

Islamic-Oriented Customer Service Management: Challenges and Opportunities

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Abstract: This paper explores Customer Service Management (CSM) from an Islamic perspective, emphasizing the integration of ethical values such as honesty (ṣīdīq), trustworthiness (amānah), justice (‘adl), and excellence in character (ḥusn al-khuluq). Unlike conventional CSM, which focuses on speed and efficiency, Islamic-based CSM frames service as a moral responsibility and a form of worship. The study highlights the opportunities of this approach, including increased customer loyalty, access to the halal market, and enhanced brand reputation, while addressing challenges such as ethical-profitable conflicts, a lack of staff training, and policy ambiguity. The paper identifies critical gaps in research, including the absence of a unified Islamic CSM framework and the limited number of cross-sector and empirical studies. It concludes with practical managerial implications and future research directions aimed at developing comprehensive, Shariah-compliant service models. This paper contributes to academic discourse and practical business strategies by offering a faith-based approach to ethical and sustainable customer service.

Keywords: *Customer Service Management, Islamic Perspective, Ethical Values*

1. Introduction and Background

Customer Service Management (CSM) is a systematic process that involves planning, delivering, and evaluating all interactions between a business and its customers to ensure satisfaction, loyalty, and long-term engagement (Payne & Frow, 2005). The origin of customer service management can be traced back to the earliest forms of trade and commerce, where face-to-face interactions between merchants and customers laid the foundation for customer relations (Buttle & Maklan, 2019). However, the formal development of customer service as we know it today began with the Industrial Revolution in the 1760s (Tien, 2012). This period saw the emergence of factories and an increase in manufacturing, leading to the creation of the first dedicated customer service teams to address growing consumer demands.

From an Islamic perspective, CSM is not only a functional business activity but also a moral obligation rooted in principles such as ṣīdīq (honesty), amānah (trustworthiness), ‘adl (justice), and ḥusn al-khuluq (excellence in character). It emphasizes not merely fulfilling customer expectations, but doing so with ethical conduct, spiritual accountability, and social responsibility (Beekun & Badawi, 2005). Islamic-based CSM’s objectives are to serve creation (khidmat Khalq) as a form of worship (‘ibādah), promote trust, fairness, and mutual respect in all transactions (mu‘āmalāt), and ensure that economic activities contribute to human dignity and social justice (Ali et al., 2024). In terms of service aspects, conventional CSM ensures service quality in terms of speed, accuracy, and responsiveness. Islam-based CSM also includes ihsān (excellence) and sincerity (Khan, 2019). In addition, conventional CSM resolves complaints through conflict management and cost minimization. Meanwhile, Islamic-based CRM upholds adl (fairness) when finding solutions (Abbas et al., 2020).

Islam-based CSM offers various opportunities and benefits for organizations implementing these principles. The benefits include greater access to the halal market, higher customer retention and loyalty, increased reputation, differentiation in a saturated market, and more substantial financial support from various Islamic funds (Abbas et al., 2020; Polas et al., 2018). However, some companies are reluctant to implement the Islamic principles in their operations for various reasons, including conflict between profits and ethics, lack of employee readiness, cultural and religious misinterpretations, ambiguous business policies, inadequate complaint resolution systems, customers' misuse of the company's leniency, and time and cost constraints (Ali & Al-Aali, 2014).

Research on Islamic customer service remains limited, with few studies examining how Islamic principles like *ṣidq* (truthfulness), *amānah* (trustworthiness), and *‘adl* (justice) influence customer satisfaction, loyalty, or brand perception (Ahmad et al., 2015; Amin, 2013; Dusuki & Abdullah, 2007). Consequently, discussions on the benefits of Islamic service ethics often rely on theory or anecdotal evidence (Gümüşay et al., 2020). Additionally, there is no unified, standardized framework that defines Islamic customer service principles across industries, leaving a gap in its systematic application (Alserhan, 2010; Hati et al., 2022). Businesses and scholars frequently depend on fragmented interpretations or broad ethical principles. Additionally, research on Islamic customer service tends to be sector-specific, with most studies concentrating on Islamic banking while neglecting retail, hospitality, healthcare, and e-commerce (Orhan, 2013). As a result, the diverse industry needs within Islamic customer service remain largely unaddressed.

