DIGITAL ISLAMIC ECONOMY

Special focus brief on the
Digital Islamic Consumer Services

2015

Part of the State of the Global Islamic Economy Report 2015

SUPPORTED BY:

Dtec
مركز دبي التكنولوجي لريادة الأعمال
Dubai technology entrepreneurship centre

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Dubai Silicon Oasis Authority

دبي عاصمة الاقتصاد الإسلامي
DUBAI THE CAPITAL OF ISLAMIC ECONOMY

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DIGITAL ISLAMIC ECONOMY

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In the Name of God, the Most Merciful, the Most Beneficent.

FOREWORD

by Dr Mohammed Alzarooni
Vice Chairman and CEO, DSOA

In 2013, His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai, launched a path-breaking initiative - 'Dubai: Capital of Islamic Economy'.

To support this initiative, the Dubai government developed an Islamic economy strategy in line with the leadership's directive to diversify the UAE economy and reduce its dependence on oil. Aiming to enhance the contribution of the non-oil sector to the emirate's GDP by 80 percent by 2021, the strategy primarily focuses on shaping Dubai as the capital of Islamic economy through providing a boost to key components that drive the growth of Islamic economy initiatives in this region.

The Dubai Islamic economy strategy is built on seven main pillars that include the establishment of Dubai as an international centre for Islamic finance, halal industries, halal tourism, Islamic digital economy, Islamic art and design, Islamic economy standards and certification, and an international centre for Islamic information and education.

As a government entity and key player in the technology industry, the contribution of Dubai Silicon Oasis Authority (DSOA) to this emerging Islamic economy sector naturally falls within the fourth pillar - under Islamic digital economy — that seeks to position Dubai as a hub for the development of electronic information, programs, applications, projects as well as a platform for e-commerce and Islamic media.

Our mandate to support 'Islamic digital' and 'Arabic content' initiatives is already making considerable headway with DSOA's commitment to supporting start-ups engaged in these domains through the Dubai Technology Entrepreneurship Centre (DTEC), DSOA's wholly owned entrepreneurship centre and the largest of its kind in the region.

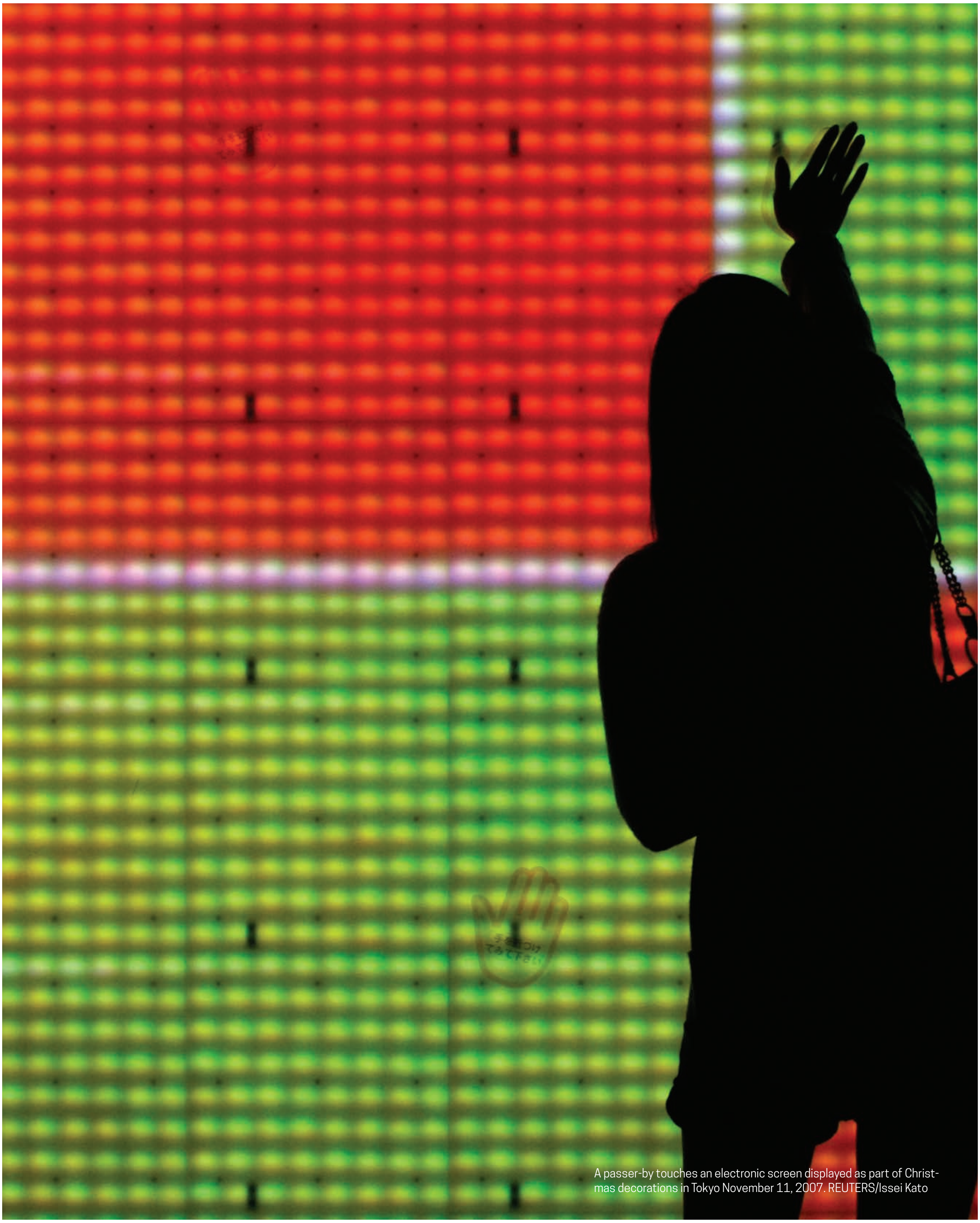
Through DTEC, we are specifically focusing on offering logistical support, seed money and relevant incentives to start-ups that develop Islamic products and solutions.

