



## Shariah-Governed Data Branding: Integrating Islamic Marketing Values with Algorithmic Governance

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### Abstract

**Background:** The rapid expansion of the halal economy and the rise of data-driven marketing have created a strategic and ethical tension for halal and national brands operating in digital environments. Islamic marketing is grounded in value-based principles such as justice, transparency, and social welfare, whereas contemporary marketing increasingly relies on analytics, artificial intelligence, and algorithmic optimization. While data-driven systems enhance efficiency, personalization, and predictive accuracy, they also introduce concerns related to privacy, manipulation, and governance. Existing literature has largely treated Islamic marketing and data-driven marketing as separate domains, leaving a conceptual gap regarding their integration.

**Purpose:** This study develops a governance-oriented conceptual framework—Shariah-Governed Data Branding (SGDB)—to reconcile these paradigms.

**Method/Approach:** Drawing on Islamic marketing theory, brand equity literature, and research on marketing analytics and data ethics, the framework proposes a three-layer architecture consisting of (1) Shariah governance, (2) responsible data infrastructure, and (3) Islamic brand expression. The model conceptualizes data governance not merely as regulatory compliance but as a strategic mechanism for sustaining trust capital and reinforcing brand legitimacy.

**Findings:** The paper contributes theoretically by bridging value rationality and algorithmic rationality within a unified governance structure. Managerially, it positions ethical data practices as a source of competitive differentiation for halal and national brands.

**Conclusion:** The study concludes by outlining avenues for empirical testing and policy development in digitally transforming Islamic markets.

### Keywords

Islamic marketing; Halal branding; Data-driven marketing; Artificial intelligence; Algorithmic governance; Brand equity; Digital ethics; Shariah governance.

## Introduction

The rapid expansion of the halal economy and the growing visibility of Muslim consumers have made Islamic marketing and halal branding central topics in contemporary marketing research and practice. Beyond product permissibility, “halal” increasingly operates as a trust-based market signal and a brand meaning system that shapes consumer perceptions, loyalty, and legitimacy across local and global markets (Wilson & Liu, 2010). In this context, Islamic marketing is not simply a segmentation approach toward a religious group; rather, it is grounded in a value-based paradigm that emphasizes ethical conduct, transparency, fairness, and social welfare as integral to exchange relationships (Alserhan, 2011). These foundations matter even more when halal and national brands attempt to scale: the credibility of a halal claim, and the cultural legitimacy of a national brand, are often judged through institutional trust and perceived moral consistency rather than through functional attributes alone (El-Bassiouny, 2014).

At the same time, marketing practice is being reshaped by digital transformation. Firms now operate in data-rich environments in which customer journeys are increasingly mediated by platforms, analytics, and algorithmic decision-making (Lamberton & Stephen, 2016). Data-driven marketing—enabled by large-scale consumer data, advanced analytics, and AI—promises superior targeting, personalization, demand forecasting, and marketing efficiency (Wedel & Kannan, 2016). In parallel, artificial intelligence is accelerating changes in marketing capabilities, from automated content generation and dynamic pricing to recommendation systems and conversational interfaces (Davenport et al., 2020). This shift has led scholars to frame the next phase of marketing as a reconfiguration of strategy, organization, and customer interaction, where data becomes a core strategic asset (Rust, 2020).

However, the convergence of Islamic marketing and data-driven marketing creates a fundamental tension that is still under-theorized. Islamic marketing literature includes strong normative commitments—values and principles that define what constitutes legitimate marketing behavior in Islamic contexts (Alserhan, 2011), and critical perspectives that highlight the risks of reducing religious identity to a commercial tool (Jafari, 2012). Meanwhile, data-driven marketing often privileges instrumental rationality: optimizing click-through rates, conversion, retention, and lifetime value using behavioral traces and predictive models (Wedel & Kannan, 2016). When these logics collide, halal and national brands face a strategic challenge: how can they adopt data-centric and AI-enabled marketing

without undermining the moral legitimacy and authenticity that constitute their distinctive brand equity (Wilson, 2012; El-Bassiouny, 2014)?

This problem becomes more pressing given the ethical risks associated with data-intensive marketing. Privacy is not only a compliance issue; it is increasingly central to consumer trust and long-term brand value, especially in contexts where moral expectations are salient (Martin & Murphy, 2017). Data-driven marketing can generate value, but it can also enable opaque tracking, manipulative targeting, and asymmetries of power between firms and consumers—dynamics that have been characterized as a broader system of surveillance-based commercial extraction (Zuboff, 2019). In addition, the use of AI introduces concerns regarding accountability, bias, and transparency in automated decision-making, raising governance questions about how algorithmic systems should be designed, monitored, and constrained (Calo, 2017). These issues are not peripheral for halal and Islamic brands; they strike at the heart of “trust capital” and the credibility of value-based positioning.

