activities are conducted according to Islamic guidelines and regulations in Bangladesh.	173	2.32	1.25	.095	-7.19	0.00	-.68
Businesses in Bangladesh use fair dealings in their conduct of business activities	173	2.62	1.06	.081	-4.65	0.00	-.37
Muslim Businesses in Bangladesh follow Shariah guidelines in marketing activities	173	2.79	.98	.074	-2.80	0.00	-.21
Non-Muslim businessmen in Bangladesh generally and practice Islamic guidelines in marketing activities.	173	2.39	1.01	.077	-7.94	0.00	-.61

**Table 4. Perceived compliance of Islamic principles in promotional activities**

Statements	N	Mean	Standard Deviation	Std Error of Mean	T-Value	Sig value	Mean difference
Businesses in Bangladesh are following Islamic guidelines regarding disclosure to buyers	173	2.68	.98	.075	-4.263	0.00	-.31792
Businesses in Bangladesh are using women (stereotyping) in their advertisements to customer	173	3.50	1.081	.082	6.115	0.00	.50289
Businesses in Bangladesh are following Islamic guidelines on advertising (no vulgarity, no deception)	173	2.82	1.36	.103	-1.795	0.074	-.18497



The results of H3, H4, and H5 testing are summarized in Table 5. The hypothesized relationships of direct paths were significant. The results show that attitude toward Islamic marketing has insignificant impact on perceived compliance of Islamic marketing. Religiosity and ethnocentrism have significant impact on perceived compliance on Islamic marketing principles. Hence, H4 and H5 are accepted.

Baron and Kenny approach was followed to test the mediating effects of religiosity between attitude toward Islamic marketing and perceived compliance of Islamic marketing. The result shows that although the effect remains insignificant, but religiosity increases the regression weight. Hence, there is partial mediation of religiosity between attitude toward Islamic marketing and Perceived compliance of Islamic marketing. Therefore, H6 is partially accepted.

Figure 2. Estimation results for the structural model

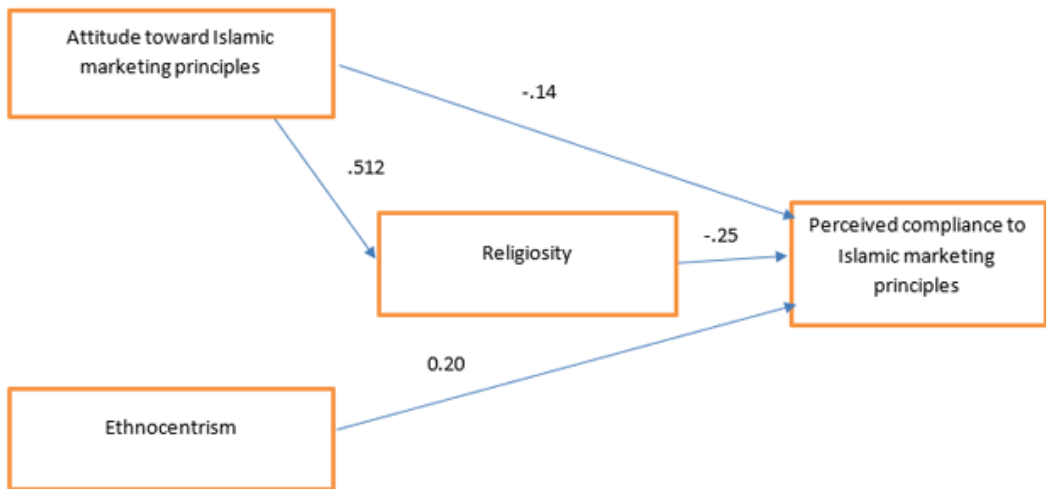


Table 5. Hypothesized relationship results

Hypothesized Relationship	Estimate	S.E.	C.R.	P
Attitude → toward Islamic Marketing Perceived compliance of Islamic marketing	-.143	.075	-1.92	.056
Religiosity → Perceived compliance of Islamic marketing	-.252	.073	-3.45	***
Ethnocentrism → Perceived compliance of Islamic marketing	.207	.075	2.757	.006

Table 6. Mediating path table

Mediating Path	Direct Effect without Mediator Variables with Significance level	Direct Effect of Independent Variable on Mediator Variable with significance	Direct Effect of Independent and mediating Variable with significance	Comment
Attitude toward Islamic marketing → Religiosity → Perceived compliance of Islamic marketing	-0.143(0.056)	0.512 (0.00)	-0.019 (0.795)	Partial Mediation

