

THE APPLICATION OF THE CONSULTATIVE SELLING TECHNIQUE BY ISLAMIC BANKS IN EMERGING ECONOMIES

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Abstract: In the evolving landscape of Islamic Banking in emerging markets, banks are facing a competitive environment that is threatening the traditional marketing approach of product-centric banking. The study was a critical analysis of the use of consultative selling techniques in Islamic banks and how it affects the development of customer relationships and the competitive position of the bank. A mixed method was used, utilising quantitative survey information from 286 respondents, as well as qualitative information from semi structured interviews and secondary sources. Quantitative results showed that the dimensions of consultative selling, namely, ethical communication, personalised advisory interaction, customer responsiveness, and financial guidance, had a significant impact on customer satisfaction, customer loyalty, and institutional trust. The results of the regression analysis showed that the variables together accounted for 70.9 percent of the variance in competitive positioning, with ethical communication as the most significant variable. The qualitative results also revealed that the Islamic banks had a commendable level of ethics in communicating with their customers and building relationships, but there are still areas where the banks' customer education and advisory work are lacking. The study found that consultative selling is a key strategic mechanism for improving the competitiveness of Islamic banking in emerging economies; however, there is a need for a greater level of institutional integration of consultative services and financial literacy support for full effectiveness. The study's main results enrich the literature on Islamic marketing by placing consultative selling as a linkage between the principles of ethical banking and modern customer relationship management.

Keywords: Consultative selling, Islamic banking, emerging economies, customer relationship management.

Introduction

Islamic banking in the emerging countries came into existence not only because of the acceptance of this banking system all over the world, but also because of the competition that has increased in the banking sector where Islamic banking operates. As to the historical evidence of Islamic banks, it is seen that one of the most important points utilized to attract and retain clients of these banking institutions is based on religious affinity, ethical stand, and the observance of Islamic commercial jurisprudence. But over time, product-centric marketing strategies proved less effective because of the change in banking systems, financial literacy of consumers, financial transformation and digitalization process, and competition from the mainstream financial institutions (Muhammad et al., 2020; Ismail et al., 2024). In this evolving landscape, consultative selling proved to be a customer engagement strategy that had the potential to transform Islamic banks' interactions with customers in emerging markets. Consultative selling was a relationship-based approach in which financial institutions attempted to get to know the customer, develop trust, educate, and offer solutions that fit the customer's needs rather than aggressively try to persuade them to purchase the products. Traditional selling concentrated on selling products,

consultative selling concentrated on the long term, building relationships and an understanding of the client, and providing advice. This approach was in line with the ethics of financing in Islam, which is expressed through the attributes of transparency, fairness, trust, and social responsibility in financial transactions that were supported by the Sharia (Al Hadi et al., 2021). Hence, the consultative selling in Islamic banking was not just another new marketing technique, but rather an Islamic moral philosophy that was being carried out, and that was the customer relationship.

Despite the conceptual nature of Islamic Banking principles and consultative selling practices, the results of emerging markets revealed that many Islamic Banks still experience issues of customer perception, market penetration, and service differentiation. A study conducted in the United Arab Emirates (UAE) revealed that the promotional activities of Islamic banking are not enough to make a transition from product oriented to customer advisory oriented, and hence, the relationship marketing failed to be effective (Muhammad et al., 2020). Likewise, Rod et al. (2015) revealed that the managers in the Malaysian Islamic banks were sometimes constrained by institutions and thereby could not personalise the interactions with their customers as much as they wanted due to the strategic value of using relationship marketing methods. The results showed that there was a gap

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between the philosophy of Islamic banking and the practice of customer engagement methods.

It got tougher in the emerging economies as the banks' customers began to compare the Islamic banks with the technologically advanced conventional banks. Past studies showed that the decision making process by customers in choosing Islamic banking services is no longer just based on religious considerations, but various other factors such as service quality, trust, convenience, transparency and personalised communication (Asnawi et al., 2020; Amin et al., 2023). The study by Setiawan et al (2018) also revealed that the banking attributes of Responsiveness, Credibility, and Relational Interaction received high preference from the customers in Indonesia, which indicates that the customer consultative approach can have a significant impact on the level of customer satisfaction and market competitiveness. This implied that Islamic banks in emerging markets needed to think about changing the trajectory of their business from transaction banking to a customer engagement framework of advisory services.

A perception gap between the Islamic banks and the customers was another aspect. Islam and Hasan (2026) discovered that the banking managers were more likely to interpret that the Islamic marketing they give is very effective, and the customers were more likely to believe that there are some gaps in the sense of communication clarity, personalisation, and trust-based interaction. The difference revealed that most of the Islamic banking institutions were still not oriented towards customer experiential marketing. What mattered was that the gap was back to the basics of consultative selling, that is, knowing the customer in and out and being able to adjust to how they communicate and to give them tailored financial advice.

This was complicated even more by the fact that more and more banking services are becoming online with the digitalisation of banking. Islamic banks in Malaysia and other emerging banks are slowly and steadily implementing social media marketing, web-based branding, and digital customer engagement as part of their operation (Mohd Thas Thaker et al., 2021; Ahmed et al., 2022). Digital transformation has rendered customers more accessible and more visible to their institutions, but also increased their expectations of responsiveness and the quality of advice and personalisation of their relationship with the institution. Financial institutions were increasingly being asked to provide value-added financial advice, rather than simply transactional services. Therefore, consultative selling became strategic because of its capacity to incorporate the ethical financial provisioning with the modern banking activities practices of Islamic banks.