Accordingly, the central purpose of this paper is to develop a governance-oriented conceptual framework that integrates Islamic marketing principles with a data-driven strategy for halal and national branding. Specifically, the paper addresses the following research question:

**RQ:** How can halal and national brands implement data-driven and AI-enabled marketing in a manner that remains consistent with Islamic marketing principles and sustains trust-based brand equity?

To answer this question, the study adopts a conceptual approach that synthesizes scholarship in Islamic marketing and halal branding (Alserhan, 2011; Wilson & Liu, 2010; Jafari, 2012), contemporary branding theory and brand equity (Aaker, 1996; Keller, 2013), and data-driven marketing and digital transformation (Wedel & Kannan, 2016; Lamberton & Stephen, 2016; Davenport et al., 2020). It also draws on marketing ethics and privacy research to articulate governance requirements for responsible data use and legitimacy preservation (Martin, 2019; Culnan & Bies, 2003).

The contribution of this paper is twofold. First, it reframes the integration challenge as a governance problem—linking faith-based normative commitments to concrete decision rights, accountability mechanisms, and transparency requirements for data and AI in marketing (Martin & Murphy, 2017; Calo, 2017). Second, it proposes a structured framework—Shariah-Governed Data Branding (SGDB)—to guide halal and national brands in aligning data infrastructure, ethical constraints, and brand expression in digital markets.

The remainder of the paper is organized as follows. The next section reviews the conceptual foundations of Islamic marketing and halal branding and highlights the role of authenticity and institutional trust in brand legitimacy (Wilson & Liu, 2010; El-Bassiouny, 2014). The subsequent section examines data-driven marketing and AI-enabled marketing capabilities and the ethical challenges they introduce (Wedel & Kannan, 2016; Davenport et al., 2020; Zuboff, 2019). The paper then articulates the theoretical gap between normative and algorithmic rationalities (Jafari, 2012; Martin, 2019) and introduces the SGDB framework as an integrative solution, followed by managerial and policy implications and directions for future research.

## **1. Theoretical Foundations of Islamic Marketing and Halal Branding**

### **1-1. Normative Foundations of Islamic Marketing**

Islamic marketing is grounded in a normative framework that extends beyond conventional market exchange logic. Unlike purely profit-driven paradigms, Islamic marketing draws upon ethical principles derived from Islamic jurisprudence and moral philosophy, embedding commercial activities within a broader value system (Alserhan, 2011). Core principles such as justice (Adl), trustworthiness (Amanah), and social welfare (Maslahah) shape expectations regarding transparency, fairness, and responsibility in marketing practices. In this view, marketing is not ethically neutral; it is a moral activity that must align with religious and societal norms.

Wilson (2012) argues that Islamic marketing should be understood as transformational rather than transactional. That is, it seeks not merely to influence buying behavior but to structure market interactions in a way that reinforces moral identity and communal well-being. This perspective positions Islamic marketing within a broader socio-cultural system, where legitimacy depends on alignment with shared values rather than solely on economic performance.

However, scholars have cautioned against reducing Islamic marketing to a superficial branding tool. Jafari (2012) highlights the risk of commodifying religious identity when firms instrumentalize Islamic symbols purely for competitive advantage. From a critical perspective, Islamic marketing must avoid becoming a tactical overlay on conventional capitalism; instead, it requires a rethinking of governance structures, decision criteria, and accountability mechanisms in line with Islamic ethical commitments.

Corporate responsibility is similarly central. Research in Islamic banking contexts shows that ethical positioning, transparency, and socially

responsible behavior significantly affect stakeholder trust and long-term performance (Hassan & Harahap, 2010). Thus, the normative foundation of Islamic marketing directly connects to governance, not merely communication strategy. It defines boundaries for acceptable persuasion, data use, product design, and customer engagement.

In consumer behavior research, religiosity has been found to influence purchase intention toward Islamic brands (Khan & Kirmani, 2018). Consumers often evaluate halal brands not only on quality and price but also on perceived adherence to religious principles. Mukhtar and Butt (2012) demonstrate that intention to choose halal products is significantly shaped by perceived compliance and religious commitment, suggesting that brand credibility in Islamic markets is closely tied to moral alignment.

Furthermore, religious value orientation influences perceived value and satisfaction in service contexts such as tourism (Eid & El-Gohary, 2015). This reinforces the argument that Islamic marketing operates within a trust-based relational framework. Sandikci (2018) expands this discussion by examining how religion interacts with marketplace dynamics, showing that Muslim consumer identity is negotiated through consumption practices that blend faith, modernity, and global branding.

Collectively, this literature suggests that Islamic marketing rests on a value-rational logic. Legitimacy, trust, and authenticity are not peripheral branding variables; they are central determinants of brand equity in Islamic contexts.