There is a lack of in-depth studies on Muslim customers' expectations and perceptions of Islamic customer service values (Hati et al., 2022). Businesses may not align practices with what customers perceive as "Islamic" service. Lastly, a few comparative studies explore how Islamic customer service principles are interpreted or implemented across Muslim-majority and minority contexts. This phenomenon creates missed insights into the adaptability and universality of Islamic brand and service ethics (Alserhan, 2010). Therefore, a comprehensive study of Islamic-based customer service is required.

This paper offers insights into how Islamic principles can be integrated into conventional customer service, providing greater business opportunities. This paper will also discuss the possible challenges businesses face in implementing Islamic-based customer service. The paper ends with managerial and research implications for companies and academicians interested in pursuing this subject matter.

2. Literature Review

Customer Service Management

Customer service management (CSM) is the strategic and operational process of designing, delivering, monitoring, and improving a business's support and services to its customers before, during, and after a purchase, to ensure customer satisfaction, loyalty, and long-term value (Zeithaml et al., 2020). Service management scholars have determined the key components of CSM, including service strategy development, customer communication, service quality monitoring, customer data analysis, complaint handling and resolutions, customer relationship management, staff training and development, and process improvements (Fitzsimmons & Fitzsimmons, 2014; Grönroos, 2015; Kaplan & Norton, 2016).

The first component of CSM is service strategy development, where top management defines its direction by setting objectives, values, and performance standards. This includes allocating a budget for CSM initiatives and forming a dedicated committee to oversee planning and implementation (Sheth et al., 2023). The second component is customer communication, which requires organizations to establish multiple channels, such as in-person interactions, phone, email, chat, and social media, to enhance both customer engagement and organizational engagement.

The third component, service quality monitoring, requires organizations to continuously assess service delivery through the use of balanced scorecards and field surveys (Kaplan & Norton, 2016). This feedback helps measure customer satisfaction, loyalty, and willingness to advocate for the organization's products or services. Key metrics for analysis include customer satisfaction (CSAT), loyalty (retention), net promoter score (NPS), customer effort score (CES), first contact resolution rate (FCR), average response and resolution time, and service quality audits (Buttle & Maklan, 2019; Lemon & Verhoef, 2016).

The next component, complaint handling and resolution, involves a structured approach to addressing customer concerns and using feedback for continuous improvement. Organizations must effectively resolve complaints and ensure customer satisfaction, as positive outcomes enhance customer retention, while unresolved issues can damage their reputation (Zeithaml et al., 2020). Additionally, customer relationship management fosters long-term connections through initiatives like membership and loyalty programs, encouraging sustained engagement.

Effective customer service programs rely on employees who are well-trained, skilled, and committed to delivering excellence. Without their readiness, implementation becomes challenging. The final component, process improvement, emphasizes continuous refinement through benchmarking, mystery shopper programs, customer feedback, complaints, and service quality audits. These initiatives enhance customer satisfaction, foster long-term loyalty, align service delivery with brand values and business goals, and create a distinctive customer experience that sets the business apart in the market (Grönroos, 2015).

Customer Service Management (CSM) and Islamic Ethical Integration

Customer Service Management (CSM) is a strategic process that aims to plan, deliver, and continually improve the service experience provided to customers before, during, and after a transaction (Payne & Frow, 2005). Its primary goals include fostering customer satisfaction, loyalty, and long-term engagement through various components such as communication, complaint resolution, service quality monitoring, and employee training (Grönroos, 2007; Zeithaml et al., 2020).

While conventional CSM emphasizes efficiency, responsiveness, and profitability, Islamic-based CSM integrates ethical dimensions rooted in the Qur'an and Hadith. Principles such as *ṣidq* (honesty), *amānah* (trustworthiness), *ʿadl* (justice), and *ḥusn al-khuluq* (excellence in character) form the backbone of ethical service conduct. These values are not only spiritual imperatives but also practical guidelines for building trust, transparency, and fairness in customer interactions (Beekun, 1997; Dusuki & Abdullah, 2007).

The integration of Islamic ethics into CSM is increasingly evident in sectors such as Islamic banking, halal tourism, Islamic retail, and e-commerce. In Islamic banking, for instance, customers perceive service providers who embody Islamic ethical principles as more trustworthy, resulting in greater satisfaction and loyalty (Amin, 2013). Similarly, halal tourism operators emphasizing transparency, integrity, and customer dignity experience higher levels of repeat patronage and brand loyalty (Battour et al., 2014).

