Executive Summary

Produced by: DinarStandard

In Partnership with: AMCC

The Muslim Green
American Muslim Market Study 2014/15
EXECUTIVE SUMMARY

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**American Muslim Market**

**Population**
- 2013 EST*: 5.7 million

**Households**
- 1.7 million

**Disposable Income**
- 2013 EST*: $98 billion

**Geographically Distributed**

**Significant P**

**Estimated * Expenditures**

* Based on estimated 2013 annual expenditure survey, baselined to US average household expenditure survey, 2014 Bureau of Labor Statistics), and category adjustment on 2014/15 study survey input.

American Muslim market estimate to be $98 billion (Statisticians of American Religious Congregations and Membership Study input from respected demographer attendance data per state, a regular year 2010 applied to derive that year conservative US Muslim population at 4–6%) to get 2013 estimates. USA

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**In partnership with:** American

**Designed by:** Ali Akbar Sahiva
**Purchasing Power By Category (2013)**

- **Healthcare**: $6.6b
- **Apparel & Services**: $5.4b
- **Personal Care**: $1.2b
- **Motor Vehicle & Service**: $12.6b
- **Other**: $2.1b

**Ethnically Diverse**
- Arab/Caucasian: 31%
- African American/African: 23%
- Asian: 19%
- Other/Mixed: 6%
- Hispanic: 21%

**Young and Family-Focused**
- **3.3 Average Household Size** Compared to National Average 2.5
- **36% 18-29 Age Group** Compared to National Average 22%

**Community-centered**
- **2106 Mosques/Community Centers**
- **250+ Affiliated Muslim Student Associations**
- **350+ Islamic Schools with 40,000 Students**

Baseline using the independent Association of Bodies’ (ASARB) 2010 Religious study data on Muslim congregations. Study had Dr. Ihsan Bagby. Using their mosque or non-mosque attendee estimate from the year’s total Muslim population. Then applied a growth rate of 1.7% (various estimates put it 0.91%.

**Ethnically Diverse**

*Pew Research Center, August 2011, Muslim Americans Report*
Executive Summary

The 2014-15 Study builds on DinarStandard’s 2011 Report on the American Muslim consumer market. Given growing interest in American Muslim consumers, this 2014 Study presents the latest pulse of the American Muslim market landscape and consumer needs, wants and habits. The Study also introduces the growing global Islamic market opportunity for American businesses.

Purpose:

The purpose of this Study is to equip retailers, startups, small businesses and mid-to-large-sized business marketers to:

- Evaluate the demand profile of the American Muslim market, its dynamics and current activity;
- Capture American Muslim consumer needs and wants focused on food, finance, education and retail segments through original and well represented survey-based insights;
- Evaluate key global Islamic/Muslim market opportunity areas;
- Leverage case-studies and best practices for communication and engagement strategies.

Approach:

The Study incorporates a top-down and bottom-up approach, delivering a comprehensive view of the American Muslim market. This view includes a comparable second nationwide American Muslim Consumer Advocacy Survey, which received a total of 973 responses from across the country; representative of every major ethnic and geographic segment of the American Muslim community. The Study leverages other major studies to provide demographic context and present best market sizing estimations. Finally, DinarStandard’s market analysis and market consulting experience are leveraged to put forth a framework on segmenting and engaging this market. A rich set of case-studies are presented across food, finance, media, travel, education and pharmaceutical sectors (see Table of Content for names).
$2 Trillion Global Context:

The American Muslim market’s unique opportunity is part of a fast growing global Islamic/Muslim lifestyle economy representing $2 trillion in consumption (2013). These Muslim lifestyle sectors include global ‘Halal’ food, family-friendly travel, modest clothing, Halal pharmaceuticals/ cosmetics, media, education and recreation sectors. These core sectors’ ecosystem is structurally affected by an Islamic values driven consumer lifestyle as well as business practices.

