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American Muslim Market 2011: Business Landscape & Consumer Needs Study

Executive Summary



study by

DinarStandard



Executive Summary

Muslims in America (referred to in the study as *American Muslims*) are a diverse yet increasingly connected segment of the American market. This faith-based, largely ethnic market presents a major un-tapped and significant opportunity for businesses. However, the market is very diverse, with unique consumption nuances and also geographically fragmented.

Purpose

The purpose of this study is to equip startups, small businesses and mid- to large-sized business marketers with, a) fact-based insight regarding the demand profile, satisfaction levels and expectations of American Muslim consumers, and b) actionable resources and a framework for best engaging with this large, complex market.

Approach

The study incorporates a top-down and bottom-up approach, delivering a comprehensive view of the American Muslim market. This view includes the first-of-its-kind nationwide *American Muslim Consumer Advocacy Survey*, which received a total of 983 responses from across the country (comparable to other major national surveys such as Pew Research and Gallup) and every major ethnic and geographic segment of the American Muslim community. For additional perspective, more than thirty Muslim community leaders and influencers across ten major states were interviewed

and local visits were made to the major Muslim population centers. The study leverages other major studies to provide demographic context and present best market sizing estimations. Finally, DinarStandard's market analysis and market consulting experience are leveraged to put forth a framework on segmenting and engaging with this market.

Market Sizing Background

While the primary scope of the study is not to generate original Muslim population size estimation, the study team has presented a best estimation leveraging other credible studies.

DinarStandard™ strongly believes that a conservative estimate of the American Muslim population in 2010 ranged between 5.8 million and 6.7 million in 1.7million to 2 million households¹. This estimate is supported by using as baseline, the independent Association of Statisticians of American Religious Bodies' (ASARB), 2000 Religious Congregations and Membership Study. Using their mosque attendance data per state, we applied a regular non-mosque attendee estimate from the year

¹ Given an estimated household size of 3.3 for Muslims in America based on Pew Research 2011 household size estimation for immigrant households from select Muslim countries. Comparatively the national average is 2.5 per household.

2000 to derive that year's total Muslim population. We then applied a conservative US Muslim population growth rate of 2 to 4 times the national average from 2000 to 2010. The US population growth rate has been 0.91% compared to US Muslim population growth estimates of 6%. We have used a much smaller estimated growth rate.

Our population estimate is further validated by anecdotal evidence. InfoUSA, a national marketing database company, has 1.28 million Muslim household leads in the US. Also, various city-specific Muslim population surveys, for example, New York City, support this estimate range.