Despite the growing discourse, academic research in this area remains fragmented. Many studies focus on conceptual discussions or are limited to sector-specific case studies, primarily within the financial services sector. The absence of a unified framework across industries and insufficient empirical research on customer perceptions limit the practical application and scalability of Islamic-based CSM models (Ali et al., 2024).

Nevertheless, existing literature suggests that incorporating Islamic ethical values into CSM strategies has a positive impact on various service outcomes, including customer trust, retention, satisfaction, and brand differentiation. Table 1 below summarizes key studies that illustrate these relationships across selected sectors.

Table 1: Summary of studies on Islamic principles and customer service outcomes

Author(s)	Industry	Islamic principle(s) applied	Service outcomes	Methodology	Key findings
Amin (2013)	Islamic Banking	Amānah, Ṣidq, ʿAdl	Customer trust and loyalty	Quantitative survey (n=450)	Ethical compliance in Islamic banks significantly boosts loyalty.
Battour et al. (2014)	Halal Tourism	Ihsān, Bayān, Shukr	Customer satisfaction, revisit intention	SEM with tourist data	Islamic hospitality values strongly influence satisfaction and intention.
Dusuki & Abdullah (2007)	Islamic Finance	Justice (ʿAdl), Trustworthiness (Amānah)	Customer confidence, ethical perception	Theoretical/conceptual	Ethical dimensions are central to Islamic customer service expectations.
Lada et al.	Retail (Halal Transparency		Purchase	Theory of Reasoned	Islamic values

Author(s)	Industry	Islamic principle(s) applied	Service outcomes	Methodology	Key findings
(2009)	Products)	(Bayān), Honesty (Ṣidq)	intention	Action	positively influence halal product acceptance and purchase.
Tieman et al. (2013)	Logistics (Halal Supply Chain)	Avoidance of harm (Darar), Contract fulfillment (Wafā' bil-'Uqūd)	Service integrity and brand trust	Case study (Malaysia)	Halal logistics providers gain customer confidence via ethical compliance.
Alserhan (2010)	Islamic Branding	Honesty (Ṣidq), Courtesy (Ḥusn al-Khuluq)	Brand credibility, emotional connection	Conceptual analysis	Islamic ethical branding enhances emotional bonds with customers.
Othman & Owen (2001)	Islamic Banking	Fair dealing ('Adl), Transparency (Bayān)	Perceived service quality	SERVQUAL adaptation	Islamic values embedded in SERVQUAL enhance perceived service quality.
Haniffa & Hudaib (2007)	Islamic Financial Reporting	Trust (Amānah), Transparency (Bayān)	Stakeholder confidence	Qualitative case analysis	Transparent ethical reporting fosters greater stakeholder trust.
Ahmad et al. (2015)	E-commerce	Honesty (Ṣidq), Trustworthiness (Amānah)	Online trust, reduced transaction risk	Mixed-methods (Malaysia)	Applying Islamic ethics in e-commerce improves user trust and retention.

Source: Compiled by the authors.

3. Islamic Principles in Customer Service Management

Islamic principles emphasize the importance of strong ethical conduct in all dealings, including customer service. The foundational values are rooted in the Qur'an, Hadith (the sayings of the Prophet Muhammad ﷺ), and Shariah (Islamic law). The relevant Islamic principles that inform customer service practices include honesty, trustworthiness, justice and fair dealing, kindness and courtesy, fulfilling contracts and promises, avoiding haram, transparency, gratitude, and customer appreciation.

Islamic Customer Service Management (CSM) is grounded in ethical values derived from the Qur'an, Hadith, and the broader framework of Shariah. These principles not only guide individual moral conduct but also form a strategic foundation for business operations, particularly in the delivery of services. Eight key principles can be identified and operationalized within customer service practices:

Honesty (Ṣidq)

Businesses must communicate truthfully about their products, pricing, and service terms. Honesty fosters trust and eliminates deceptive practices that could harm customer interests. Honesty or Sidq requires the organization and its employees to be truthful in all aspects of business, including advertising, sales, and communication (Abbas et al., 2020; Weir, 2008). When dealing with customers, the organization and its employees must state materials used, sizing details, and delivery times on their website. They must avoid claiming a garment is "100% cotton" if it includes synthetic fibers. Prophet Muhammad ﷺ said:

"The truthful and trustworthy merchant is with the Prophets, the truthful, and the martyrs."