We are additionally collaborating with our partners, most notably international technology companies to host global events, road-shows and networking platforms towards marketing Dubai as the platform of choice for Arabic content creation and online solutions.

At DSO, we firmly believe that education and research form the cornerstone of an Islamic economy. In this priority, we have partnered with Thomson Reuters, the main knowledge partner of Dubai Islamic Economic Development Centre and one of the leading providers of intelligent information for businesses in the region to launch the inaugural edition of the Islamic Digital Economy Entrepreneurship Report.

Shedding light on the current state of entrepreneurship in the Islamic economy domain and the opportunities it presents, the report outlines a roadmap for the sector. We are confident this report will benefit individuals and businesses targeting the Islamic economy industry with plenty of data and insights and serve as a guideline for them to make more informed decisions.

Executive Summary



A passer-by touches an electronic screen displayed as part of Christmas decorations in Tokyo November 11, 2007. REUTERS/Issei Kato

The global digital economy (website/ mobile) was worth an estimated $1.9 trillion in 2014 based on ecommerce and digital advertising spend and is estimated to grow at 15% CAGR through 2020. Muslims represent an increasingly important consumer base with Muslim consumer value to the global digital economy estimated at $107B in 2014 and projected to grow at 17% CAGR to $277B in 2020. (see market estimation methodology on page 42). World-wide Muslims represent almost a quarter of the world's population[1] and ~5.8% of the 2014 global digital economy.

Muslim consumer's digital needs being driven by two key areas:

1. General lifestyle needs: Met by four categories of global digital services: Information & media (Google, iTunes), Functional tools & services (Skype, PayPal), Commerce & exchange (Ebay, AirBnB) and Social & crowd networks (Facebook).

2. Islamic law and spirituality related lifestyle needs: Religious lifestyle productivity (Muslim Pro), Halal food ratings and review (Zabiha Halal) and Modest clothing (Sefamerve), among others identified in this Report.

This Report identified 2,168 consumer-facing, digitally native, Digital Islamic Consumer Services. 79% of the 394 services meeting a threshold of usage were in 5 of 24 possible categories: "News and Insights" (~21% of services), "Retail Sales" (~19%), "Media and Entertainment" (~19%), "Productivity tools" (~13%) and "Blogs" (~8%).

Digital Islamic Consumer Services leaderboard: This Report has identified: Top 25 websites led by: Modanisa.com (Modest Fashion, Retail), Muslima.com (Matrimonial networks, Media), SefaMerve.com (Modest Fashion, Retail), Qiran.com (Matrimonial networks, Media); Top 25 global Android downloads led by: Muslim Pro (Productivity tool, Muslim Media), Islam: The Quran (Islamic Education), Islamic Ringtones (Islamic media) ; Top iOS apps from OIC markets led by: MuslimPro (Productivity tool, Muslim Media), Quran Majeed (Productivity tool, Muslim Media,). Top iOS apps from Non-OIC markets include: MuslimPro (Productivity tool, Muslim Media), Zabihah (Halal Food, Ratings & Review).

There are five highly attractive opportunity segments for entrepreneurs and investors: Sharing economy (Halal "sharing"); Social commerce (Halal "discount/flash-sales"); Retail e-commerce (Muslim "Retail commerce"); Food transportation and logistics (Halal and Tayyab "convenience"); Islamic Finance Investment Products.

Among successful business models, e-commerce of tangible products were observed to be most successful. Within e-commerce, the modest clothing sector has been the most prominent (e.g. Modanisa, SefaMerve, Hijup).