## **1-2. Halal Branding and Institutional Trust**

Halal branding extends the normative foundation of Islamic marketing into a recognizable market signal. While halal certification initially functioned as a regulatory mechanism ensuring compliance with dietary laws, it has evolved into a broader symbolic and reputational asset (Wilson & Liu, 2010). Halal now communicates safety, ethical sourcing, and cultural alignment to both Muslim and non-Muslim consumers.

El-Bassiouny (2014) argues that Islamic consumers have historically been marginalized in mainstream marketing theory and calls for a more contextually grounded understanding of their motivations and identity structures. In halal markets, brand meaning is closely linked to collective identity and institutional trust. A halal brand that fails to demonstrate transparency or consistency risks rapid erosion of credibility.

Brand equity theory offers a useful analytical lens here. According to Aaker (1996), brand equity derives from brand awareness, perceived quality,

associations, and loyalty. In halal contexts, perceived Shariah compliance and ethical consistency become additional layers of brand association. Keller (2013) similarly emphasizes that strong brands build favorable, strong, and unique associations in memory; for halal and national brands, these associations often revolve around trustworthiness and cultural authenticity.

Kapferer (2012) underscores that brand identity must be coherent across internal governance and external communication. If internal practices contradict declared values, the brand identity fractures. This insight is especially relevant for Islamic brands operating in digital ecosystems, where transparency is amplified, and reputational risks escalate rapidly.

From a cultural branding perspective, Holt (2004) argues that iconic brands succeed when they embody collective myths and resolve cultural tensions. Halal and national brands frequently serve as carriers of collective identity, positioning themselves as guardians of ethical production and cultural continuity. At the national level, branding strategies also intersect with place identity and economic diplomacy (Anholt, 2007; Dinnie, 2016). Thus, halal and national branding are not isolated marketing tactics but institutional projects embedded within broader socio-political narratives.

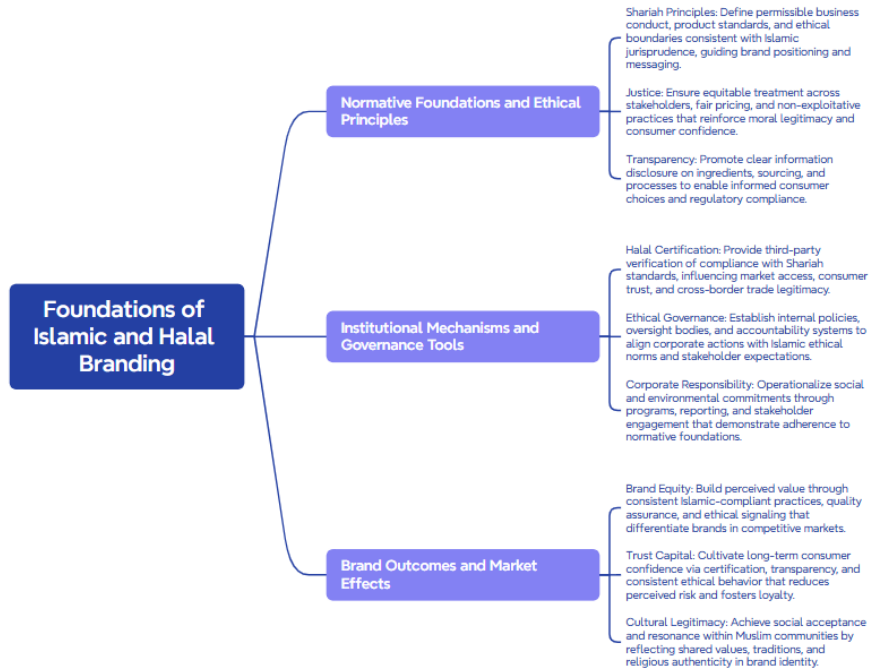
Consequently, brand governance becomes inseparable from ethical governance. The strength of a halal or Islamic brand is contingent upon the consistency between declared values, operational practices, and stakeholder expectations. This consistency forms what may be described as “trust capital”—an intangible asset that can be strengthened through transparency and eroded through perceived misconduct.

### **1-3. From Value-Rational Marketing to Digital Pressures**

The normative and institutional foundations outlined above position Islamic marketing within a value-rational framework. However, contemporary competitive environments introduce increasing pressure for efficiency, speed, and optimization. Retail and platform ecosystems are being reshaped by digitalization, automation, and real-time analytics (Grewal et al., 2017). Firms are compelled to leverage customer data, predictive modeling, and algorithmic personalization to remain competitive.

This structural shift raises a conceptual tension. Islamic marketing emphasizes fairness, transparency, and moral intention (Alserhan, 2011; Jafari, 2012), while digital marketing ecosystems increasingly operate through data extraction, behavioral tracking, and algorithmic optimization (Wedel & Kannan, 2016). The two logics are not necessarily incompatible, but their integration requires explicit governance mechanisms.

The next section, therefore, turns to the rise of data-driven marketing and AI-enabled systems, examining both their strategic advantages and the ethical challenges they pose for halal and national brands.