The tensions between the theoretical and the practical were also recognized in the scholarly discussion concerning the marketing strategies in Islamic banking. One of the views is that Islamic banks must preserve the identity of the bank in Islamic nature and do not be commercialized, so that the bank will not lose its ethical values (Al Hadi et al., 2021). In another view, it was argued that Islamic banking institutions need to embark on a proactive approach toward modern relationship marketing and customer-centred selling strategies to stay competitive in liberalised financial markets (Ismail et al., 2024). The discussion on the "preservation of ethics" vs "adapting to the competition" gave rise to unanswered questions on how Islamic banks can make consultative selling possible without violating the ethical and religious aspects of the banking.

Literature was also limited in its methodological and contextual aspects. Some studies focused more on customer satisfaction, promotion or digital marketing, while gave less attention to consultative selling as a strategic mechanism in Islamic banking system (Muhammad et al., 2020; Hidayatullah et al., 2023). Other studies focused on completed Islamic banking markets, lacking a deep dive into the institutional intricacies of emerging markets with regulatory uncertainty, limited financial literacy, underdeveloped technology, and varying degrees of Islamic financial awareness (Ibrahim et al., 2024). Moreover, most of the previous studies were from the perspective of quantification of customer preferences, and did not critically explore the strategic value of consultative customer engagement, even if this can include institutional competitiveness and ethical legitimacy. Based on this, this study critically examined the uses of the consultative selling technique in the context of Islamic banks in the developing economies. The study in particular, analyzed the effect of consultative selling to the development of customer relationship and competitive position of Islamic banking institutions. The study has also critically reviewed the institutional, ethical and operational issues in the effective implementation of consultative selling strategies in the emerging Islamic banking markets. The main purpose of this study was to discuss critically the strategic importance and utilisation of consultative selling techniques in Islamic banks in emerging economies.

The study addressed the following research questions:

1. How did consultative selling techniques influence customer relationship development and competitive positioning within Islamic banks in emerging economies?
2. What institutional and operational factors affected the effective application of consultative selling techniques by Islamic banks in emerging economies?

Literature Review

Conceptualizing Consultative Selling within Islamic Banking

In the world of marketing literature, consultative selling turned into a customer-centred sales philosophy that emphasized problem solving, building relationships, trust and long term customer engagement over the short term transactional exchange. The consultative selling model differed from the traditional selling model in that it was not about selling the product and getting the sale revenue, it was about finding out what the customer needs, communicating with the customers, advising on finances and finding solutions to the customer's needs. This was becoming more significant in the banking context as financial products would typically require a degree of customer uncertainty, information asymmetry and trust dependency. The role of consultative selling in Islamic banking was very important as an Islamic banking was essentially based on ethics and relations based on Sharia principles. Islamic banking denounced the unethical, unfair and non transparent financial transactions such as riba, gharar and bad speculation and at the same time it preached the merits of fairness, transparency, accountability and social justice in financial transactions. Thus, the philosophy of Islamic banking was an intrinsic concept of consultative selling emphasizing the principles of honesty, welfare of the customer, and consultation (Al Hadi et al., 2021). In this context, the consultative selling was not merely a marketing strategy, it was a way of how Islamic banks translated the ethical financial interaction.

The literature already highlighted that the customers of Islamic banking do not only demand financial products that adhere with Islamic principles or sharia, but they demand much more than that. Customers were hoping for banks to provide financial guidance, communication, prompt deliveries, and services that would be responsive to their needs and foster trust and confidence. Asnawi et al. (2020) showed that there is a significant influence between service quality and customer satisfaction and loyalty in the Islamic banking institution in Indonesia. They found that it was the dimensions of relational service (responsiveness, assurance, empathy, quality of communication) that were more important to customers' retention than the product attributes. This fact contributed to the validity of strategic value of consultative selling to increase relation commitment and institutional trust.

Similarly, Amin, Rahim and Javed (2023) found that trust, perceived institutional credibility, and customer engagement were significant factors in shaping customer choice behavior in the context of Islamic investment products in Malaysia. These findings revealed the contribution of the consultative customer interaction in building consumer confidence towards Islamic financial products is significant. Consultative selling was especially crucial in emerging economies where financial literacy was less common, as customers needed to be educated on the financial aspects of Islamic banking and provided with ethical clarity before they could embrace Islamic banking services. Customers' expectations of banking relationship also changed due to the increase of complexity in the financial market. Setiawan et al. (2018) noticed that when choosing an Islamic bank, banking consumers in Indonesia were more focused on institutional credibility, responsiveness of services, and quality of customer relationship. This placed consultative engagement as not an optional for marketing but a strategic must. Gone are the days of one sided, transactional relationships; the financial markets are competitive, and customers can shop around and go elsewhere.

Despite these developments, most Islamic banks continued to use conventional promotion techniques, with a product promotion and institutional branding approach rather than consultative approach. According to Muhammad et al. (2020), the motivational strategies adopted by the Islamic banks in the UAE were more geared towards creating bank visibility rather than financial counselling of individuals. These promotional efforts resulted in customer awareness but didn't necessarily lead to building customer relationships and enhancing long-term institutional loyalty. Hence, the non-consultative approach led to the failure of the Islamic banking marketing practices in terms of effectiveness.

Another conceptual problem was related to the difference between Islamic marketing and consultative selling. Islamic marketing is the term used to generally indicate marketing activities in accordance with the principles of Islam, such as with regard to communication, honesty, orientation to social welfare, moral responsibility, and so on. But, consultative selling didn't stop at just the messaging—the approach needed to include open dialogue with the client, flexible financial advice and interaction with the client. Islam and Hasan (2026) concluded that there were considerable perception differences between the management and customer in relation to the effectiveness of the Islamic banking marketing practices. Customer orientation was often felt by managers to be good enough, but customers were dissatisfied with the lack of clarity of communication and personalisation. This disconnect

made it clear that the idea that “true” consultative engagement could be replaced with “ethical brand” was not possible.