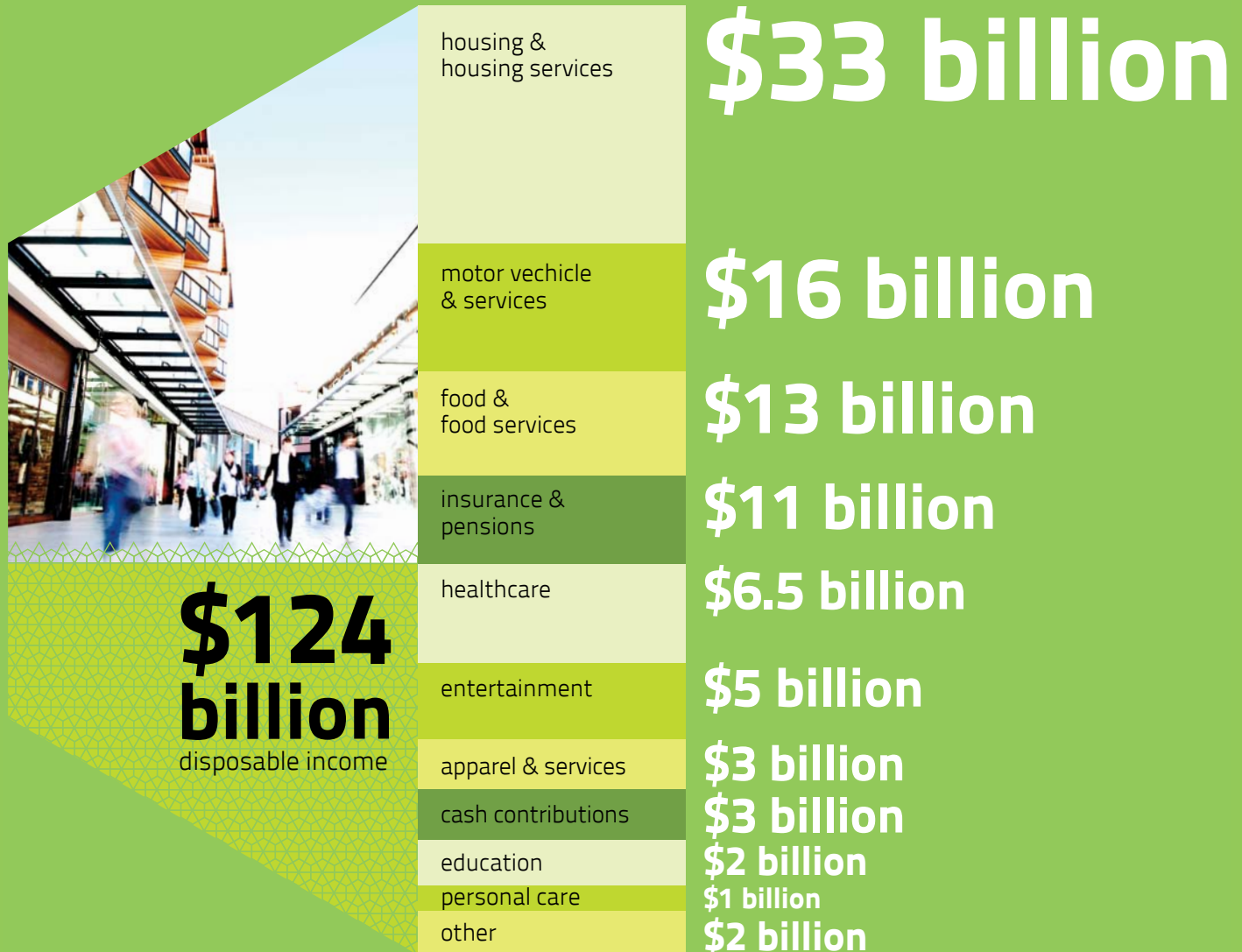
DinarStandard™ estimates that the aggregate American Muslim disposable income in 2010 ranged from \$107 billion to \$124 billion. This estimate is based on the conclusions of DinarStandard's surveys and others that estimate the American Muslim income profile to at least mirror the average disposable income of the US public.

Based on other national studies, the American Muslim population is younger than the national average, and the education and income levels are at par with the average American household profile.