**Figure 1. Islamic Branding Architecture**

## 2. Data-Driven Marketing, Artificial Intelligence, and Algorithmic Governance

### 2-1. The Rise of Data-Driven Marketing

Marketing has entered what many scholars describe as a data-intensive era, in which decision-making is increasingly grounded in real-time analytics, large-scale customer data, and predictive modeling (Wedel & Kannan, 2016). Rather than relying primarily on demographic segmentation or intuition-based strategy, firms now integrate transactional, behavioral, and contextual data to optimize targeting, personalization, pricing, and communication strategies. Data becomes not merely supportive but constitutive of marketing strategy.

Lamberton and Stephen (2016) trace the evolution of digital marketing from early online presence toward integrated ecosystems in which firms continuously monitor and adjust consumer interactions across channels. In

such environments, value creation depends on the firm's ability to translate raw data into actionable insights. Marketing analytics, machine learning, and automation enable firms to experiment, test, and refine campaigns at unprecedented speed and scale.

Artificial intelligence (AI) accelerates this transformation. Davenport et al. (2020) argue that AI is reshaping marketing capabilities by automating content generation, optimizing media allocation, predicting customer churn, and enhancing customer service through intelligent interfaces. AI systems can identify patterns that exceed human cognitive limits, creating efficiencies in segmentation and personalization. Rust (2020) further suggests that the future of marketing lies in integrating AI across the customer journey, allowing firms to move from reactive marketing toward predictive and adaptive systems.

In service contexts, AI influences both front-end and back-end operations. Huang and Rust (2021) highlight that AI can augment or replace human service agents, improving consistency and scalability while also raising questions about empathy, accountability, and relational authenticity. Similarly, Luo et al. (2019) compare machine versus human performance in service environments, showing that while machines can outperform in certain analytical tasks, relational perceptions remain critical in shaping customer trust.

Collectively, these developments reflect a shift toward what may be described as algorithmic rationality: a logic in which optimization, prediction, and measurable performance indicators guide strategic decisions. In data-driven marketing, the primary evaluative criteria often include conversion rates, customer lifetime value, engagement metrics, and return on marketing investment (Wedel & Kannan, 2016). This instrumental orientation prioritizes efficiency and performance outcomes.

## **2-2. Ethical and Governance Challenges in Data-Intensive Marketing**

While data-driven marketing offers strategic advantages, it also introduces significant ethical and governance challenges. Privacy concerns have become central to contemporary marketing debates. Martin and Murphy (2017) argue that data privacy is not merely a regulatory issue but a relational one; consumer trust depends on perceptions of fairness, transparency, and responsible data use. When firms collect and process personal data without clear disclosure or meaningful consent, they risk undermining long-term brand equity.

Martin (2019) further contends that data-driven marketing creates ethical dilemmas regarding consumer manipulation, information asymmetry, and power

imbalances. Advanced analytics may enable firms to anticipate vulnerabilities or exploit behavioral biases, raising normative questions about the limits of persuasive strategy. Culnan and Bies (2003) earlier framed privacy in terms of distributive and procedural justice, emphasizing that fairness perceptions influence whether consumers accept or resist data practices.

At a systemic level, Zuboff (2019) characterizes contemporary digital capitalism as structured around surveillance and behavioral prediction, in which personal data becomes a raw material for commercial exploitation. While this account is critical and macro-structural, it underscores the reputational risks firms face if consumers perceive their data practices as extractive rather than mutually beneficial.

AI intensifies governance challenges. Automated systems may reproduce bias, obscure accountability, and complicate regulatory oversight. Calo (2017) highlights the need for policy frameworks addressing transparency, explainability, and responsibility in AI-enabled decision systems. In marketing contexts, opaque algorithms can determine which consumers see which offers, at what price, and under what conditions—decisions that directly affect perceptions of fairness.

These governance challenges are not peripheral in Islamic and halal branding contexts. As established in the previous section, halal and Islamic brands derive legitimacy from trust, ethical consistency, and perceived adherence to normative commitments (Alserhan, 2011; Wilson & Liu, 2010). If data-driven practices are perceived as intrusive, manipulative, or unjust, they may contradict the very principles that underpin brand equity in Islamic markets.

### **2-3. Algorithmic Rationality versus Value-Rational Marketing**

The contrast between Islamic marketing and data-driven marketing can be analytically framed as a tension between value rationality and instrumental rationality. Islamic marketing emphasizes moral intention, fairness, and communal welfare (Alserhan, 2011; Jafari, 2012). Its evaluative framework asks not only “Does this strategy work?” but also “Is this strategy just, transparent, and socially responsible?”