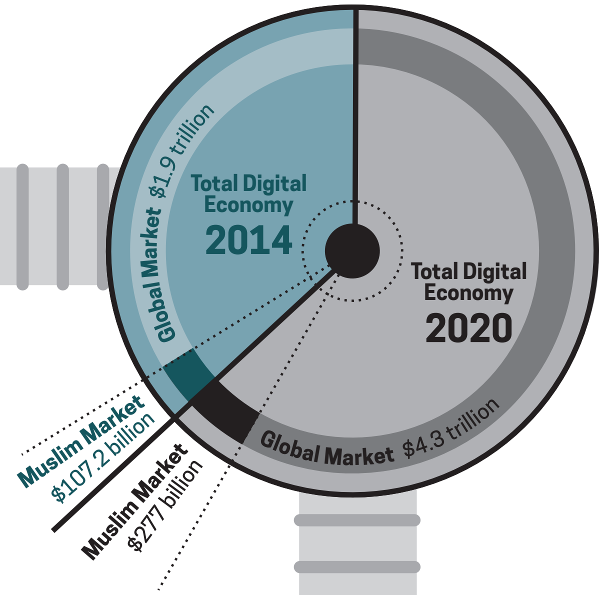
Among the least financially viable business models observed are Digital Islamic "News & Insights" services relying on ad-supported business models (requiring Muslim world-wide scale which very few have achieved). **and "social media" services customised for Muslims** (even though many have received notable investments).

1 Pew Research 2010 estimate of 1.6 billion Muslims world-wide: 23% of global population and estimated to grow to 30% by 2050.

DIGITAL ISLAMIC ECONOMY

Global Muslim Market Digital Spend

Value Of Muslims To Digital Economy



Value of Muslim Market vs Other Countries

United States	$487.5
China	$419.6
United Kingdom	$129.4
Muslim Market	$107.2
Japan	$98.00

Top OIC & non-OIC Countries ($bn)

Turkey	$8.6
Egypt	$6.5
Malaysia	$6.8
Nigeria	$0.9
Indones	$5.0
United States	$8.3
China	$5.5
United Kingdom	$5.0
Germany	$3.4
France	$2.7

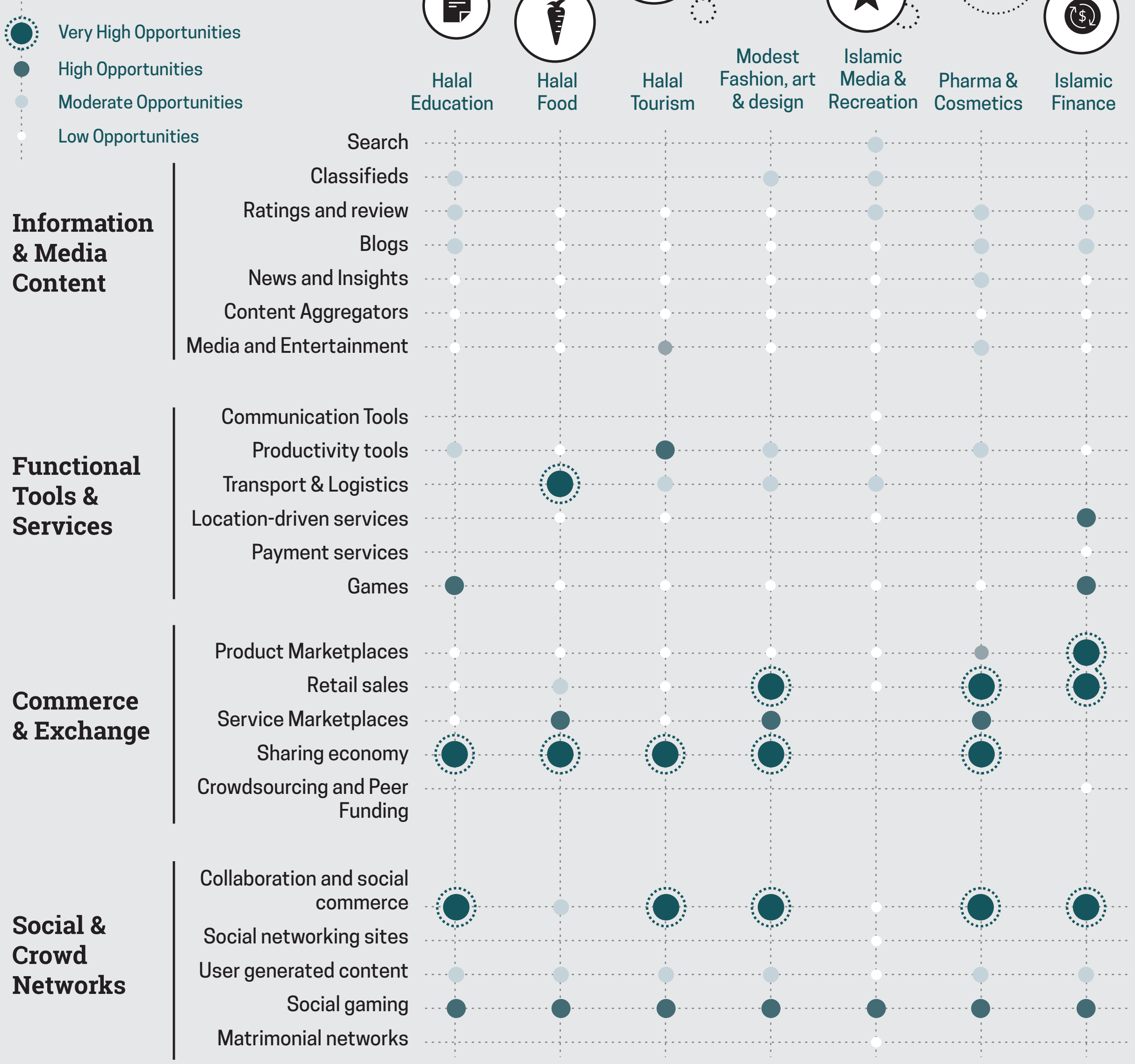
2168
Total
Consumer-facing Digital Islamic Services