*2010 DinarStandard™ estimates

AMERICAN MUSLIM CONSUMER ESTIMATED* EXPENDITURE BY CATEGORY



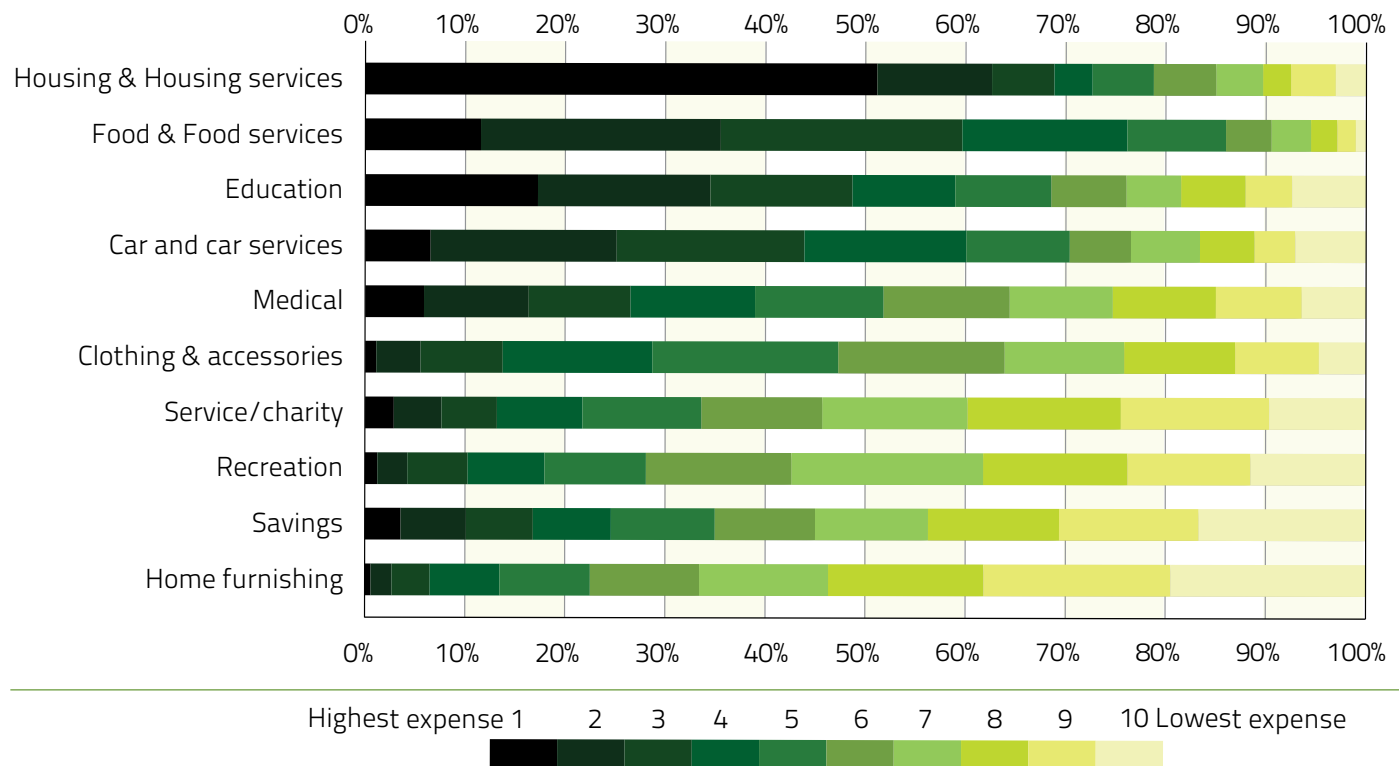
* Breakdown reflects \$98 billion 2010 annual expenditure (annual expenditure is less than disposable income) and is based on 6.7 million ppn. estimate. This Muslim household expenditure is a benchmark using the 2010 US national average expenditure numbers (Consumer Expenditure Survey, 2010 Bureau of Labor Statistics by the US Census Bureau). This breakdown is for general idea purposes only. American Muslim Market 2011 study survey shows Muslim market variances.