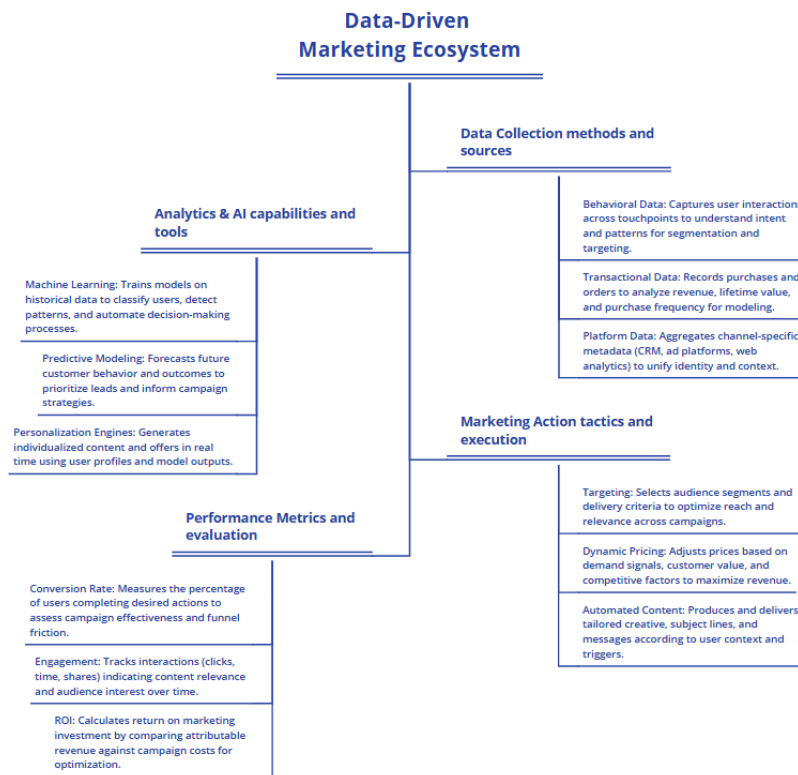
By contrast, data-driven marketing tends to evaluate success through measurable performance indicators and optimization criteria (Wedel & Kannan, 2016). While such metrics are not inherently unethical, they may marginalize normative considerations unless governance mechanisms explicitly integrate ethical constraints.

For halal and national brands, the stakes are higher. These brands are often positioned as custodians of cultural and moral identity. As brand equity

theory suggests, trust and favorable associations are central to brand strength (Aaker, 1996; Keller, 2013). If algorithmic practices undermine trust, they erode a core dimension of brand equity. Furthermore, in national branding contexts, digital governance failures can have reputational spillovers beyond individual firms, affecting broader perceptions of institutional credibility (Anholt, 2007; Dinnie, 2016).

Therefore, the integration of data-driven marketing into Islamic branding contexts cannot be treated as a purely technical upgrade. It must be conceptualized as a governance challenge: how to embed algorithmic systems within ethical oversight structures that preserve trust capital and normative legitimacy.

The following section addresses this gap directly by articulating a conceptual integration and proposing a governance-oriented framework—Shariah-Governed Data Branding (SGDB)—to reconcile these logics.



**Figure 2. Data-Driven Marketing System**

### **3. Theoretical Gap: Reconciling Value Rationality and Algorithmic Rationality**

#### **3-1. The Unresolved Tension in the Literature**

Although Islamic marketing and data-driven marketing have each developed substantial bodies of literature, they have largely evolved in parallel rather than in dialogue. Islamic marketing scholarship emphasizes normative commitments, moral boundaries, and legitimacy anchored in religious principles (Alserhan, 2011; Wilson, 2012). It highlights that marketing activities must be evaluated not only by their outcomes but also by their ethical alignment and social consequences (Jafari, 2012). Trust, authenticity, and communal welfare are central evaluative criteria.

In contrast, data-driven marketing research has focused primarily on performance optimization, technological capabilities, and strategic advantage (Wedel & Kannan, 2016; Davenport et al., 2020). Success is typically measured through predictive accuracy, conversion efficiency, and revenue maximization. Even when ethical concerns are acknowledged (Martin, 2019), they often appear as constraints on an otherwise instrumental logic rather than as foundational principles.

This divergence creates an unresolved theoretical tension. On one side, Islamic marketing is grounded in value rationality—decisions are justified by their consistency with moral principles. On the other side, algorithmic marketing is grounded in instrumental rationality—decisions are justified by their efficiency and measurable outcomes. Existing literature does not provide a structured framework that integrates these logics in the specific context of halal and national branding.

#### **3-2. The Brand Legitimacy Problem**

The absence of integration becomes particularly problematic at the level of brand legitimacy. Brand equity theory suggests that strong brands are built on consistent, favorable, and distinctive associations (Aaker, 1996; Keller, 2013). In halal and Islamic branding contexts, these associations include Shariah compliance, ethical transparency, and trustworthiness (Wilson & Liu, 2010). If digital practices contradict these associations, the brand risks internal incoherence.

Moreover, cultural branding theory emphasizes that brands gain strength when they resolve societal tensions and embody shared narratives (Holt, 2004). Halal and national brands frequently position themselves as symbols of ethical production, cultural authenticity, or national integrity. Algorithmic

opacity, perceived surveillance, or manipulative personalization may undermine these narratives.