394
Most Prominent
Consumer-facing Digital Islamic Services

RETAIL SALES	18.8%
NEWS & INSIGHTS	21.3%
MEDIA & ENTERTAINMENT	19%
PRODUCTIVITY TOOLS	12.7%
BLOGS	6.1%
OTHER	22.3%

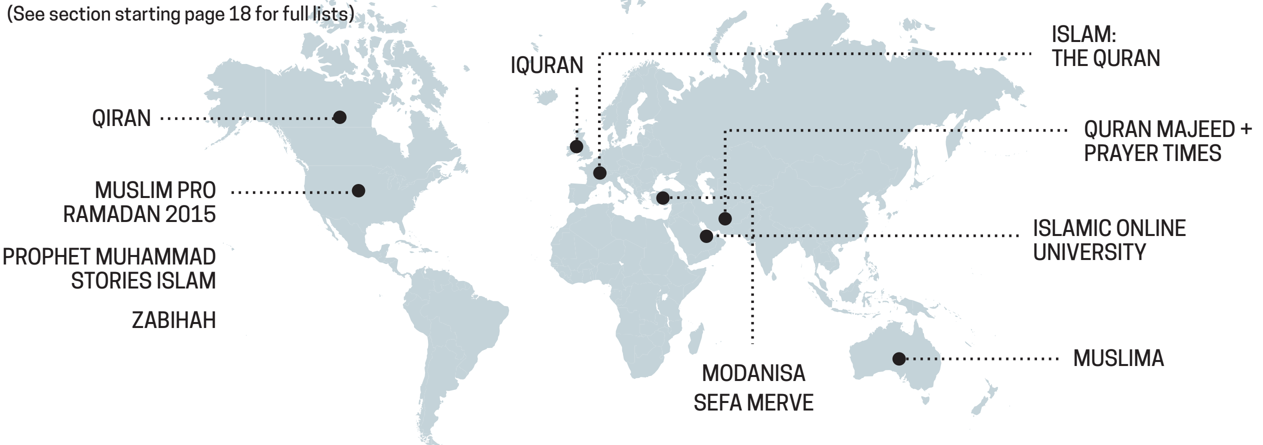
Islamic Digital Services Gaps & Opportunities Chart

(refer to table on page 13 of the report)



Islamic Digital Services Landscape — Key Players

(See section starting page 18 for full lists)



Acknowledgements

Commissioned by:
DUBAI SILICON OASIS AUTHORITY

Dubai Silicon Oasis Authority (DSOA), is a 100% Dubai government-owned free zone, with the Mission to "facilitate and promote modern technology based industries". Dubai Silicon Oasis (DSO) is a technology park and provides both a living and working integrated community. DSO's urban master-planned community spans 7.2 million square metres and has been carefully divided into 5 main pillars based on industrial, commercial, education, living & residences and public facilities. The technology park enjoys state-of-the-art utility infrastructure featuring advanced telecommunications, electricity and road networks.

Dubai Silicon Oasis is designed as a hi-tech ecosystem which offers businesses a plethora of advantages including state-of-the-art infrastructure, in-house business services and strong business support such as technology investment incentives for large enterprises, entrepreneurial support, an incubation centre and venture capital funding.

Produced by:
THOMSON REUTERS

Thomson Reuters is the worlds leading source of intelligent information and a committed stakeholder of the Islamic Economy. Thomson Reuters provides integrated knowledge services and solutions that enhance transparency, clarity and accessibility of the Islamic Economy to the global audience of businesses and professionals. We are proud to have been at the heart of Islamic banking since the first commercial Islamic bank was launched in 1975. Our involvement in developing reports such as the State of the Global Islamic Economy Report 2013 demonstrates our institution's commitment to develop much needed knowledge solutions to increase transparency and improve collaboration across the industry.

In collaboration with:
DINARSTANDARD™

DinarStandard™ is a growth strategy research and advisory firm empowering organisations for profitable and responsible global impact. DinarStandard specialises in the Halal/Tayyab food, Islamic/Ethical Finance, Halal travel, Islamic NGOs and OIC member country sectors. Since 2008, DinarStandard has been advising organisations globally on market expansion, business/investment strategy and innovative marketing strategies. Its clients include global multi-nationals, Islamic financial institutions, Halal market startups and NGOs.