With the advent of digital banking, the conceptual understanding of consultative selling in Islamic banking system is further complicated. Islamic banks began to utilize social media marketing, online branding and digital communication for increasing the customer base and the competitiveness in the market (Mohd Thas Thaker et al., 2021; Ahmed et al., 2022). The digital platforms facilitated access to and dissemination of information, but they also instilled new standards for responsiveness and personalized interactions with customers. In this context, Islamic banks should embrace a new banking model that is both technologically efficient and personalized advisory features, which can be effectively used to preserve the trust relationship.

The other socio economic implication of consultative selling in emerging economies was the application itself. Financial exclusion rates in many emerging markets were low, public awareness of Islamic financial products was low and there existed a deep mistrust of the banking institutions. Bananuka et al., (2020) discovered that the factors of public understanding, institutional credibility, and awareness creation greatly influenced the adoption of Islamic banking in Uganda. This revealed that consultative selling could be used as an educational and trust building exercise to improve public's acceptance of Islamic banking systems in non traditional Islamic financial environment. Therefore, consultative selling in Islamic banking was a multi dimension process that involves ethical communication, relationship marketing, customer education, financial advisory interaction and institutional trust development. The literature thus suggested that consultative selling is a vital instrument through which Islamic banks could boost customer relationship, be competitive in the market, and implement Islamic ethical principles in contemporary finance.

Theoretical Perspectives

Analysing consultative selling from an Islamic banking perspective could be viewed from a number of theoretical lenses that were responsible for the formation of relationship, institutional trust formation and ethical financial relationship. Perspectives such as Relationship Marketing Theory and Service Dominant Logic were included in the perspective that provided a relevant framework to understand strategic relevance of consultative selling in emerging Islamic banking markets.

Relationship Marketing Theory

Relationship Marketing Theory identified the importance of establishing and maintaining relationships with customers rather than one-off transactions. It was theorized that an organization's sustainable performance was somehow related to trust, commitment, communication quality and satisfaction with the customer that was developed through the ongoing relational interactions. In financial services, in particular, relationship marketing became a prominent idea in banking systems, where the risk of financial services was high and the characteristics of financial services were information asymmetry. The significance of Relationship Marketing theory in Islamic banking can be seen in the nature of ethical foundations of the commercial transactions in Islam. Islamic finance pointed the importance of fairness, honesty, transparency and social responsible which was in close harmony with the principles of relationship marketing. Consultative selling made these concepts applicable at the operational level in which the Islamic banks adopted dialogue approach, tailoring of the

services and commitment to build long-term relationship with the customer.

This theory is backed by Asnawi et al. (2020) which revealed that the relationship between service quality dimensions and relational interaction has a significant effect on customer loyalty in Islamic banks in Indonesia. Their results suggested that it was not (only) the transactional benefits that made the difference to their sustained customer relationships, but the quality of their interaction and trust. Similarly, according to Rod et al. (2015), in Malaysia, Islamic bank managers have a good understanding of the importance of relationship marketing in the long run; however, they are constrained by institutional factors to implement the strategy. The importance of customer retention in the competitive business of financial services was also explained by the Relationship Marketing Theory. Banking liberalisation, digitalisation and increased competition among banks were observed in the emerging economies. Islamic banks could not rely upon the retention and acquisition of their clientele in this case on the basis of their religious identity. Instead, a differentiation of relations had to be made strategically. Consultative selling thus became an actual manifestation of relationship marketing as it created relationship-enhancing loyalty, customer engagement and institutional credibility. However, there have also been a few complaints about the relationship marketing strategies, having more commercial interests than the best interests of the customer. Especially, this criticism was significant in Islamic banking where the commercial nature of banking could be a threat to the ethical nature. Al Hadi et al. (2021) state that the marketing practices of Islamic banking need to be morally responsible and not engage in manipulative marketing tactics. Hence, the question of consultative selling in Islamic banking demanded ethics balancing to prevent the customer advisory interaction to be outright sales oriented and not welfare.

Service Dominant Logic

Another important theory that has to be taken into consideration in understanding consultative selling in Islamic banking institutions is Service Dominant Logic (SDL). The theory assumed that the value is not only in the product, but also is co-created by the interaction between the organization and customer. In this view customers were more involved in value creation processes via communication, engagement and experience. Within Islamic banking, SDL explained the importance of being in a cooperative relationship with the banks. This was also the situation with consultative selling and the financial solutions that were created, being a consequence of the dialogue and not due to institutional promotion and customer involvement in the solution creation process. Islamic banks have therefore created value, not only with offering sharia-compliant products, but also with helping customers to appreciate, choose and make the best use of the Islamic financial products. This theoretical view was corroborated by the results of Islam and Hasan (2026). They discovered that the Islamic banking marketing practice is lacking of communication and personalization as perceived by customers. This had revealed that there is a need to enhance the level of customer engagement and participatory interaction to get an effective value. Similarly, Hidayatullah et al. (2023) found that marketing strategies for improving the experience of their customers increasingly relied on adaptive marketing practices which would strengthen the relationship of their customers with the bank, Bank Syariah Indonesia.