At the systemic level, data governance failures can erode not only firm-level brand equity but also broader institutional credibility. Nation branding scholarship shows that reputation and competitive identity depend on consistent signaling across policy, culture, and market behavior (Anholt, 2007; Dinnie, 2016). In digital markets, governance misalignment can generate reputational spillovers.

Thus, the theoretical gap is not merely conceptual; it has strategic consequences. Without an integrative framework, halal and national brands risk either technological lag (by avoiding data-driven tools) or moral dilution (by adopting them without normative safeguards).

### **3-3. Toward a Governance-Oriented Integration**

Bridging this gap requires reframing the problem. Rather than asking whether data-driven marketing is compatible with Islamic marketing, the more productive question is: under what governance conditions can algorithmic systems operate within a value-based normative structure?

Marketing ethics research provides part of the answer. Martin and Murphy (2017) emphasize that transparency, fairness, and accountability mechanisms are essential for sustaining consumer trust in data-intensive environments. Martin (2019) similarly argues that firms must embed ethical reflection into data strategy rather than treating it as an afterthought. Culnan and Bies (2003) show that perceptions of procedural and distributive justice influence acceptance of data practices.

AI governance literature reinforces this direction. Calo (2017) highlights the need for policy frameworks addressing explainability, oversight, and accountability in automated decision systems. From a macro perspective, Zuboff (2019) warns that unregulated data extraction can undermine social trust and autonomy. These insights suggest that governance—rather than technology alone—is the key variable.

When placed alongside Islamic marketing's normative foundations (Alserhan, 2011; Jafari, 2012), a conceptual opportunity emerges: halal and national brands can differentiate themselves not merely through product compliance, but through ethically governed data practices. In other words, responsible data governance can become part of brand identity rather than a compliance burden.

This reframing leads to the central proposition of this paper: the integration of Islamic marketing and data-driven marketing requires a

structured governance architecture that aligns normative commitments with technological infrastructure and brand communication.

The next section develops this architecture in detail through the proposed framework of Shariah-Governed Data Branding (SGDB).

#### 4. The Shariah-Governed Data Branding (SGDB) Framework

##### 4-1. Conceptual Overview

Building upon the identified tension between value rationality and algorithmic rationality, this paper proposes the Shariah-Governed Data Branding (SGDB) framework. The central premise of SGDB is that data-driven marketing in halal and national branding contexts must operate within a structured governance architecture that integrates ethical oversight, technological infrastructure, and brand expression.

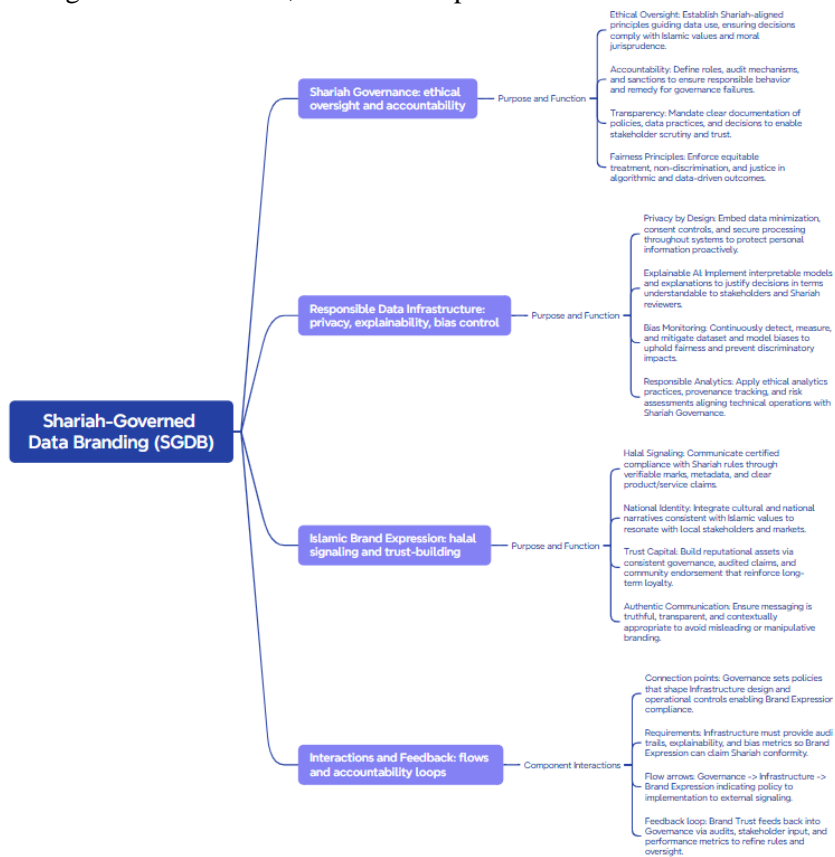


Figure 3. SGDB Framework

Rather than treating Islamic principles as symbolic positioning tools, SGDB embeds them into decision rights, accountability mechanisms, and data practices. The framework conceptualizes integration across three interdependent layers:

1. Shariah Governance Layer
2. Responsible Data Infrastructure Layer
3. Islamic Brand Expression Layer

These layers are sequential yet mutually reinforcing. Governance defines constraints and objectives; infrastructure operationalizes them; brand expression communicates them to stakeholders.