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Defining Digital Consumer-Facing Islamic Service

Consumer-Facing Digital Services — Global Context

In this Report, the scope of the Digital Economy covered comprises of 1) all digital-native services (companies whose primary business model/distribution platform is digital--i.e. global Internet based) and 2) are consumer-facing services.

Accordingly, those companies whose primary business model/distribution platform is offline, but have more recently developed a digital offering (for instance, leading retailers and department stores), have been excluded from our review of Digital Economy services. Furthermore, B2b services and business value-chain service providers (e.g security services, cloud storage services, etc.) have also been excluded.

This has been done to focus the Report on the vast numbers of entrepreneurial ventures that are consumer facing and primarily digitally-native.

DinarStandard has segmented the global, consumer-facing digital economy into 4 main categories and 24 sub-categories. This categorization is based on the 'primary value-proposition'[2] of each service to the end-consumer that can be offered across multiple platforms (Desktop/laptops, mobile/smart-phones and tablets).

2 Primary-value proposition example: Crowdfunding platforms are included within 'Commerce and Exchange' category, even though they may leverage social networks. In this case the 'primary value-proposition' is fundraising and not networking.

GLOBAL DIGITAL CONSUMER SERVICES FRAMEWORK

4 broad categories, 24 sub-categories

Digital Services Category	INFORMATION AND MEDIA CONTENT	FUNCTIONAL TOOLS AND SERVICES	COMMERCE AND EXCHANGE	SOCIAL AND CROWD NETWORKS
Sub-categories	**Search** EXAMPLES: GOOGLE, SIRI **Content Aggregators** EXAMPLE: NEWSWHIP **Ratings and Reviews** EXAMPLE: YELP **Classified Ads** EXAMPLE: CRAIGSLIST **News and Insights** EXAMPLE: MASHABLE **Blogs** EXAMPLE: PEREZHILTON **Media and Entertainment** EXAMPLES: NETFLIX, ITUNES	**Communication tools** EXAMPLES: HOTMAIL, SKYPE, RAPPORTIVE **Productivity** EXAMPLES: FITBIT, ZOCDOC, DROPBOX **Location-driven services** EXAMPLE: FOURSQUARE **Transportation and logistics services** EXAMPLES: PEAPOD, BOXBEE **Games** EXAMPLE: WORD **Payment services** EXAMPLE: PAYPAL	**Product marketplaces** EXAMPLE: EBAY **Service marketplaces** EXAMPLE: FIVERR **Retail sales** EXAMPLE: CHLOE & ISABEL **Sharing economy** EXAMPLES: AIRBNB, FREECYCLE **Crowd and peer-based funding** EXAMPLES: SOFI, MICROFIN360	**Social networking** EXAMPLE: FACEBOOK **User-generated content** EXAMPLES: TWITTER, FLICKR, YOUTUBE **Media-Sharing** EXAMPLES: DIGG, WIKIPEDIA **Social gaming** EXAMPLE: CANDY CRUSH **Matrimonial networks** EXAMPLE: EHARMONY **Social collaboration** EXAMPLES: QUORA, MOOT
Platform used	DESKTOP	TABLETS	MOBILE/SMART-PHONES	

EMERGING TECHNOLOGIES

"Internet of things", "wearable's", "NFC", "3D printing"…

Source: DinarStandard, 2015

Each main category has the following primary value-proposition:

3. **Information and media content:** Provides information, resources and creative content to the consumer in a range of formats, including text, voice and video.

4. **Functional tools and services:** Provides the functional tools needed to live digitally, and brings convenience and improvements to the consumer's life.

5. **Commerce and exchange:** Enables the consumer to make economic transactions digitally, including purchasing and sale of products and services, as well as fundraising.

6. **Social and crowd networks:** Allows social interaction and collaboration between users.

Digital services are offered across a range of *platforms* that are becoming widely adopted, including desktops, mobile phones and tablets. However, we note that the "internet of things", considered the next wave of the internet's evolution, will enable consumers to interact with the internet from a broad range of wearable devices in a seamless, automated manner. This trend will impact the consumer-facing digital services landscapes and newer players will emerge.

Defining Digital Islamic Services

Building on the global digital economy framework presented earlier, this Report defines "Digital Islamic Services" as those digital-native, consumer-facing services whose primary offering is driven by 'Islamic' content or requirement.

In the context of global offerings, Digital Islamic Services can be classified as one of the following:

a) They are an *existing* Digital Islamic Service[3]

b) They are a *potential* Digital Islamic Service[4]

c) They are *not relevant* as a Digital Islamic Service[5]

3 As discussed extensively in the "Key Players" and "Trends and Developments" sections of this report
4 As discussed in the "Gaps and Opportunities" section of this report
5 The criteria for making this determination further discussed in the "Gaps and Opportunities" section of this report