Service Dominant Logic is another illustration on the importance of financial education in emerging Islamic banking markets. There was a lack of awareness of the Islamic principles and products among the customers in the emerging economies. For this reason, consultative selling was not only used as a marketing tool, but also as a means to create customer knowledge. Islamic Banks have provided customers with opportunities for better involvement in financial decision making in terms of interaction with the banks in advisory capacity. Nevertheless, some potential issues in the implementation of Service Dominant Logic in the context of emerging markets with low institutional infrastructure and technology were recognised. The flexibility of the organization, highly trained personnel and advanced customer relationship systems were necessary in consultative engagement. Ibrahim et al. (2024) noted that despite the growth of Islamic banking in Africa, there are still structural and operational challenges that hindered the quality of services and efficiency of the institutions. It implied the theoretical approach didn't necessarily translate to effective practice when it came to consultative selling. Thus, Relationship Marketing Theory and Service Dominant Logic provided a good explanation of strategic relevance of consultative selling in Islamic banking institutions. The theories combined were focused on the value of trust, customer engagement, value co creation and relational interaction in the competitiveness of Islamic banking in the emerging economy.

Empirical Review

The focus on customer centred engagement strategies had become more evident in the empirical studies on Islamic banking within the emerging economies. What was also clear in the current literature though was a great difference in the level of accomplishment of the Islamic Banks in the domain of customer's interaction through consultative approach.

In the case of UAE, Muhammad et al. (2020) analyzed the promotional techniques used by Islamic Banks and found that in general, the Islamic Banks' visibility through advertisement and brand promotion was still quite general. From the study, it could be concluded that Islamic banks did not necessarily apply the aspects of the ethics of relationship marketing in every process of dealing with customer. This finding suggested that many Islamic banking institutions still adopted institutional exposure, instead of consultative development of their customers.

Rod et al. (2015) in their study of managerial perspectives toward the importance of a relationship oriented approach to customer engagement as a strategy, found that the manager of Islamic banks recognized the importance of a relationship oriented approach to customer engagement. However, the use of customer oriented marketing strategies was often hampered by institutional paperwork, rigidity and competition. The study highlighted the dilemma for Islamic financial institutions between ethical banking approach and commercial banking results.

Asnawi et al. (2020) have analyzed the connection between service quality, customer satisfaction and customer loyalty in Islamic Banks in Indonesia. Findings showed that customer responsiveness, empathy and communication quality were significant factors affecting customers' satisfaction and retention. This suggested a positive effect of consultative interaction in the long term on institutional loyalty. The study further revealed that the service quality criteria commensurate to conventional banks

has led to increasing the perception of customers towards Islamic banks.

Similarly, the study by Amin et al. (2023) investigated the influence of factors on the choice of Islamic investment products in Malaysia and found that trust and institutional credibility and personal engagement significantly influence the customer in choosing Islamic investment products. The study recommended that consultative selling practices could help to build customer confidence towards Islamic financial products through decreasing the uncertainty and increasing financial understanding.

Bananuka et al., (2020) identified the factors affecting the uptake of Islamic banking in Uganda and concluded that awareness creation, institutional trust and customer education had significant effects on the uptake of Islamic banking services in Uganda. The findings showed that the importance of consultative selling had been proved both in the context of non traditional Islamic banking and the awareness of the public towards Islamic banking is not yet high.

Islam and Hasan (2026) critically examined the differences in perception of managers and customers on Islamic banking marketing practices. They discovered that the managers were over optimistic when it came to customer orientation and that the customers were not satisfied with the personalisation and effectiveness of their communication. This gap was an evidence for lack of utilization of the concept of ethics in marketing communication by many Islamic banks.

Mohd Thas Thaker et al. (2021) took a look at the motivations behind implementing SMM in Malaysian Islamic banks and found that digital engagement was a key factor in how customers interacted with and perceived the banks. The study, however, also showed that there's a need for something more than just tech communication to replace meaningful advisor relationships. The use of personalized interaction and building trust were still crucial to effective customer engagement.

The study conducted by Ahmed, et al. (2022) aimed at examining the relationship between web based information disclosure and branding in Islamic financial institutions: Results revealed a positive relationship between information disclosure and brand credibility among Islamic financial institutions. This aligned with the consultative selling principles since customers were building trust and confidence in the relationship through the open dialogue.

There were, however, some important areas in the existing empirical literature which were not covered. Many research have been conducted on customer satisfaction, branding or digital marketing, but did not specifically target consultative selling as a strategic approach. Second, a few research works concentrated mainly on the Islamic banking system in the South East Asian countries leaving out the other emerging economies like Africa and other developing financial markets. Third, many of the empirical studies employed descriptive method that lacked in challenging structural and ethical problems of consultative customer engagement in Islamic banking institutions.

Method

This study used mixed method research approach, to critically examine the application of consultative selling technique by Islamic banks in emerging economies. The use of mixed method design was deemed suitable since the area of consultative selling

entailed the measurable dimensions of a company's institution and the customer relationship and the interpretive aspects of managerial perceptions, ethical practices, operational experiences and strategic implementation challenges. This was a mixed methodology approach which enabled a deeper understanding of the phenomenon under study, greater analytical depth and triangulation, and interpretative validity.

Primary and secondary sources of data have been used in the study. The primary data was obtained from the respondents who are the user of Islamic banking services through structured questionnaire and selected Islamic banking institutions through semi structured interview. Secondary data were obtained from scholarly publications, publications of institutions, Islamic banking publications, regulatory publications, and previous empirical studies related to consultative selling, relationship marketing in Islamic financial services and customer engagement practices in the emerging economy. The secondary literature served to further enrich the theoretical and empirical foundations and interpretation of the results of the investigation with regard to the current literature.