#### **4-2. Layer 1: Shariah Governance**

The first layer establishes normative oversight. Islamic marketing principles—justice, transparency, trustworthiness, and social welfare—serve as evaluative criteria for strategic decisions (Alserhan, 2011; Wilson, 2012). In SGDB, these principles are translated into governance structures that regulate data collection, processing, and algorithmic deployment.

This includes:

- Explicit ethical guidelines for data usage
- Clear accountability for AI decision systems
- Oversight mechanisms ensuring fairness and non-exploitation

Marketing ethics research supports this integration. Martin and Murphy (2017) emphasize that consumer trust depends on perceived fairness and transparency in data handling. Similarly, Martin (2019) argues that ethical reflection must be embedded into strategic processes. Culnan and Bies (2003) highlight the importance of procedural justice in shaping acceptance of data practices.

AI governance scholarship further reinforces the need for oversight. Calo (2017) notes that automated systems require regulatory and organizational accountability mechanisms. Without such safeguards, algorithmic opacity can undermine legitimacy.

In Islamic branding contexts, governance alignment is not optional. Jafari (2012) warns that instrumentalizing religion for commercial gain risks moral incoherence. Therefore, SGDB positions Shariah governance as a structural constraint rather than a symbolic layer.

#### **4-3. Layer 2: Responsible Data Infrastructure**

The second layer concerns technological implementation. Data-driven marketing relies on analytics, personalization engines, and predictive models

(Wedel & Kannan, 2016). AI enhances these capabilities by automating optimization processes (Davenport et al., 2020; Rust, 2020).

However, SGDB requires that infrastructure design incorporate ethical constraints:

- Privacy-by-design architectures
- Transparent algorithmic logic
- Bias monitoring mechanisms
- Explainable AI interfaces

Huang and Rust (2021) demonstrate that AI in service environments must balance efficiency with relational trust. Luo et al. (2019) similarly show that while machines can outperform in certain tasks, trust perceptions remain decisive.

From a reputational perspective, unregulated data extraction can damage long-term legitimacy (Zuboff, 2019). Therefore, the infrastructure layer must operationalize normative constraints defined at the governance level.

In SGDB, technology is not neutral; it is normatively configured. Data systems are evaluated not solely by predictive accuracy but also by their alignment with fairness and transparency criteria.

#### **4-4. Layer 3: Islamic Brand Expression and Trust Capital**

The third layer concerns brand communication and symbolic positioning. Branding theory suggests that strong brands derive equity from consistent and credible associations (Aaker, 1996; Keller, 2013). In halal contexts, these associations include Shariah compliance, ethical sourcing, and cultural authenticity (Wilson & Liu, 2010).

Kapferer (2012) emphasizes that brand identity must be coherent across internal practice and external messaging. If governance and infrastructure contradict brand claims, trust deteriorates. Holt (2004) further argues that brands succeed when they resolve cultural tensions. SGDB enables halal and national brands to position themselves as ethically governed digital actors, differentiating them from purely profit-driven competitors.

At the national level, digital governance can influence broader competitive identity (Anholt, 2007; Dinnie, 2016). Responsible data governance can thus become part of national brand strategy, reinforcing institutional credibility.

Under SGDB, responsible data practices become part of brand narrative:

- Transparent data policies

- Public ethical commitments
- Shariah-aligned AI deployment
- Social accountability reporting

These practices strengthen what may be described as trust capital—a strategic asset that sustains brand equity in morally sensitive markets.

#### **4-5. Propositions of the SGDB Framework**

To structure future empirical research, the framework yields several conceptual propositions:

**P1:** Shariah-based governance mechanisms positively moderate the relationship between data-driven marketing practices and consumer trust.

**P2:** Responsible data infrastructure mediates the relationship between algorithmic personalization and perceived brand authenticity.

**P3:** Transparent AI governance positively influences brand equity in halal and national branding contexts.

**P4:** Alignment between normative commitments and technological practices strengthens long-term brand loyalty.

These propositions create a research agenda linking Islamic marketing theory, branding theory, and marketing analytics.

#### **4-6. Theoretical Contribution**

The SGDB framework contributes to the literature in three ways:

1. It bridges Islamic marketing and data-driven marketing, which have largely evolved separately.
2. It reframes technological adoption as a governance challenge rather than a purely operational decision.
3. It integrates brand equity theory with ethical data governance in Islamic contexts.