DIGITAL CONSUMER-FACING ISLAMIC SERVICES — SELECT PLAYERS BY CATEGORY

See section starting page 16 for full lists

	Information & Media Content	Functional Tools & Services	Commerce & Exchange	Social & Crowd Networks
Halal Food	Zabiha			
Halal Tourism	Halal Booking	Haijnet		
Fashion, Art & Design			SefaMerve	
Media & Recreation	Muslim Matters Islamic Ringtones	Muslim Pro (Ramadhan 2015) Quran Majeed + Prayer Times Muslim Pro Ramadam 2015	Modanisa	Muslima Qiran Ummaland
Pharma & Cosmetics				
Islamic Finance			LaunchGood	
Education	Islam: The Quran Prophet Muhammad iQuran Quran Explorer		Islamic Online University	

Current Digital Islamic Services Landscape and Key Players

Iranian schoolgirls chat online at an internet cafe which is exclusively for females, near the city of Karaj, 60km (38 miles) west of Tehran, May 24, 2007. REUTERS/Stringer

Current landscape

DinarStandard has identified 2,168 Digital Services, across platforms, of which 394 met the threshold criteria[6] for classification. Of Services "classified", the following insights can be drawn:

Across 24 Digital Islamic Service categories as defined in this report, 5 service categories account for ~78% of the 394 Digital Islamic services classified:

- News and Insights (~21% of services classified), primarily relating to Religious Lifestyle, for example *Hadith of the Day*.
- Retail Sales (~19% of services), primarily relating to Modest Fashion, for example *Modanisa*.
- Media and Entertainment (~19% of services), primarily relating to Religious Lifestyle, for example *Islamic Ringtones* app.
- Productivity tools (~13% of services), primarily for Religious Lifestyle, for example *Muslim Pro* and Blogs (~8% of services), and *Muslim Matters*.

The main sectors served by Digital Islamic Services were: Media & Recreation (37%), followed by Education (24%), and Modest Fashion, Art & Design (21%).

6 Of 2,168 Digital Services identified by DinarStandard across desktop and mobile devices, ~394 were classified into Digital Services. The criteria for classification included being either: a) ranked within the top ~160 Digital Islamic service websites either using Alexa Rank or SimilarWeb global traffic ranking data, b) Have at least 100,000 Android app downloads, OR c) included in the top ~25 iOS gross rankings, either for key OIC countries or non-OIC countries

Digital Islamic Services business models

SUCCESSFUL MODELS: Among successful business models for Digital Islamic Consumer Services, e-commerce of tangible products were observed to be most successful with number of reported investments, strong revenue and growth numbers. Freemium model among apps is seeing various successes, most notably demonstrated by *MuslimPro* app. Within e-commerce, modest clothing sector has been the most prominent (e.g. Modanisa.com; Hijup.com).

LEAST-SUCCESSFUL MODELS: Among the least financially viable business models for Digital Islamic Consumer Services observed are Digital Islamic "News & Insights" services relying on ad-supported business models.

- These services have been less viable financially, requiring Muslim world-wide scale which very few have achieved. MuslimPro has proven to be an exception, achieveing over 10 million Android downloads in 16 different languages.
- "Social media" services exclusively for Muslims are proving not to be viable Digital Islamic Services given they have had the least amount of financial success even as many have received notable investments. Examples include SalamWorld and Muxlim.com, which received multi-million dollar funding but rccently shut-down given no financially viable traction in the market.

OTHER VIABLE MODELS: *Viable business models* that are less commonly used in Digital Islamic Consumer Services such as *Subscription-based* and *Transaction fee based* are gaining momentum. Recent start-ups, most notably *Subscription-based* (Alchemiya) and *Transaction fees* (Launchgood) are a few examples.

Key players by platform

In this section, we present the top players providing Digital Islamic Services. We have not looked at the revenues generated by Digital Islamic services but have focused on volume-based metrics to assess the relative scale of each service. Accordingly we have assessed:

- The top 25 global websites by traffic estimates.
- The top 25 global android apps by download.
- The top 25 iOS grossing apps in key OIC countries.
- 25 key iOS grossing apps used in major non-OIC countries.

HOWEVER, WE NOTE THAT THIS LIST IS VERY DYNAMIC AS THE DIGITAL LANDSCAPE IS EVOLVING, with a number of new startups offering crowdfunding, social networks and location-based services are expected to gain traction among younger, digital-savvy Muslim consumers. There are a number of exciting opportunities in social commerce, sharing economy, retail sales, food transport & logistics and Islamic Finance e-commerce (products/sales) which, if addressed, could significantly impact the key player's landscape.

TOP 25 GLOBAL DIGITAL ISLAMIC WEBSITES

The top 25 list of Digital Islamic Websites was derived from a ranking based on the global traffic rankings calculated by Alexa and Similarweb[7].