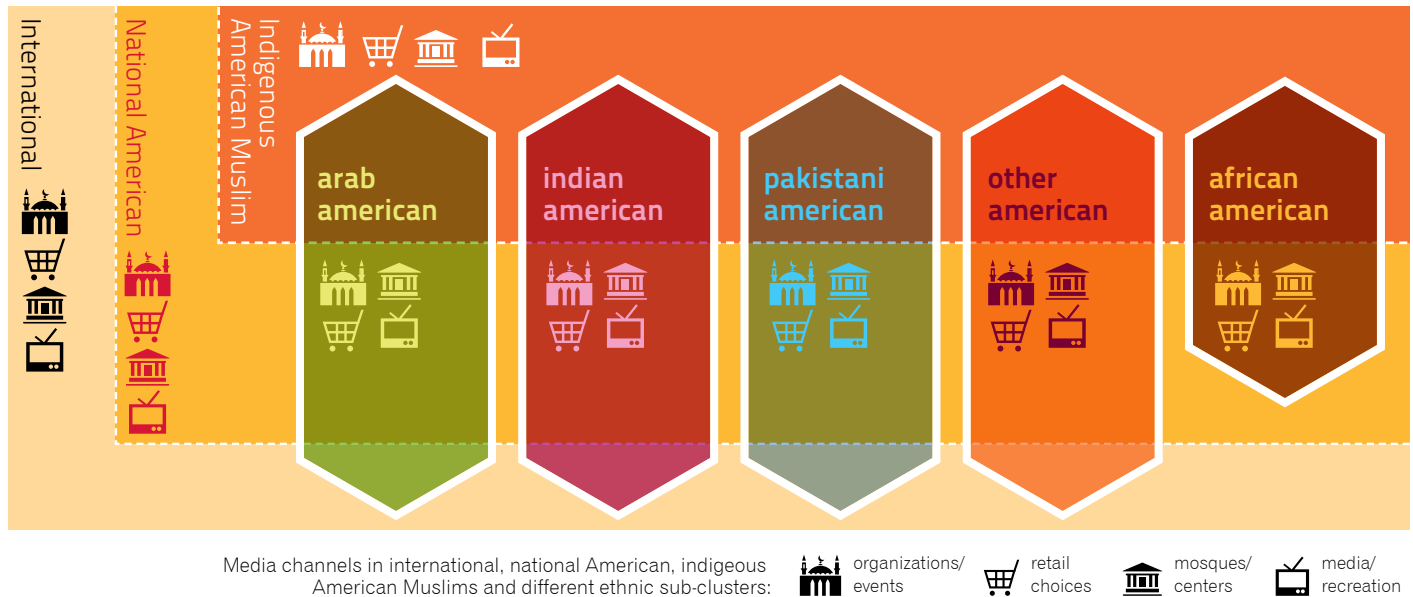
Spending Priority

To make spending estimates meaningful for marketers, the researchers compared national consumer spending with the data supplied from the *American Muslim Consumer Advocacy Survey*. The national consumer spending benchmark showed the housing & housing services market to be an estimated \$33 billion in 2010, the largest expense for most Americans, and motor vehicle & motor vehicle services totaled \$16 billion, ranking second in expense. Other top categories included food & food services, healthcare, apparel & apparel services, education and others.

DinarStandard's survey confirmed that American Muslims' housing expenses ranked comparably to the national average. However, the survey found that the food & food services category ranked second, and education ranked a strong and surprising third in American Muslim households. These categories were followed by car & car services, medical, clothing & accessories, service & charity, and recreation.

Question: How does your household budget breakdown? Please rank them from 1 to 10 in order of expense rank, with 1 as the highest expense category.





Geographic Dynamic

A major dynamic of the American Muslim market is the challenge and opportunity it presents in its vast geographic fragmentation. Mainstream national chains, retailers and brands that are not yet engaged with this population are well positioned to address the geographic challenge, given their existing national channels and networks. By DinarStandard's estimation, fifteen states across the US represent approximately 85% of the total American Muslim population. These fifteen states run from coast to coast and are listed in descending order of their Muslim population size: California, New York, Texas, Illinois, New Jersey, Michigan, Pennsylvania, Maryland, Virginia, Georgia, Ohio, Massachusetts, Florida, Connecticut, and North Carolina. *(The full study provides a detailed Muslim market view of the top 10 states that includes state-level centers of population, predominant Muslim retail neighborhood profiles, key mosques, key media, organizations, ethnic profiles and local key products and services.)*

Ethnic Dynamic

Another key dynamic of the American Muslim market is the strong role of ethnic and indigenous sub-clusters that exist today within the market, as well as the impact of immigration cycles on consumer behavior, channels and preferences. It is important for marketers to understand that within major ethnic categories of American Muslims, there exists a strong cluster of ethnic media, organizations, events, concentrated mosques, Islamic centers, and product considerations (e.g., ethnic food) that influences their buying decisions. Each sub-cluster also effectively engages with national and indigenous American Muslim channels.