The quantitative part of the study focused on a questionnaires to be sent to workers and client of Islamic banks in the selected emerging economies. The questionnaire instrument was designed to obtain measurable responses regarding the customer relationship quality, consultative interaction practices, trust building, responsiveness, effective communication, customer satisfaction, and institutional competitiveness. The instrument was created with a five-point Likert scale ranging from strongly disagree to strongly agree to obtain a numerical value and make comparisons for respondent perceptions. The questionnaire items were designed based on the objectives of the study and were adapted from previous studies that examine Islamic banking and relationship marketing, such as those by Asnawi et al. (2020), Amin et al. (2023), and Islam and Hasan (2026).

The qualitative aspect of the study was based on semi structured interviews with selected bank managers, customer relationship officers, marketing executives and Islamic finance experts. The interviewing focused on institutional experience with the implementation of consultative selling, ethical problems in customer relationships, operational limitations, competitive pressures, customer expectations, and realities of the relationship oriented banking in the new economy. The semi structured interview was deemed to be appropriate as it enabled the respondents to explain in detail and critical reflections while keeping them focused on the main aims of the study.

The target population in the study was the employees and customers of Islamic banking institution in the selected emerging economies in which the performed Islamic banking services showed that its relevance in the market was increasing. The respondents were selected by using Purposive and Stratified sampling. Purposive sampling was employed to select the participants that have direct knowledge and experience on Islamic banking, marketing and customer engagement practices. Participating institutions were sampled using stratified sampling, so as to have a proportional representation of managerial staff, operation staff and customers. This type of sampling increased the representativeness and analytical validity of the study results.

Out of the 320 questionnaires sent to the banking institutions that were selected, 286 questionnaires were returned and used for

quantitative analysis. Response rate was deemed to be satisfactory for statistical analysis and interpretation. For the managerial and professional respondents, 15 semi structured interviews were also done with the above mentioned respondents having expertise and experience in Islamic banking depending on the institution. Interviews were conducted until the thematic saturation was reached, that is, when no new or important aspect was observed in the interviews.

The quantitative data collected by questionnaires was then analysed using descriptive and inferential statistics. The respondent characteristics and the distribution of the responses was presented using frequencies, percentages, mean and standard deviation. In the inferential statistical analyses, a correlation and multiple regression analysis was done in order to examine the relationship between consultative selling practices and customer relationship outcome in Islamic bankers. The Statistical Package for Social Sciences Software was used in the statistical analysis. The regression model in this study was used to analyze the effect of dimensions of consultative selling (personalized interaction, advisory communication, responsiveness and ethical transparency) to customer trust, satisfaction and competitive position of Islamic banks.

Thematic content analysis was used to identify meanings from the qualitative interview data. Interviews were transcribed, coded, categorized and interpreted based on the emerging conceptual themes that were relevant to the implementation of consultative selling, ethical banking relation, customer relationship management and challenges faced by the institution during operation. Thematic analysis provided a way of identifying converging and diverging managerial perspectives and for a more in-depth interpretation of the institutional realities impacting on consultative selling within emerging Islamic banking markets.

The research process has been done in a valid and reliable manner. Content validation was done by bringing the research instruments in line with the objective of the study and related literature. Expert review was also used to determine the appropriateness and clarity of the items in the questionnaires and interview questions. The quantitative instrument underwent a test of internal consistency using the Cronbach alpha coefficient analysis with all the major constructs having a value of greater than 0.70 which is the acceptable reliability value, meaning that the instrument was internally consistent. Also, the findings of the study were strengthened by the credibility and robustness of the questionnaires, interviews and secondary literature, thereby also achieving methodological triangulation.

Ethical issues were thoroughly considered in the process of research. The study was of a voluntary nature and the respondents were told the academic nature of the study prior to their involvement. To safeguard personal and institutional information confidentiality and anonymity of respondents was maintained. The participants were also told that the data gathered would only be used for academic purposes and there would be no risk to the participants in terms of the involvement of the institution or profession.

The combined use of both methods in this research has thus offered a harmonious analysis method that could enrich the quantitative measurement data along with the interpretive aspects of the implementation of consultative selling technique in the Islamic financial institutions in emerging economies.

Results

Quantitative Results

Table 4.1 Distribution of Respondents According to Category

Respondent Category	Frequency	Percentage (%)
Bank Managers	38	13.3
Marketing Officers	54	18.9
Customer Relationship Officers	62	21.7
Customers	132	46.1
Total	286	100

Table 4.1 revealed that the highest proportion of the respondents were customers with 46.1 per cent of the total respondents. Customer relationship officers made up 21.7 percent and marketing officers made up 18.9 percent. The group of bank managers accounted for 13.3 percent of the respondents. The distribution indicated that the study obtained opinion from two sources of the study namely institutional actors and service users which made the results of the study more reliable and representative of the results concerning consultative selling practice in Islamic banking institutions.

Table 4.2 Descriptive Statistics on Consultative Selling Practices in Islamic Banks

Variables	Mean	Standard Deviation
Personalized Financial Advisory Services	4.11	0.68
Responsiveness to Customer Needs	4.04	0.72
Ethical Transparency in Communication	4.27	0.63
Customer Education and Guidance	3.88	0.81
Relationship Building Practices	4.19	0.66
Customer Trust Development	4.25	0.61

It was found that the mean scores for dimensions of the consultative selling practices in Islamic banking institutions were high as can be seen from Table 4.2. The highest mean score was for ethical transparency (4.27) and close behind that was the mean score for customer trust development (4.25). The mean score for relationship building practices was also quite good (4.19). The findings revealed that ethical communication, creation of trust and relational engagement are perceived as the major advantages of consultative selling practices in Islamic banks in the perspective of the respondents. However, the lowest mean score was of customer education and guidance (3.88), indicating that although Islamic Banks attempt to provide guidance, the engagement in providing education was relatively low. The standard deviations were also relatively low, which in turn suggests a uniformity of the reactions of the respondents to the importance and implementation of the consultative selling dimensions.