Rank	Player	Sub-segment	Islamic Economy sector
1	**Modanisa***	Retail sales	Modest Fashion
2	**Muslima**	Matrimonial networks	Media & Recreation
3	**SefaMerve**	Retail sales	Modest Fashion, A&D**
4	**Qiran**	Matrimonial networks	Media & Recreation
5	**Islamic Online University**	Service Marketplaces	Education
6	**Muslim Matters**	Blogs	Media & Recreation
7	**Muslim Matrimony**	Matrimonial networks	Media & Recreation
8	**Zabiha halal**	Ratings and review	Halal Food
9	**ProductiveMuslim**	Blogs	Media & Recreation
10	**bayyinah.com**	Media and Ent.	Education
11	**InayahCollection.com**	Retail sales	Modest Fashion, A&D
12	**Aquila Style**	Media and Ent.	Modest Fashion, A&D
13	**Muslim Village**	Media and Ent.	Media & Recreation
14	**Fauzia's kitchen fun**	Blogs	Halal Food
15	**Hadith of the day**	News and Insights	Media & Recreation
16	**Ishqr**	Matrimonial networks	Media & Recreation
17	**Egyptian Streets**	Media and Ent.	Media & Recreation
18	**tariqramadan.com**	News and Insights	Media & Recreation
19	**HalfOurDeen**	Matrimonial networks	Media & Recreation
20	**Pure Matrimony**	Matrimonial networks	Media & Recreation
21	**Irhal**	Retail sales	Halal Travel
22	**Islam21c.com**	News and Insights	Media & Recreation
23	**Virtual Mosque**	Media and Ent.	Media & Recreation
24	**LaunchGood**	Crowds and Peer Fund.	Islamic Finance
25	**islamicbookstore.com**	Product Marketplaces	Education

* All players highlighted in green appear in more than one of the key players list, as shown in this section.
** A&D refers to Art & Design.

7 All Digital Islamic Services websites were ranked from 1 through 163 according to Alexa's global traffic ranking, where data was available. A separate ranking of 1 through 161 was done according to Similarweb's global traffic rankings, where data was available. DS took the average of both rankings (where data was available for both Alexa and Similarweb) to create a blended ranking of the top 25 websites, as shown above.

TOP 25 GLOBAL ANDROID DOWNLOADS

The top 25 list has been based on the Android app downloads for over 100 key Digital Islamic Services[8]

App	Android downloads	Sub-segment	Core sector
Muslim Pro - Ramadan 2015	10M – 50M	Productivity tools	Media & Recreation
Islam: The Quran	1M – 5M	News and Insights	Education
Islamic Ringtones	1M – 5M	Media and Entertainment	Media & Recreation
Prophet Muhammad stories	1M – 5M	News and Insights	Education
Allah Water Ripple islamic LWP	1M – 5M	Games	Media & Recreation
Athan - Your Prayer Companion	1M – 5M	Productivity tools	Media & Recreation
Hijab Make Up Salon	1M – 5M	Games	Modest Fashion, A&D
Islam Adhan Alarm	1M – 5M	Productivity tools	Media & Recreation
Islamic Prayer Times & Qibla	1M – 5M	Productivity tools	Media & Recreation
Islamic questions	1M – 5M	Games	Education
Muslim Azan & Salah Times	1M – 5M	Productivity tools	Media & Recreation
Muslim's Prayers times	1M – 5M	Productivity tools	Media & Recreation
Prayer times: Qibla & Azan	1M – 5M	Productivity tools	Media & Recreation
Waktu Salat, Imsakiyah, Qibla	1M – 5M	Productivity tools	Media & Recreation
99 Allah Names (Islam)	500k – 1M	News and Insights	Education
Hisn Al Muslim – Azkar	500k – 1M	News and Insights	Education
Muslim Kids Series : Dua	500k – 1M	News and Insights	Education
Islamic Calendar (Hijri) Free	500k – 1M	Productivity tools	Media & Recreation
Islamic Tools	500k – 1M	Productivity tools	Media & Recreation
Prayer Time PRO	500k – 1M	Productivity tools	Media & Recreation
Prayer Times Qibla - I Muslim	500k – 1M	Productivity tools	Media & Recreation
Ramadan 2015	500k – 1M	Productivity tools	Media & Recreation
Mecca 3D – A journey to Islam	100k – 500k	Games	Education
Sefamerve	100k – 500k	Retail sales	Modest Fashion, A&D
Modanisa	100k – 500k	Retail sales	Modest Fashion, A&D

8 The table above reflects the top 25 dowloaded Android apps using several key Islamic-related search terms.

TOP INDICATIVE 25 IOS APPS IN KEY OIC COUNTRIES

The top 25 list of iOS apps has been based on iOS gross rankings data for the 15 largest OIC Digital markets. For each OIC country, Islamic-only apps were ranked, and the rankings were combined across countries based on the relative size of the digital Islamic economy for each country, with apps that appeared in the top 500 list[9] for more than one country given a more favorable ranking.