(Tirmidhi)

Trustworthiness (Amānah)

Organizations must fulfill all promises and obligations, such as delivering products on time or honoring warranties. Trustworthiness enhances customer confidence and strengthens long-term relationships. Trustworthiness (Amānah) refers to upholding commitments and responsibilities toward customers and delivering products or services as promised (Dusuki & Abdullah, 2007; Haniffa & Hudaib, 2007). For example, the organization must package items securely and ship on time. If a customer pays for express shipping, the organization must ensure the parcel leaves the warehouse on the same day. They should not delay the delivery without a valid reason. The Qur'an commands:

"Indeed, Allah commands you to render trusts to whom they are due..."

(Surah An-Nisa 4:58)

Justice and Fair Dealing ('Adl and Ihsān)

Fairness must govern all business transactions. This includes resolving customer complaints equitably and avoiding exploitation, such as inflating prices during peak seasons or denying legitimate claims. Justice and fair dealing ('Adl and Ihsān) relate to avoiding exploitation, fraud, or deceptive practices, and ensuring fair pricing and value (Abbas et al., 2020; Hassan & Hippler, 2014). Businesses must handle disputes reasonably, without bias toward their own gain. If a customer receives a defective product, offer a refund or replacement without unnecessary delay or denial. The Qur'an commands:

"Give full measure and weight in justice."

(Surah Al-An'am 6:152)

Kindness and Courtesy (Husn al-Khuluq)

Frontline employees are encouraged to approach customer interactions with patience, kindness, and respect, shifting service from a mere transaction to a moral engagement. Kindness and courtesy (Husn al-Khuluq) emphasize treating customers with patience, respect, and good manners (Alserhan, 2010). For example, service providers use polite and empathetic language in emails or chats, even when dealing with demanding customers. A Muslim employee might respond to a frustrated customer by saying, *"We sincerely apologize for the inconvenience. Let us resolve this together, inshā'Allāh."* Employees should remain non-defensive when addressing concerns, following the example of the Prophet ﷺ, who demonstrated exceptional character even in the face of harsh treatment.

Fulfilling Contracts (Wafā' bil-'Uqūd)

Islamic teachings uphold the sanctity of contracts, requiring organizations to strictly adhere to their stated policies, such as return terms, guarantees, and service-level commitments (Tieman et al., 2013). Wafā' bil-'Uqūd emphasizes the importance of honoring service agreements and promises, ensuring that policies, such as a 30-day return period, are upheld precisely as advertised. As the Qur'an states:

"O you who believe! Fulfill [all] contracts."

(Surah Al-Ma'idah 5:1)

This principle fosters trust and integrity in business practices.

Avoidance of Harm (Darar)

Businesses must proactively prevent physical, emotional, or financial harm to customers. This includes ensuring product safety, avoiding misleading claims, and not sourcing from unethical supply chains. The avoidance of *Harm* (Darar) dictates that an organization's products and services should be certified as *halal* across the supply chain and do not physically, financially, or emotionally harm customers (Tieman et al., 2013). This includes prompt customer care when things go wrong. For example, companies might initiate product recalls to replace faulty parts without considering the associated costs. Moreover, businesses must ensure products are safe, ethically sourced, and environmentally friendly (Supriyadi et al., 2024). This *darar* concept may explain how ethical conduct in business operations contributes to societal well-being and justice.

Transparency (Bayān)

Full disclosure of all relevant information—such as additional fees, terms, or limitations—is essential. Clear and open communication prevents misunderstandings and supports informed customer decisions. Transparency (Bayān) reflects clear communication about prices, policies, or potential issues (Weir, 2008). For

example, during checkout, customers are informed of the hidden costs (such as international customs duties) involved in the transaction. By clearly declaring these obscured charges and indirect fees, customers understand the charges and are happy to pay the price without any doubts about the costs. The Prophet ﷺ condemned those who hide defects in goods.