By embedding algorithmic systems within normative oversight, SGDB resolves the identified tension between value rationality and instrumental rationality.

### **5. Managerial and Policy Implications**

#### **5-1. Managerial Implications for Halal and National Brands**

The Shariah-Governed Data Branding (SGDB) framework offers several actionable implications for managers operating in halal and national branding contexts.

First, firms should treat data governance as a strategic capability rather than a compliance obligation. In value-sensitive markets, trust and legitimacy are critical components of brand equity (Aaker, 1996; Keller, 2013). Managers must therefore ensure that data collection, personalization, and AI deployment align with declared ethical commitments. This requires integrating Shariah-based ethical guidelines into marketing decision processes rather than confining them to symbolic messaging (Alserhan, 2011; Wilson, 2012).

Second, organizations should establish cross-functional governance structures that connect marketing, IT, compliance, and, where relevant, Shariah advisory boards. Such structures can institutionalize accountability and reduce the risk of algorithmic misalignment. As marketing analytics becomes more sophisticated (Wedel & Kannan, 2016), the risk of opaque decision-making increases. Transparent oversight mechanisms help mitigate these risks and reinforce consumer trust (Martin & Murphy, 2017).

Third, managers should adopt a “trust-by-design” approach to digital strategy. AI systems and analytics tools must incorporate fairness, explainability, and bias monitoring from the design stage (Calo, 2017; Huang & Rust, 2021). In halal and Islamic branding contexts, ethical missteps may have amplified reputational consequences because consumers evaluate brands through moral as well as functional criteria (Khan & Kirmani, 2018).

Fourth, responsible data governance can be leveraged as a source of competitive differentiation. In environments characterized by surveillance capitalism and aggressive data extraction (Zuboff, 2019), halal and national brands can position themselves as ethically governed digital actors. Such positioning reinforces authenticity and strengthens trust capital.

Finally, managers must ensure internal-external coherence. Brand narratives emphasizing ethical conduct and social responsibility must be supported by actual operational practices (Kapferer, 2012; Holt, 2004). Any gap between promise and practice can quickly erode credibility in digitally networked markets.

## **5-2. Policy and Regulatory Implications**

Beyond firm-level strategy, SGDB has policy implications. Regulators in Muslim-majority countries and emerging halal markets face the challenge of fostering digital innovation while preserving ethical and cultural values. The integration of Shariah principles with modern data governance can inform regulatory design.

First, policymakers may consider developing guidelines for ethical AI in marketing that incorporate transparency, accountability, and fairness criteria (Calo, 2017). These guidelines could be aligned with broader consumer protection frameworks and adapted to local normative contexts.

Second, halal certification bodies could expand their scope beyond product compliance to include digital governance standards. If halal certification becomes associated not only with production practices but also with responsible data handling, it could strengthen institutional trust (Wilson & Liu, 2010).

Third, nation branding strategies should incorporate digital ethics as part of competitive identity. As Anholt (2007) and Dinnie (2016) suggest, national reputation depends on consistent signaling across economic, political, and cultural domains. Responsible data governance in domestic firms can enhance perceptions of institutional reliability in global markets.

## **6. Conclusion**

This paper addressed the growing tension between Islamic marketing principles and data-driven marketing practices in the context of halal and national branding. While Islamic marketing is grounded in value rationality—emphasizing justice, transparency, and social welfare (Alserhan, 2011; Jafari, 2012)—data-driven marketing often operates within an instrumental rationality focused on optimization and measurable performance (Wedel & Kannan, 2016; Davenport et al., 2020). The absence of an integrative framework creates strategic and ethical risks for halal and national brands.

To bridge this gap, the paper proposed the Shariah-Governed Data Branding (SGDB) framework. By structuring integration across three layers—Shariah governance, responsible data infrastructure, and Islamic brand expression—the framework aligns technological innovation with normative commitments. In doing so, it reframes digital transformation as a governance challenge rather than a purely technical upgrade.

The theoretical contribution lies in linking Islamic marketing theory, brand equity theory, and data governance scholarship into a coherent architecture. The managerial contribution lies in demonstrating how ethical data practices can become a source of differentiation and trust capital rather than a constraint. The policy contribution lies in suggesting that digital ethics can strengthen institutional credibility in halal and national branding contexts.

Future research may empirically test the proposed propositions across different industries and national settings, examine consumer responses to

ethically governed AI systems, and explore cross-cultural variations in trust perceptions. Quantitative studies using structural equation modeling or experimental designs could validate the moderating and mediating relationships proposed in the SGDB model.

As digital ecosystems continue to evolve, halal and national brands face a strategic crossroads. They may adopt algorithmic marketing uncritically and risk moral dilution, or they may resist technological change and lose competitiveness. The SGDB framework offers a third path: technologically advanced yet normatively anchored branding—where data intelligence operates under ethical governance and strengthens, rather than weakens, trust-based brand equity.

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