At the highest level, the values-based customer needs that are driving these Islamic economy sectors include Islamic/ethical financing, Halal (lawful) and Tayyab (pure) food, modest clothing, family friendly travel, gender interaction considerations, and religious practices. These needs also extend to business practices that seek Islamic business financing, investment and insurance services.

Market Sizing Background:

DinarStandard conservatively estimates the American Muslim population in 2013 to be 5.7 million, with 1.7 million households. The estimation uses the ASARB 2010 Religious Congregations and Membership Study as a baseline. DinarStandard estimates that the aggregate American Muslim disposable income in 2013 was $98 billion.

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

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<thead>
<tr>
<th>Population 2013 EST*</th>
<th>Households 2013 EST*</th>
<th>Disposable Income 2013 EST*</th>
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</thead>
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<tr>
<td>5.7 million</td>
<td>1.7 million</td>
<td>$98 billion</td>
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1 DinarStandard 2013 estimate based on global Muslim consumer expenditure on food, clothing, travel, media/recreation, pharmaceutical/cosmetics core sectors structurally affected by Islamic values.
5 DinarStandard is a specialized global market research & advisory firm. Clients include: Marriot International, Wilson Sports, Fajr Capital, Ibdar Bank, ThomsonReuters, and Pan–Arab TV Network. DinarStandard’s American Muslim market estimate uses as a baseline, the independent Association of Statisticians of American Religious Bodies’ (ASARB) 2010 Religious Congregations and Membership Study data on Muslim congregations. The study had input from respected American Muslim demographer Dr. Ihsan Bagby. Using their mosque attendance data per state, we applied a regular non–mosque attendee estimate from the year 2010 to derive that year’s total Muslim population. We then applied a conservative US Muslim population growth rate of 1.7% (various estimates put it at 4–6%) to get 2013 estimates. The US population growth rate has been 0.91%. DinarStandard sees this as a conservative figure.
6 Pew Research 2011 American Muslim’s Report
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Spending Categories:

American Muslim consumers’ spending priorities reflect closely to the national American household except in education in the most acute way, with slight variances in food and clothing. Using the national American household spending data as a baseline and adjusting for priorities identified through DinarStandard’s American Muslim Consumer Advocacy Survey (2011 & 2014), the largest categories of American Muslim household spending were: Housing & Housing services ($32 billion), Motor vehicle & services ($12.6 billion) and Food & Food services ($12.5 billion).

The biggest variance in national average spending versus American Muslim market spending is in Education. Whereas Education ranks #8 in national household spend, it ranks #4 in American Muslim market households, with an estimated $6.9 billion spend in 2013. Comparatively American Muslims household share of Food and Apparel spending is also higher.

Geographic Dynamic:

A major dynamic of the American Muslim market is the challenge and opportunity it presents in its vast geographic distribution. Mainstream national chains, retailers and brands that are not yet engaged with this population are well positioned to address the geographic challenge, given their existing national channels and networks. By DinarStandard’s estimation, fifteen states across the US represent approximately 85% of the total American Muslim population. These fifteen states run from coast to coast and are listed in descending order of their Muslim population size: Texas, New York, Illinois, California, Virginia, Florida, New Jersey, Michigan, Pennsylvania, Georgia, Massachusetts, Maryland, Ohio, North Carolina, and Washington.
Ethnic Dynamic:

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

The major ethnic segments in the US are Arab, South Asian (Pakistani, Indian, and Bangladeshi backgrounds), African American, Caucasian American, with sizeable Turkic, Latino, European, Sub-Sahara African, Afghan, Iranian and East Asian populations.
Survey Insights:
Select insights from the 2014/2015 American Muslim Consumer Advocacy Survey Results.

Retail - select insights:

- 86% of the respondents want Halal food products to be available at their local supermarket. This applies to all major demographics and should be a call-to-action for national retailers.
- For every product category except meat and specialty/ethnic groceries, the vast majority of respondents (over 64%) said they shop at national/regional stores. Since consumers are shopping at national/regional stores, retailers can leverage this opportunity by providing products geared to the needs of Muslim consumers. 51–66% of the respondents look for best value (price and quality) when shopping for groceries, home goods, consumer electronics and clothing/accessories.
- The majority of respondents (up to 66%) look for best value (price and quality) when shopping for groceries, home goods, consumer electronics and clothing/accessories.