Gratitude and customer appreciation (Shukr)

Expressing appreciation to customers is a moral and strategic act. Whether through thank-you notes or accommodating service gestures, this value reinforces customer loyalty and positive brand sentiment. Gratitude and customer appreciation (Shukr) refer to valuing the customer's role and loyalty (Battour et al., 2014). Expressing gratitude aligns with the Islamic value of showing appreciation. Some small gestures may yield larger positive implications, such as hand-written thank-you notes in packaging. Additionally, the organization should foster a culture of grace and flexibility in resolving disputes, demonstrating its appreciation for customers. The Prophet ﷺ said:

"May Allah have mercy on a man who is lenient when he sells, buys, and demands his right."

(Bukhari)

These principles are summarized in Table 2 below, which maps each ethical value to corresponding customer service actions and provides practical implementation examples.

Table 2: Aligning Islamic principles with customer service practices

Islamic principle	Meaning	Corresponding customer service action	Practical example
1. Honesty (Ṣidq)	Truthfulness in communication and representation	Provide accurate, transparent product and service information	Do not label synthetic-blended fabric as "100% cotton."
2. Trustworthiness (Amānah)	Fulfilling obligations and being dependable	Honor promises on delivery, warranties, and terms	Ensure express-shipped items leave the warehouse the same day
3. Justice ('Adl)	Fairness in all dealings	Offer equitable complaint resolution and unbiased handling of disputes	Refund or replace defective items without unnecessary hurdles
4. Kindness and courtesy (Ḥusn al-Khuluq)	Politeness, patience, and ethical behavior	Show empathy, courtesy, and respect, even under challenging situations	Respond to customer complaints with politeness and a cooperative attitude
5. Fulfilling Contracts (Wafā' bil-'Uqūd)	Keeping one's promises and agreements	Uphold return/refund policies, loyalty rewards, and service guarantees	Accept a return made on the last valid day if the policy permits 30-day returns
6. Avoidance of Harm (Darar)	Preventing physical, financial, or emotional harm	Ensure product safety, ethical sourcing, and fair pricing	Recall faulty items; avoid harmful ingredients or exploitative labor
7. Transparency (Bayān)	Clarity and openness in transactions	Disclose all relevant charges, policies, and terms to customers	Inform buyers of potential customs duties for international deliveries
8. Gratitude and Customer Appreciation (Shukr)	Showing appreciation and valuing customers	Express thanks and offer lenient, respectful service experiences	Include handwritten thank-you notes or flexibility in resolving minor disputes

Source: Compiled by the authors.

4. Challenges in Practicing Islamic-Oriented Customer Service

Conflict between Profit Motives and Ethics

Businesses may have values like honesty, transparency, or fairness to guide their practices. However, in practice, they may overcharge customers for high-demand products or conceal product defects, which violates the principles of ṣidq and adl for the sake of high profit (Miller, 2021). For example, companies repackage and

sell local products as if they were imported to maximize profits. Some businesses increase the price of their products during festive seasons because of high customer demand. All these practices make implementing Islamic-based customer service impossible if the organizations do not fully embrace the established values.

Lack of Training or Awareness

Employees may be unaware of Islamic customer service values and how to apply them in practice. They receive inadequate training on this aspect and less encouragement or motivation to put the Islamic principles into practice (Othman & Owen, 2001). Since the return from implementing the values is less visible, companies are reluctant to invest in staff training. Most companies focus on the quantifiable training expense, where the return from the investment is obvious. As a result, this phenomenon will lead to inconsistent service quality and ethical blind spots. Therefore, staff must be trained to serve customers in accordance with Islamic principles.

Cultural vs. Religious Misinterpretations

Local customs might be mistakenly assumed to be Islamic, leading to misinterpreted service behavior. In some cultures, harshness or indifference toward complaints may be considered normal, but it contradicts *ḥusn al-khuluq* (good character) (Metters, 2022). Employees might be reluctant to take immediate action, assuming that customers complain not because of service defects, but due to their tendency to complain unnecessarily about trivial matters. Some employees might even blame customers when something goes wrong during the service delivery. All this must be avoided, and the good character principle must be put forward.

Ambiguous Business Policies

Some businesses lack clear service policies regarding product returns, refunds, or other issues with products or services (Frei et al., 2020). If this happens, the companies tend to undermine *amānāh* (trust) and *wafā' bil-'uqūd* (fulfillment of contracts) for their advantage. Some companies intentionally create vague service policies so that they can escape liability if something goes wrong. They will deny customers the right to return a defective product or get a refund because they do not want to incur additional costs. These may lead to customer dissatisfaction and ethical compromises. In the long run, the companies will lose customers as they choose to deal with other companies.