The major ethnic segments in the US are Arab, South Asian (Pakistani, Indian, and Bangladeshi backgrounds), African American, Caucasian American, with sizeable Turkic, Latino, European, Sub-Sahara African, Afghan, Iranian and East Asian populations. *(The full-study provides detailed key ethnic*

market profiles that include their centers of population, general demographics, key ethnic media and influential organizations, cultural dynamics and national interaction.)

Survey Insights

Select insights from the 2011 American Muslim Consumer Advocacy Survey Results.

For the General Mainstream Market

- 80% of the respondents feel mainstream companies should pay special attention to Muslim consumers, while a majority of the respondents (52%) said they 'sometimes' experience unpleasant customer service which they feel is due to their Muslim identity.

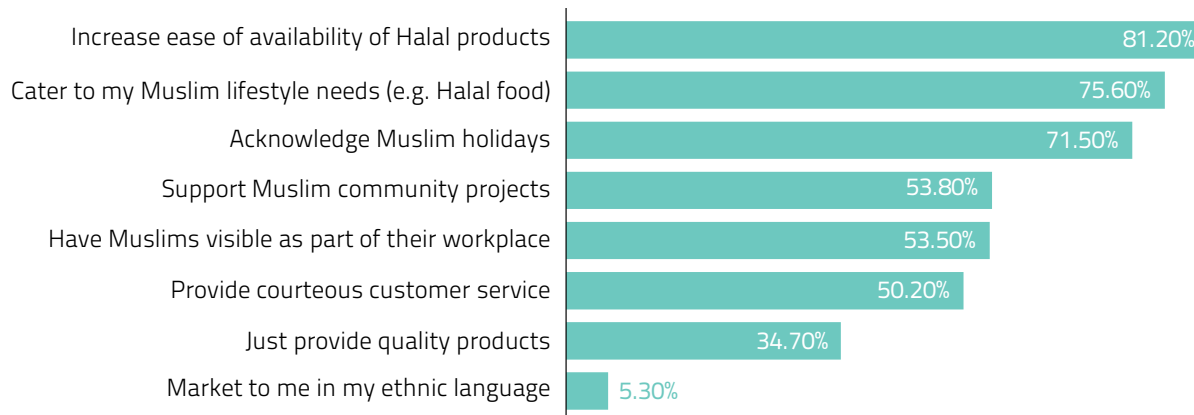
"Not necessarily "special attention", but accommodate Muslims the same way that other major religious and cultural groups are."

"I feel like by catering to the American Muslim population, their businesses would boom."

"they should but Muslims should also request it —business is business, you can't serve a population that isn't going to buy."

- 81% asked for easy availability of halal products. 76% would like companies to directly provide a variety of products and services unique to their lifestyle needs, and 71% wanted them to acknowledge Muslim holidays.

Question: What can mainstream companies/ brands do to earn your loyalty?

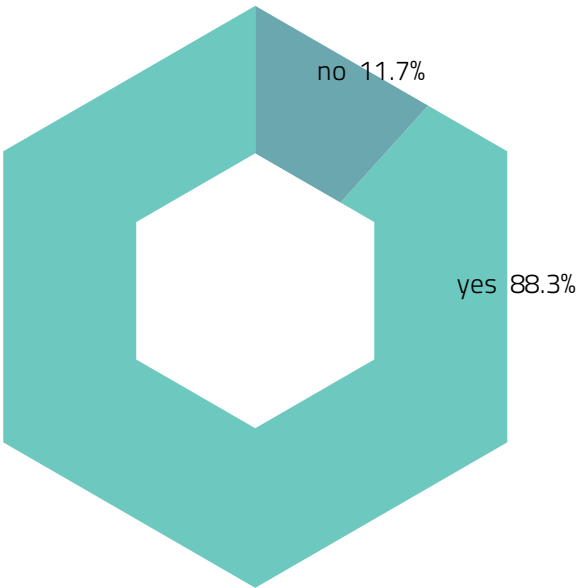


- (The full study provides other survey insights on product category requests, highlighting unique Muslim market needs, with analysis capability by ethnic and geographic segments.)