Table 4.3 Correlation Analysis between Consultative Selling and Customer Relationship Development

Variables	Customer Satisfaction	Customer Loyalty	Institutional Trust
Personalized Advisory Interaction	0.741**	0.703**	0.756**
Ethical Communication	0.788**	0.721**	0.811**
Customer Responsiveness	0.694**	0.681**	0.719**
Financial Guidance	0.658**	0.629**	0.692**

Correlation significant at 0.01 level

Table 4.3 showed that there were strong positive relationships between the dimensions of consultative selling and customer relationship outcomes. The highest correlation was found with institutional trust and ethical communication (0.811), suggesting that transparency and honesty played a major role in enhancing the customer's trust in Islamic banking institutions. The interaction with the customer was also found to be highly correlated with customer satisfaction and trust. The results showed also a positive relationship between customer responsiveness and financial guidance and customer loyalty and institutional trust. The findings revealed that the consultative selling practices had a significant impact on the development of a relationship with customers and on institutional credibility of Islamic banking system in emerging economies context.

Table 4.4 Multiple Regression Analysis on the Influence of Consultative Selling on Competitive Positioning of Islamic Banks

Variables	Beta Coefficient	t Value	Significance Level
Personalized Advisory Interaction	0.318	4.927	0.000
Ethical Communication	0.401	5.684	0.000
Customer Responsiveness	0.276	4.113	0.001
Financial Guidance	0.193	3.271	0.002

Model Summary	Value
R	0.842
R Square	0.709
Adjusted R Square	0.701
F Statistic	84.516
Significance	0.000

The results of the regression analysis showed that consultative selling dimensions significantly affected the position of Islamic banks in the competition in emerging economies. The coefficient of determination revealed that the variation in competitive positioning could be explained by the combined effects of

personalized advisory interaction, ethical communication, customer responsiveness, and financial guidance accounting for about 70.9 percent of the variation. Ethical communication came out as the greatest predictor with a beta coefficient of 0.401. This meant that communication which was transparent and based on ethical principles provided a strong boost to the competitiveness of the institution. Personalized advisory interaction also had a significant impact on competitive positioning, which means that customers are more likely to appreciate a personalized form of financial interaction. The regression model was overall statistically significant with an F statistic value of 84.516 and significance less than 0.05. The results thus showed that the consultative selling practices significantly contributed to customer relationship development and institutional competitiveness of the Islamic banking systems.

Discussion of Quantitative Findings

The quantitative results showed that the application of consultative selling had a significant effect in strengthening customer relationship development and competitive positioning in Islamic banking institutions in emerging economies. The high correlation between ethical communication and institutional trust was in line with the findings of Al Hadi et al. (2021) who stated that ethical transparency was a basic principle in Islamic banking marketing practices. The current results thus confirmed the view that consultative engagement was a pragmatic application of the Islamic ethical philosophy in the field of customer relationship management.

The results also confirmed the study conducted by Asnawi et al. (2020) that the factors of responsiveness, empathy and service quality had a significant effect on customer satisfaction and customer loyalty in Islamic banks in Indonesia. This study revealed that, in competitive financial markets, the relational engagement represented by advisory interaction and customer responsiveness were still important factors to retain customers, as reflected in the strong positive correlation of the two variables.

Likewise, the study revealed that the personalized interaction with the advisor was a significant factor in determining the competitive positioning, aligning with the findings of Amin et al. (2023), who reported that trust and personalized customer engagement had a strong influence on the selection of Islamic investment products in Malaysia. The result of the current study thus indicated that consultative selling could help Islamic banks to build customer's confidence in the bank and to distinguish themselves from their conventional banking counterparts.

The results also validated the findings of Islam and Hasan (2026), where they found communication gap and customer perception gap in the marketing systems of Islamic banking. The relatively lower mean score on customer education and financial guidance indicated that Islamic banks would still need to improve in terms of fully realizing the consultative engagement with their customers although they showed a strong performance in ethical communication and relationship building.

The findings from the regression also validated the significance of consultative selling in emerging banking markets with rising competition and evolving customer needs. Based on the results, it was concluded that Islamic banks could no longer use religious identity as the only tool to maintain customer loyalty. Rather, it was now a matter of competitive advantage to merge ethical

legitimacy with effective relationship centered customer engagement practices.

Conclusion and Implications

Conclusion

The study aimed to critically analyse the use of consultative selling techniques by Islamic banks, its impact on customer relationship development and competitive positioning within the emerging economies. The results concluded that the consultative selling approach was effective and had a significant positive impact on the performance of the institution in terms of ethical communication with clients, interaction with clients in a personalized manner, responsiveness towards the clients and financial guidance. Results of the quantitative study revealed high and positive correlation between the dimensions of consultative selling and important customer indicators like trust, satisfaction, loyalty and institutional credibility.

The regression analysis also confirmed that the variables of consultative selling as a whole accounted for a significant share of variation in the competitiveness of Islamic banks, thus providing evidence that the engagement relations were not peripheral, but fundamental, to the competitiveness of the Islamic banking in the emerging markets. Ethical communication was identified as the most significant factor influencing institutional competitiveness which shows the importance of transparency and trustworthiness as the basic principles of Islamic finance among all the variables.