Inadequate Complaint Resolution Systems

Poor responsiveness or defensiveness during disputes clashes with the Islamic emphasis on justice and mercy (Keshavjee., 2016). Some businesses ignore customer voices, assuming the issue will subside as customers forget about it over time. Delaying responses or denying legitimate claims violates the Prophet's guidance on being just in trade. Businesses establish a proper resolution system where affected customers will receive their rights to compensation (distributive). Not only that, but they should also be given the right to air their dissatisfaction (interactional), the right to receive feedback (procedural), and the right to restoration (restorative). These are the key components of justice that businesses should strive to practice.

Compromising Transparency for Competitive Edge

Businesses may hide charges or service limitations to attract more sales and to gain a competitive edge. This unethical practice violates *bayān* (clarity) and erodes long-term customer trust (Sadiqe Ali Mohsen, 2023). The urge to maximize profit can cause businesses to overlook what is right and wrong. Although they are aware that their products have limitations, they keep this information to themselves. They will focus only on the strengths of their products to cover the weaknesses. Customers who buy the products will discover these shortcomings after using them. As a result, they will lose trust in the product and the company and will probably turn to competitors for future dealings.

Global Supply Chain Challenges

Ensuring all products are ethically sourced is difficult in modern supply chains (Esan et al., 2024). Using unethical suppliers contradicts the principle of not causing harm (*darar*), even if it is done unknowingly. For example, getting the materials for production from countries where child labor is practiced is unethical. Using materials that contain harmful ingredients and that will affect consumer well-being is unethical. Another example is obtaining materials unlawfully, which also contradicts the Islamic principle. Organizations must strive to ensure that their sources of materials adhere to the ethical principle of not causing harm to people,

other creatures, and the environment.

Customer Misuses the Company's Leniency

Some customers may exploit lenient policies or misuse Islamic ethics (e.g., expecting free service). Irresponsible customers tend to take advantage of the company's leniency by saying that the company must help its fellow Muslim customers who are in dire need of products or services (Saeed et al., 2001). This makes companies reluctant to implement leniency in their customer service practices, as it may encourage customers to take advantage. That is why Islam allows companies to set fair boundaries while maintaining kindness and justice, ensuring that both parties receive fair treatment and are satisfied with the business dealings.

Time and Cost Constraints

Upholding high service standards, for example, replacing a defective product at no cost, may strain small businesses. Every penny is counted, especially for small businesses, as they strive to survive in a competitive business environment (Bressler, 2012). Therefore, creative and balanced solutions that honor Islamic ethics without compromising business viability are required. For example, a company can establish a timeline for customers to return defective products and have them replaced with new ones. A company can offer after-sales service, where faulty products are repaired without risking the loss of sales or customers. This will create a win-win situation for both the company and customers.

Opportunities in Practicing Islamic-Oriented Customer Service

Access to the Growing Halal Market

Companies offering Shariah-compliant services build credibility in the halal economy, covering food, finance, tourism, and fashion (Rosli et al., 2024). Islamic service values can differentiate a halal restaurant or travel agency by ensuring trust, courtesy, and transparency, as customers value (Lada et al., 2009). This enhances competitiveness in a market projected to exceed \$3 trillion globally. Therefore, companies must seize this opportunity to incorporate Islamic principles into their operations, including customer service practices.

Customer Loyalty and Retention

Customers are more likely to stay with businesses that reflect their values (Weinstein, 2012), such as fairness ('adl), honesty (sidq), and trustworthiness (amānah). As a result, the company will experience lower churn rates and higher customer lifetime value. Some companies must invest a significant amount to organize loyalty and retention programs to retain their customers. Companies that practice these values spend much less for the same purpose because customers feel appreciated when dealing with them (Heskett et al., 2010).

Reputation as an Ethical Brand

Islamic ethics appeal not only to Muslims but also to consumers who value corporate integrity and responsible business (Beekun & Badawi, 2005). It is a universal truth that no one can tolerate unfair treatment or cheating in business dealings. Non-Muslims may also be drawn to companies known for their fair treatment and respectful service. This will strengthen the company's image and attract diverse customer segments, critical for business survival.