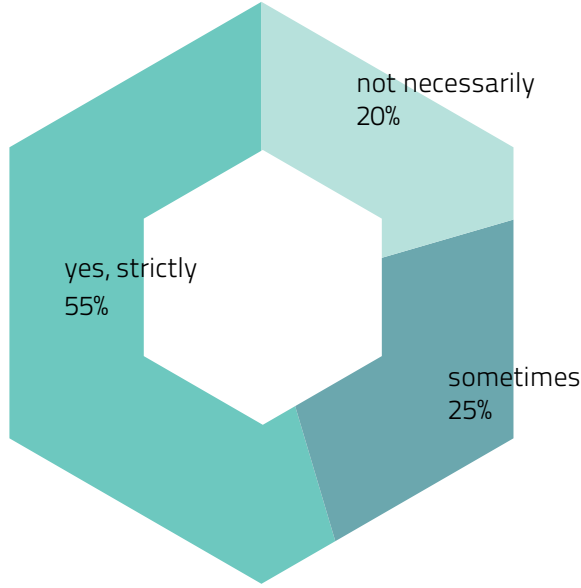
For the Halal Food Market

■ A vast majority of respondents (88%) stated that they purchase halal food products to eat at home. Among those who purchase halal food products, only over half of those respondents adhere to the full requirement of zabihah halal (55%).² There is big variance to this response among the various major ethnic segments.

Question: Do you purchase Halal food products to eat at home?



Question: For the halal food products you buy, do you prefer zabihah halal?*



*from respondents who said they purchased Halal food products to eat at home

² Zabihah halal: Animals slaughtered according to Islamic rites in order to be suitable for consumption and part of the criteria for allowable dietary practice in Islam (halal). Meanwhile, the animal itself should also be permissible to eat, e.g., pigs are not allowed. Animals such as cows, sheep, goats, chickens, ducks, etc., are halal.

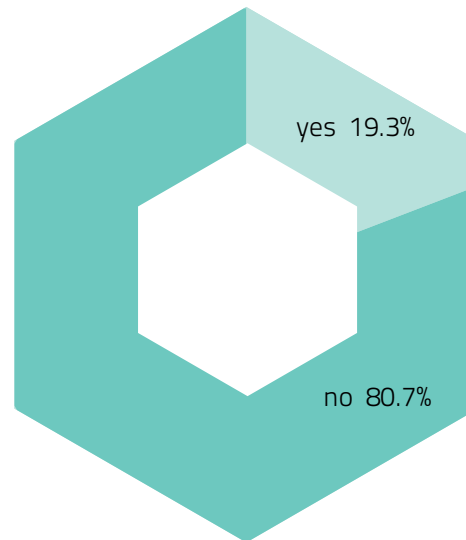
- From among the short list of major brands identified for the survey, Al Safa stands out as the most regularly consumed brand (63% said they purchase it regularly or sometimes). Midamar, Ziyad and Crescent Halal were identified as the next three most purchased brands.
"Halal companies need to learn how to make a good hot dog. <brand name removed> is fair, but not great. Otherwise, yes, I'm happy buying halal."
"I would love organic halal raw meat and frozen foods."
"Would like different types of ground beef (85%, 93% lean, etc) also different cuts of meat."
"There are no "American" cut raw meats available. You go to the butcher and all they sell is either large pieces of meat (shoulder, leg..) or meat into tiny pieces beyond recognition (Desi style) forget a t-bone steak or ribeye!"
- *(The full study provides other survey insights on the brand awareness gap, select brand level perspective, halal food satisfaction, requested product categories and attributes, with analysis capability by ethnic and geographic segments.)*