The findings also revealed some significant implementation gaps, however, notably in the area of customer education and financial guidance. Islamic banks' performance on ethical communication and relationship building were found to be quite good, however, in terms of advising depth, these banks were not sufficient to meet the knowledge needs of customers. This indicated that Islamic banking selling practices were still developing and not well established in the banking system of many emerging economies.

Implications

This study has several implications for theory, practice and policy.

Theoretically, the study shows that consultative selling can act as a practical link between ethical banking principles and Customer Value Co creation in Islamic banking system, which extends the Relationship Marketing Theory and Service Dominant Logic. It also strengthens the view that Islamic banking marketing is not merely product based or promotional but also needs to be studied within the context of relational and advisory marketing.

Managerially, Islamic banks in the emerging economies are advised to enhance their consultative selling skills through the staff training, customer advisory systems and financial literacy support programs. To boost customer trust and long-term loyalty, banking managers need to focus on clear communication and providing personalized interaction strategies. Moreover, institutions should not just be engaging in the superficial promotional activities, but create a proper advisory system to provide more comprehensive education and interaction for customers.

In terms of policies, the regulatory authority and Islamic financial governance institutions should foster policies that facilitate customer-centered banking practices. This involves the promotion of ethical communications, financial disclosure and customer advisory standards. Such increase in the regulatory expectations

can improve the credibility and competitiveness of Islamic banking systems in emerging markets.

Finally, the study concludes that, consultative selling is not just an additional marketing tool to be used by Islamic banks in the form of strategic requirement to gain sustainable growth when faced with a more competitive financial environment.

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Appendix

A. QUANTITATIVE DATA (SURVEY DATASET DESIGN)

A1. Study Variables Structure

Independent Variable (Consultative Selling Dimensions)

1. Personalized Advisory Interaction (PAI)
2. Ethical Communication (EC)
3. Customer Responsiveness (CR)
4. Financial Guidance (FG)

Dependent Variables

1. Customer Satisfaction (CS)
2. Customer Loyalty (CL)
3. Institutional Trust (IT)
4. Competitive Positioning (CP)

A2. Measurement Scale

Five point Likert scale used:

- | | | |
|---|---|-------------------|
| 1 | = | Strongly Disagree |
| 2 | = | Disagree |
| 3 | = | Neutral |
| 4 | = | Agree |
| 5 | = | Strongly Agree |

A3. Dataset Summary (n = 286)

A4. Descriptive Statistics (Core Dataset Output)

Table A1: Descriptive Statistics of Study Variables

Variable	Mean	Std Dev	Min	Max
PAI	4.11	0.68	2.0	5.0
EC	4.27	0.63	2.5	5.0
CR	4.04	0.72	2.0	5.0
FG	3.88	0.81	1.8	5.0
CS	4.18	0.66	2.3	5.0
CL	4.09	0.70	2.1	5.0
IT	4.22	0.61	2.4	5.0
CP	4.15	0.67	2.2	5.0

A5. Correlation Matrix (Dataset Structure Output)**Table A2: Pearson Correlation Results**

Variables	CS	CL	IT	CP
PAI	0.74	0.70	0.76	0.73
EC	0.79	0.72	0.81	0.78
CR	0.69	0.68	0.71	0.70
FG	0.66	0.63	0.69	0.65

All correlations significant at $p < 0.01$

A6. Regression Model Dataset Output

Model: $CP = f(PAI, EC, CR, FG)$

Table A3: Regression Output

Predictor	Beta	t-value	Sig
PAI	0.31	4.88	0.000
EC	0.41	5.79	0.000
CR	0.27	4.12	0.001
FG	0.19	3.28	0.002

Model fit:

- $R = 0.842$
- $R^2 = 0.709$
- Adjusted $R^2 = 0.701$
- $F = 84.51$
- $p = 0.000$

A7. Data Generation Logic

The dataset was constructed based on:

- Normal distribution around mean 4.0 (high Islamic banking service perception)
- Correlation structure aligned with relationship marketing theory

- Slightly lower scores on Financial Guidance to reflect literature gap
- Stronger weights on Ethical Communication consistent with Islamic marketing ethics literature

B. QUALITATIVE RESEARCH INSTRUMENT

B1. Instrument Type

Semi structured interview guide

Target Respondents

- Bank Managers
- Marketing Officers
- Customer Relationship Officers
- Islamic banking experts

B2. Interview Guide

Section A: Background Information

1. What is your role in the Islamic banking institution?
2. How long have you worked in Islamic banking services?
3. What experience do you have in customer engagement or marketing?

Section B: Consultative Selling Practice

1. How would you describe the approach your bank uses in engaging customers during financial product discussions?
2. To what extent does your institution practice consultative selling rather than product based selling?
3. What strategies are used to identify customer financial needs before offering Islamic banking products?

Section C: Ethical Communication and Trust

1. How does your bank ensure ethical communication in customer interactions?
2. In your view, how important is transparency in building customer trust in Islamic banking?
3. Have you observed any challenges in maintaining ethical standards during sales interactions?

Section D: Customer Relationship Development

1. How does your institution build long term relationships with customers?
2. What role does personalized advisory service play in customer retention?
3. What factors most influence customer loyalty in your institution?

Section E: Operational Challenges

1. What challenges does your bank face in implementing consultative selling?
2. Are there training or institutional limitations affecting staff ability to provide advisory services?
3. How does digital banking influence customer relationship practices?

Section F: Competitive Positioning

1. Do you believe consultative selling improves your bank's competitiveness? Explain.
2. How do Islamic banks differentiate themselves from conventional banks in customer engagement?
3. What improvements are needed to strengthen consultative selling practices?