Differentiation in Competitive Markets

Ethical service based on Islamic principles offers a unique value proposition in saturated markets. This will differentiate the company from its competitors, which is crucial for survival in the market (Ullah et al., 2023). For example, a financial institution offering "service with integrity" as part of its Islamic values stands apart from profit-driven competitors. Customers will choose this financial institution over its competitors because of its unique value proposition.

Expansion into Muslim-Majority Markets

The Muslim market is projected to exceed \$3 trillion globally. Businesses offering Islamic-based services gain a competitive advantage by achieving easier cultural and ethical alignment when expanding into Muslim countries, such as Malaysia, Indonesia, Saudi Arabia, or the UAE (Karia & Deng., 2025). As a result, the company will experience faster market penetration and stronger local partnerships than those that do not offer Islamic-based customer services.

Certification and Niche Branding Opportunities

Companies can pursue Shariah-compliant service certifications or Islamic ethical business seals as evidence for their practices (Asif & Akhlaq, 2024), such as Halal certifications by JAKIM (Malaysia), MUI (Indonesia), ESMA (UAE), and IFANCA (USA), or Islamic finance certifications issued by Shariah Advisory Councils (e.g., Malaysia's SAC of Bank Negara or SC), AAOIFI (Accounting and Auditing Organization for Islamic Financial Institutions), and IFSB (Islamic Financial Services Board). This action will boost credibility and appeal to conscious consumers and investors.

Workforce Alignment and Morale

Muslim employees may feel more motivated and committed when the workplace culture reflects Islamic values, such as respect, justice, and excellence (Abdelwahed et al., 2025). As a result, the company can enjoy better staff performance, lower turnover, and improved internal service quality. Remember that customer engagement starts when employees are engaged. Engaged employees are willing to exert extra effort to go beyond their comfort zone to meet customers' needs.

Strategic Partnerships with Islamic Institutions

Ethically aligned service organizations may become preferred partners for Islamic banks, waqf bodies, NGOs, or zakat agencies (Zain et al., 2023). These Islamic organizations are willing to establish mutually beneficial business relationships with those who share similar values and practices. This will create B2B opportunities and access to religious community networks. As a result, the organizations will experience strong support, which is critical for business survival and success.

Inclusion in Ethical Investment Portfolios

Businesses practicing Islamic principles and ethics may meet ESG (Environmental, Social, and Governance) and Shariah-compliant investment criteria (Wahab et al., 2024). As a result, these businesses can attract investors from Islamic funds and ethical venture capital, such as the HSBC Islamic Global Equity Index Fund, Wahed Invest, Franklin Global Sukuk Fund, Principal Islamic Asia Pacific Dynamic Equity Fund, and Al Meezan Mutual Funds. These funds invest in Shariah-compliant equities, sukuk (Islamic bonds), and tangible assets, thereby avoiding businesses that are involved in unethical practices.

Resilience in Crisis Management

Ethical service practices (e.g., fair refund policies, compassionate customer support) during crises (like pandemics or disasters) build goodwill and brand resilience (He & Harris, 2020). For example, during the COVID-19 pandemic, customers bought their necessities via online platforms. Companies rely on customer trust to operate, and those who win trust can preserve their reputation and thrive in volatile conditions due to a strong customer base and support system.

5. Managerial Implications

Managers can integrate Islamic principles into customer service by aligning policies with key ethical values like honesty (ṣidq), trustworthiness (amānah), justice (ʿadl), and good character (ḥusn al-khuluq). Training programs should incorporate Islamic ethical frameworks to enhance staff awareness and ensure consistent, principled service delivery. Employee performance assessments should also reflect these values (Weir, 2008).

Clear communication and fairness are crucial in building trust with customers. Policies on refunds, returns, and dispute resolution should be guided by transparency (bayān) and contract fulfillment (wafā' bil-'uqūd) to prevent misunderstandings and conflicts. Organizations must avoid vague policies and ensure that all promises made in service agreements are realistic and achievable, reinforcing their reputation and competitive standing. Ethical business practices may involve higher initial costs, but they foster long-term customer loyalty (Beekun & Badawi, 2005). Decision-makers should consider innovative approaches, such as conditional leniency policies, that prevent misuse while maintaining fairness. When customers feel they are treated fairly, they are less likely to manipulate systems and more likely to trust the business.