Question: Where do you shop more for following? Please select all that apply.*

*Values exceed 100% because respondents were able to choose multiple answers.

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

- A vast majority of respondents (93%) stated that they purchase Halal food products to eat at home. Among those who purchase Halal food products, only over half of those respondents adhere to the full requirement of Zabihah Halal (66%).\(^4\) There is big variance to this response among the various major ethnic segments.
- From among the short list of major brands identified for the survey, Al Safa stands out as the most regularly consumed brand (55% said they purchase it ‘regularly’ or ‘sometimes’). Crescent Halal, Midamar, and Ziyad were identified as the next three most purchased brands, with Saffron Road as the fourth. Saffron Road improved the most since the 2011 survey results, with Crescent Halal and Al Safa also gaining traction. 83% of respondents said that they ‘regularly’ or ‘sometimes’ shop at the local butcher.

Question: What ATTRIBUTES would you like to see more of in halal food offerings today?

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

- The most commonly used Islamic finance services are mortgage services (50% of respondents), investment products (44%), and banking services (17%).
- There has been an 11% decrease in banking services compared to the 2011 survey. Meanwhile car financing responses increased by 8% and insurance services by 3%.
- However, while a vast majority of respondents adhered to consuming Halal food (93%), an equally vast number (85%) said they do not use Islamic finance. This sentiment holds for mid–to–high income respondents as well.

Question: What ATTRIBUTES would you like to see more of in US Islamic finance offerings today?

(The full study provides other survey insights on the brands used, the brand awareness gap, services satisfaction, requested services categories and attributes, with analysis capability by ethnic and geographic segments.)
Education - Select Insights:

• 42% of respondents said they are ‘somewhat satisfied’ with educational services, from both Islamic and mainstream offerings. They would like to see more Islamic holidays recognized at public schools (68%), high academic quality accredited full-time Islamic schools (62%) and better recreation and creativity programs at Islamic schools (58%).

• Respondents wish they had the option for Islamic universities (48%), Islamic full-time schools (23%), and Islamic institutions – continuous learning (21%).

• 80% of respondents would like to see more ‘interest-free college education loans’ and that is across all major demographics. 59% of respondents would like to see more offerings that ‘convert existing college loans to interest-free.’

Question: What offerings would you like to see more of in U.S. education financing options today?

- Interest-free college education loans: 80%
- Convert existing college loans to interest free: 59%
- Islamic school tuition financing: 49%
- Islamic course tuition: 34%
- Don’t need: 10%
- Other (please specify): 1%

(The full study provides other survey insights on services satisfaction, requested services categories and attributes, education finance services, with analysis capability by ethnic, geographic, and income segments.)
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View full Study fact-sheet and survey content profile or purchase at:
http://www.dinarstandard.com/american-market-2014/
Price

**US $1,995** (Includes a print copy and a secure PDF digital copy with data spreadsheet)
**US $1,495** (Print copy only)

50% discount for *American Muslim Consumer Conference 2014* attendees
10% discount for Non–Profits

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Produced by DinarStandard™:

DinarStandard™ is a growth strategy research and advisory firm empowering organizations for profitable and responsible global impact.

DinarStandard specializes in the Halal/Tayyab food, Islamic/Ethical Finance, Halal travel, Islamic NGO’s and OIC member country sectors. Since 2008, DinarStandard has been advising organizations globally on market expansion, business/investment strategy, and innovative marketing strategies. Its clients include global multi-nationals, Islamic financial institutions, Halal market startups and NGO’s.

Study Partner: American Muslim Consumer Consortium (AMCC)

American Muslim Consumer Consortium (AMCC) is a nonprofit organization dedicated to developing the American Muslim consumer market. The objective of AMCC is to understand and address the needs of American Muslim consumers and to empower the companies developing products for this market.

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