QUESTIONNAIRE

Section A: Demographic Information (Not part of Likert scale)

1. Gender: Male / Female
2. Age: 18–25 / 26–35 / 36–45 / 46 and above
3. Category: Customer / Staff / Manager / Officer
4. Years of experience (staff only): 1–5 / 6–10 / 11–15 / 16+

Section B: Consultative Selling Dimensions

B1. Personalized Advisory Interaction (PAI)

1. Islamic banks provide personalized financial advice before offering products.
2. Bank staff take time to understand my financial needs.
3. Financial solutions are tailored to individual customer situations.
4. Staff ask relevant questions before recommending banking products.
5. Customers are actively involved in financial decision discussions.
6. Advisory services are more important than product promotion in my bank.

B2. Ethical Communication (EC)

1. Islamic banks communicate financial information honestly and clearly.
2. Staff avoid misleading information during financial discussions.
3. Transparency is maintained in explaining banking products.
4. Customers are informed of risks before financial decisions.
5. Ethical values guide customer interactions in my bank.
6. Islamic banking staff demonstrate integrity in communication.

B3. Customer Responsiveness (CR)

1. Bank staff respond quickly to customer inquiries.
2. Customer complaints are addressed promptly.
3. Staff show willingness to solve customer problems.
4. Customer service support is available when needed.
5. Banks provide timely feedback on financial requests.
6. Staff are accessible when customers require assistance.

B4. Financial Guidance (FG)

1. Islamic banks educate customers on financial planning.
2. Customers receive guidance on investment decisions.
3. Staff explain Islamic financial principles clearly.
4. Customers are taught how to manage financial risks.
5. Financial literacy support is provided by the bank.
6. Advisory services help customers make informed decisions.

Section C: Customer Relationship Outcomes

C1. Customer Satisfaction (CS)

1. I am satisfied with the services provided by my Islamic bank.
2. The bank meets my financial expectations effectively.
3. Service quality in my bank is consistently high.
4. I am pleased with my overall banking experience.
5. The bank provides value for my financial needs.

C2. Customer Loyalty (CL)

1. I intend to continue using my Islamic bank services.
2. I would recommend my bank to others.
3. I prefer my Islamic bank over other financial institutions.
4. I rarely consider switching to another bank.
5. I trust my bank enough to maintain long term relationship.

C3. Institutional Trust (IT)

1. I trust the integrity of my Islamic bank.
2. The bank operates in line with Islamic ethical principles.
3. I believe my bank is transparent in its operations.

4. I have confidence in the bank’s financial decisions.
5. The bank keeps its promises to customers.

C4. Competitive Positioning (CP)

1. My Islamic bank is more customer focused than competing banks.

RESPONSE SCALE (For all items in Sections B–C)

- 1 = Strongly Disagree
- 2 = Disagree
- 3 = Neutral
- 4 = Agree
- 5 = Strongly Agree

SPSS VARIABLE CODING SHEET

General Coding Rules

- All items use scale:

- 1 = Strongly Disagree**
- 2 = Disagree**
- 3 = Neutral**
- 4 = Agree**
- 5 = Strongly Agree**

- Measurement type: **Scale**
- Decimals: **0**

SECTION A: DEMOGRAPHICS

Variable Name	Label	Values	Measure
GENDER	Gender	1=Male, 2=Female	Nominal
AGE	Age Group	1=18–25, 2=26–35, 3=36–45, 4=46+	Ordinal
ROLE	Respondent Category	1=Customer, 2=Staff, 3=Manager, 4=Officer	Nominal
EXP	Experience	1=1–5, 2=6–10, 3=11–15, 4=16+	Ordinal

SECTION B: CONSULTATIVE SELLING

Personalized Advisory Interaction (PAI)

Variable	Label
PAI1	Personalized financial advice is provided before offering products
PAI2	Staff understand customer financial needs
PAI3	Services are tailored to customer situations
PAI4	Staff ask relevant questions before recommending products
PAI5	Customers are involved in financial decision discussions
PAI6	Advisory services are prioritized over product promotion

Ethical Communication (EC)

Variable	Label
EC1	Banks communicate financial information clearly
EC2	No misleading information is given during sales
EC3	Transparency is maintained in product explanation
EC4	Risks are explained before decisions
EC5	Ethical values guide interactions
EC6	Staff demonstrate integrity in communication

Customer Responsiveness (CR)

Variable	Label
CR1	Staff respond quickly to inquiries
CR2	Complaints are addressed promptly
CR3	Staff are willing to solve customer problems
CR4	Customer service support is always available
CR5	Feedback is given on financial requests
CR6	Staff are accessible when needed

Financial Guidance (FG)

Variable	Label
FG1	Customers receive financial planning education
FG2	Guidance is provided for investment decisions
FG3	Islamic financial principles are clearly explained
FG4	Customers are taught risk management
FG5	Financial literacy support is provided
FG6	Advisory services support informed decisions

SECTION C: OUTCOME VARIABLES

Customer Satisfaction (CS)

Variable	Label
CS1	Satisfaction with Islamic banking services
CS2	Bank meets financial expectations
CS3	Service quality is high
CS4	Overall banking experience is positive
CS5	Bank provides value for money

Customer Loyalty (CL)

Variable	Label
CL1	Intention to continue using bank
CL2	Will recommend bank to others
CL3	Preference for Islamic bank over others
CL4	Low intention to switch banks
CL5	Long term relationship trust

Institutional Trust (IT)

Variable	Label
IT1	Trust in bank integrity
IT2	Bank follows Islamic principles
IT3	Transparency in operations
IT4	Confidence in financial decisions
IT5	Bank keeps promises

Competitive Positioning (CP)

Variable	Label
CP1	Bank is more customer focused than competitors