Islamic principles can also serve as a brand differentiator, allowing businesses to stand out in competitive markets by emphasizing their commitment to justice, fairness, and customer appreciation (Orhan, 2013). This

approach appeals to both Muslim and non-Muslim consumers, helping companies strengthen their market position. As competition intensifies, an Islamic-based customer intimacy strategy can enhance a company's unique value proposition, ensuring sustained customer engagement.

Justice-based complaint handling is another key factor in ethical service practices. Organizations must establish clear policies and procedures for managing complaints, ensuring a fair resolution process that considers distributive, procedural, interactional, and restorative justice. Customers who feel heard and respected during complaint resolution are more likely to remain loyal and share positive experiences, thereby reinforcing the company's reputation and credibility (Sheth et al., 2023). By incorporating Islamic values into customer service strategies, businesses can foster trust, loyalty, and brand differentiation while securing a long-term competitive advantage in the marketplace (Ali & Al-Aali, 2014).

Suggestions for Future Research

Some suggestions for future research are also highlighted. First, since a comprehensive, standardized framework that defines Islamic CSM principles is lacking, future studies should aim to construct one across various industries. The current work is insufficient for this purpose and requires further effort. This will help unify the understanding and implementation of Islamic values in service management, thereby enhancing the quality of customer service provided by multiple organizations across various industries in the country.

Second, research should empirically investigate how principles like *ṣidq* (honesty), *amānah* (trust), and *'adl* (justice) affect customer satisfaction, loyalty, trust, word-of-mouth promotion, and brand perception. Quantitative and qualitative methods can be used to validate theoretical claims. The qualitative method will set the foundation for quantitative research by constructing a comprehensive framework, while the quantitative method will confirm the interrelationship among the variables involved.

Third, existing research is heavily focused on Islamic banking. Customer service is critical not only for the banking sector but also required by customers in other sectors. Therefore, future research should investigate how Islamic service principles are applied in various sectors, including retail, hospitality, e-commerce, healthcare, and public services. Specific sectors are well-known for their high service levels; therefore, tailoring service practices to meet the specific needs of those sectors can enhance customer service within those sectors. Consequently, this will enhance the public's perception of this sector.

Fourth, studies should examine how Islamic customer service is interpreted and practiced across different cultural settings, particularly comparing Muslim-majority vs. Muslim-minority countries. Muslim-majority countries include those in the Middle East and North Africa, Sub-Saharan Africa, South Asia, Southeast Asia, and Central Asia. The rest are Muslim minority countries. This would reveal whether Islamic service ethics are universal or context-dependent.

Fifth, in-depth research on Muslim customers' expectations, interpretations, and satisfaction with "Islamic" customer service is needed. The Quran and Hadith provide general guidelines for governing ethical customer service management. Researchers, especially those experts in the Quran, Hadith, and customer service knowledge and practices, should further explore specific contextual applications of customer service. Misalignments between organizational practices and customer values should be addressed appropriately.

Conclusion

Customer Service Management (CSM), grounded in Islamic principles, offers a holistic, ethical, and value-driven approach to business-customer relationships. Unlike conventional models that focus primarily on efficiency and profit, Islamic-based CSM emphasizes honesty (*ṣidq*), trustworthiness (*amānah*), justice (*'adl*), and excellence in character (*ḥusn al-khuluq*), framing customer service as both a commercial and spiritual duty. This model fosters customer satisfaction and loyalty, aligning business operations with ethical and moral standards derived from the Qur'an and Hadith. Despite its benefits, including access to the halal market, enhanced reputation, and stronger customer relationships, implementation remains limited due to conflicts between ethics and profit, inadequate training, cultural misinterpretations, and vague policies. Addressing these obstacles requires strategic managerial commitment, ethical leadership, and systemic integration of Islamic values into service frameworks. Furthermore, future research must bridge current knowledge gaps by

developing unified models, conducting empirical studies across industries, and exploring customer perceptions in diverse contexts. Embracing Islamic principles in CSM can lead to sustainable business success, stronger community ties, and a marketplace defined by fairness and integrity. This approach respects Islamic teachings and contributes positively to global standards of ethical and responsible customer service.

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