For the Islamic Finance Market

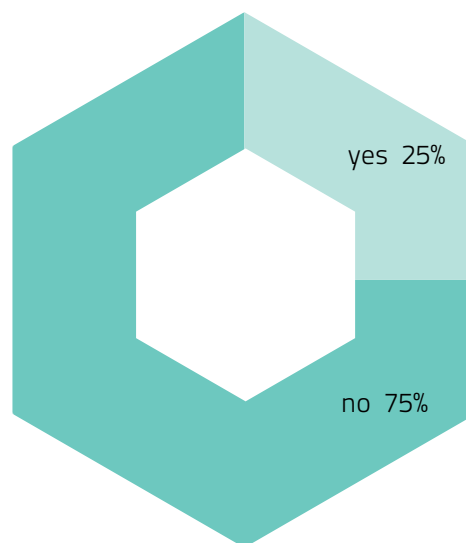
- While a vast majority are concerned and adhere to the Islamic provisions of halal food, an equally vast number (81%) do not use Islamic finance. This sentiment holds for mid to high income respondents as well.
- Meanwhile, the survey does show strong interest in Islamic finance services with only 8% saying they are not interested.
- 70% of the respondents want authenticity in the offerings, while 66% also want clarity in Islamic finance concepts and contracts.
- *(The full study provides other survey insights on the brands used, the brand awareness gap, services satisfaction, requested services categories and attributes, with analysis capability by ethnic and geographic segments.)*

Question: Do you use any Islamic banking or investment services?

ALL RESPONDENTS



RESPONDENTS WITH \$66K+ INCOME



Major Media Channels & Influencers

While a large part of the American Muslim communities' media consumption habits are national, and even international in nature, there is certainly a growing influence of both Muslim and ethnic media channels and key influencer organizations.

The full-study presents marketers with a prioritized list of such major Muslim and ethnic media channels and key influencers. Over 100 major Muslim- or Muslim community-related ethnic, indigenous, and national media channels in print, digital, broadcast and radio are identified. Also a list of the most influential organizations and personalities nationally are also identified.

Engagement Framework

The study concludes by offering existing Muslim market players and new market entrants with key questions and steps to address in best evaluating, identifying, and communicating with this growing, dynamic market. For main-stream brands: To what extent do Muslim values relate to their product category? What is the market potential of their product category and their product? If satisfied, what would be the best engagement strategy and the level of customization needed?

For existing Muslim market players: Is their product appeal relevant across all Muslim ethnic sub-clusters? Do they have an optimal market reach and engagement? Is brand awareness and satisfaction at optimal levels? What new product ideas are viable for their business?

* This is a small sample of around 300 US-based influential media/organizations focused on Muslim and related ethnic media. All logos are properties of each reference organization.



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FULL STUDY:

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Excel File included of all charts and tables.
Also, all (804) Survey "Comments"

Price

US \$1,995 (Includes a 124 pages print copy and a secure PDF digital copy with data spreadsheet)

US \$1,495 (Print copy only)

50% discount for American Muslim Consumer Conference 2011 attendees

10% discount for Non-Profits

Download Full Study Fact-Sheet and Survey Content Profile or Purchase at
<http://advisory.dinarstandard.com/american-market-2011/>

Acknowledgements

About DinarStandard™

DinarStandard™ is a business media, research and advisory firm specializing in driving growth for companies in the emerging global Muslim markets. Its vision is to empower businesses to become global brands with socially responsible impact. For more than five years, DinarStandard.com has been a pioneer business media delivering original analysis highlighting the emergence of the global *Muslim Lifestyle Market*. Its anchor report, *DS100—Top 100 Businesses of the Muslim World, Social Responsibility in Islamic Financial Institutions* and other original reports are regularly covered by global media such as *The Economist*, *Forbes*, *Zaman* (Turkey), *Malaysian Star*, and many others.

Through its Research & Advisory services, DinarStandard™ delivers market opportunity analysis, business planning, marketing/media planning, and campaign execution for its clients.

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We apologize if we have missed any names.

The almost 1000 American Muslims who took the survey and put their trust in this study.

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