## DISCUSSION AND MANAGERIAL IMPLICATIONS

The study aims to investigate the perceived compliance of Islamic marketing by businesses in Bangladesh and analyze the factors which may affect the perceived compliance of Islamic marketing practice. The results show that businesses in Bangladesh do not satisfactorily comply with sharia principles to conduct marketing activities. Moreover, the study shows that religiosity has significant negative impact on perceived compliance of Islamic marketing practice, but ethnocentrism has significant positive impact. This suggests that consumers who have strong religious values and who are placing more importance on religion do not perceive that marketing practices in Bangladesh are adapted with Islamic guidelines. The significant positive effect of ethnocentrism depicts that ethnocentric consumer perceive that the compliance of Islamic marketing principles is at an accurate level. Attitude toward Islamic marketing has negative insignificant effect on perceived compliance of Islamic marketing. However, religiosity partially mediates the relationship between attitude toward Islamic marketing and perceived compliance of Islamic marketing. The result of the study has consistency with prior studies (Abdullah and Ahmad 2010; Hari and Adawiyah, 2018; Hollenbeck and Kaikati, 2012). However, the result of the study has inconsistency in case of attitude toward Islamic marketing because attitude has shown significant effect in other related studies (Hoque et al, 2019; Khan et al, 2020). The negative effect of ‘attitude toward Islamic marketing’ explains that although consumers have positive attitude toward Islamic marketing practice, but the compliance level of Islamic marketing principles are not up to the mark.

## THEORETICAL IMPLICATIONS

This study makes several significant theoretical implications. First, this study has demonstrated the effect of attitude toward Islamic marketing, religiosity, and ethnocentrism toward the ‘perceived compliance of Islamic marketing’ and pushed further the boundary of research on ‘compliance toward Islamic marketing’. Prior studies have measured the ‘compliance toward Islamic marketing’ but have not showed the influence of other significant consumer behavior variables on the ‘perceived compliance of Islamic marketing’ (Abdullah and Ahmad, 2010). However, as the compliance toward Islamic marketing is basically measured based on the perceptions of relevant stakeholders, hence, the effect of other important consumer behavior variables should be investigated in such research. Second, the study has demonstrated that religiosity has significant effect on perceived compliance of Islamic marketing. In prior studies the importance religiosity has been investigated toward Muslim consumer behavior (Alam and Hisham, 2011). The current study has demonstrated that religiosity of the consumers has significant influence on the perception toward Islamic marketing practice. Theory of Planned behavior stated that attitude is an important variable to predict the behavioral intention of the consumers and the current study has showed that the influence of attitude toward Islamic marketing is mediated by the religiosity toward the perceived Islamic marketing practice. Therefore, by incorporating religiosity between attitude toward Islamic marketing and perceived compliance toward Islamic marketing the current study suggests including religiosity in further studies that will investigate the influence of attitude on consumer decision making in Muslim dominated societies. Third, the study has demonstrated the effect of ethnocentrism on perceived compliance to Islamic marketing practice in Bangladesh. The Social identity theory holds that ethnocentrism has a crucial role to predict consumer behavior and ethnocentric consumers may prefer national product over foreign product. Prior studies have mentioned that consumers may perceive halal products as foreign or can avoid halal products if they do not prefer Islamification of society (Mcgregor, 2006; Wilson & Liu, 2010).

## MANAGERIAL IMPLICATIONS

The study has significant managerial implications. The study has shown that stakeholders perceive those businesses don't comply with sharia principles. As a Muslim dominating country most of the consumers are sensitive and positively biased toward sharia principles. Hence, businesses must focus to improve their performance on Islamic guidelines related with marketing activities. The business firms must organize training and workshop to enhance the awareness and knowledge of the employees regarding Islamic ethical guidelines. Another significant finding of the study is religiosity has significant negative impact on perceived compliance of Islamic marketing. The possible explanation is religious people are well aware regarding Islamic business practices; hence can provide an accurate evaluation. Moreover, religious people are sensitive toward any breaking of religious directions. An interesting finding is that ethnocentrism has positive significant influence on perceived compliance of Islamic marketing. Prior studies showed that often ethnocentric consumers perceive halal products as foreign origin (Wilkins et al, 2019). Ethnocentric consumers may perceive that the current level of practice on Islamic marketing principles are sufficient. The study has suggested that the marketers must be cautious regarding the existence of religiosity level and ethnocentric tendency of the customer. The sharia compliant firms should assure the ethnocentric customers that the offerings are not detrimental for the domestic economy. The firms must provide attention to religious segment because the increase in the level of religiosity decrease the perceive compliance of Islamic marketing principles. Marketers must analyze and develop their performance on the dimensions closely related with Islamic marketing.

## LIMITATIONS & FUTURE RESEARCH DIRECTIONS

The study has certain limitations. The study was not funded by any funding organizations. Hence, the researcher has faced resource constraints. The study is also suffered from time constraints. The number of previous studies on the same issue is very rare which makes it difficult to determine the level of consistency of the results. The sample features of the study also have limitation (Judgmental sampling). The sample size is small. Researcher's bias is not completely excluded. The choice of academicians and graduate respondents was also dependent on convenience. The researcher has chosen the graduate students of Patuakhali Science and Technology University as respondents because it is his working place, and the collection of data was easy. Moreover, most of the faculties chosen as respondents of the study are from Barisal University which is situated in the same division of the Patuakhali Science and Technology University. Hence, the replication of the study on other populations and nations is required before making any generalization.

Future studies can be conducted through case specific approaching by analyzing the activities of firms on the basis of Islamic marketing principles. The research has been conducted through survey method and it was not possible to measure the causal impact. Hence, future studies can be conducted through experimental design method to measure the causal impact of the variables.

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