	App	Developer	Sub-segment	Sector
1	**Muslim Pro (Ramadhan 2015)**	Bitsmedia Pte Ltd	Prod. Tools	Media & Recreation
2	**Quran Majeed + Prayer times**	Pak Data	Prod. Tools	Media & Recreation
3	**IQuran**	Guided Ways	News /Insights	Education
4	**Quran Explorer**	Quran explorer	News /Insights	Education
5	**Quran Majeed + Prayer times – Free**	Pak Data	Prod. Tools	Media & Recreation
6	**Quran Touch Tajweed**	Quran Touch	Prod. Tools	Media & Recreation
7	**Ali and Sumaya: Let's pray**	Imanimation studies	Games	Education
8	**Muslim Prayer Times, Ramadan, Qibla**	ImranQureshi.com	Prod. Tools	Media & Recreation
9	**iPray: Prayer Times & Qibla**	Guided Ways Innov.	Prod. Tools	Media & Recreation
10	**Islam Pro+**	Maviay Yazılım Ltd.	News /Insights	Education
11	**Kur'an Hayrat**	Neşriyat	News /Insights	Education
12	**Islamic Calendar Pro**	i4islam	Prod. Tools	Media & Recreation
13	**Quran Reader**	Batoul Apps	Prod. Tools	Media & Recreation
14	**Holy Quran Pak (with Audio)**	Raja Imran	Prod. Tools	Media & Recreation
15	**Ramadan Al Ramadh Quran Al Kareem**	Best Web Mobile	Media & Ent.	Media & Recreation
16	**Athan Pro Ramadhanhlim (2015)**	Quanticapps Ltd	Prod. Tools	Media & Recreation
17	**Hadith (Sahih Bukhari/ Sahih Muslim)**	PakData	News/ Insights	Media & Recreation
18	**Athan Pro - Prayer Timings**	Islamic Finder	Prod. Tools	Media & Recreation
19	**Quran Kareem HD**	SHL Info Systems	Media & Ent.	Media & Recreation
20	**Quran Kareem 16 Line**	SHL Info Systems	Media & Ent.	Media & Recreation
21	**IslamBox**	ProMoftak Solutions	Media & Ent.	Media & Recreation
22	**Al Quran Tafseer**	ImranQureshi.com	Media & Ent.	Media & Recreation
23	**Ramadan**	Imanimation Studios	Games	Education
24	**Islamic Ruqyah Medication System**	Inst. of Tech. Petronas	News/ Insights	Media & Recreation
25	**Islamic Compass & Prayer times**	Mobile Software Inst.	Prod. Tools	Media & Recreation

9 Based on iOS gross rankings data as of July 2015.

TOP INDICATIVE 25 IOS APPS IN NON-OIC COUNTRIES

The list has been developed based on the highest grossing apps identified using key search words[10] in key non-OIC countries[11] (This is **not ranked,** but is in alphabetic order)

App	Developer	Sub-segment	Sector
Athan Pro for Muslim	Quanticapps Ltd	Prod. Tools	Media & Rec.
Halal Food Guide (Free)	oTech	Ratings & Review	Media & Rec.
Haute Hijab	FashionModest, Inc	Prod. Tools	Media & Rec.
Hijab Fashion Lite	Virtecha Solutions	Media & Ent.	Modest Fashin, A&D
ISLAM PRO Adhan, Quran, Qibla	Maviay Yazılım Ltd. Şti.	Prod. Tools	Media & Rec.
Islamic Anachid	NasheedQuanticapps Ltd	Media & Ent.	Media & Rec.
Islamic Finance	Nida Khan	Prod. Tools	Islamic Finance
Islamic Finance Video Guidance	Pearls Pro UK	Media & Ent.	Islamic Finance
Jordan Dubai Islamic Bank	Access to Arabia	Prod. Tools	Islamic Finance
Just Halal	smart&geek	Prod. Tools	Media & Rec.
Keys to Paradise - Islam	IhsaanFusion	Media & Ent.	Education
Memorize Quran for Kids & Adults	BIGITEC GmbH	Prod. Tools	Education
MSiRadio	Moftak Solutions	Media & Ent.	Media & Rec.
Muslim Pro (Ramadan 2015)	Bitsmedia Pte Ltd	Prod. Tools	Media & Rec.
My Hijab Fashion	Sagar patel	Media & Ent.	Modest Fashin, A&D
Naat Shareef - Nasheed	matloob hasnain	Media & Ent.	Media & Rec.
Noor Money Manager	Noor Islamic Bank PJSC	Prod. Tools	Islamic Finance
One Legacy Radio	Spoiled Milk GmbH Germany	Media & Ent.	Media & Rec.
Quran Audio FREE	Quanticapps Ltd	Media & Ent.	Education
Quran Explorer	Quran Explorer	Media & Ent.	Education
Scan Halal	Ummah Labs & Co.	Prod. Tools	Halal Food
SheikhaMortada	Connecting Kuwait	Media & Ent.	Education
This is Mohammad	i4islam	Media & Ent.	Education
Tutorial Hijab	GambarDidy Septiyono	Media & Ent.	Modest Fashin, A&D
Zabihah	Halalfire Media LLC	Ratings & Review	Halal Food

10 These apps have not been ranked, but were selected based on being ranked consistently within the top 5 apps for key search words across most, if not all, of the seven countries selected

11 The countries selected were the U.S., the UK, France, Germany, Australia, Canada, and China

KEY PLAYERS BY SEGMENT

Platform	Key player		Explanation
SEGMENT: INFORMATION AND CONTENT			
Websites (listed by rank)	Muslim Matters	1	Launched in 2007 as a collaboration between Bloggers and Scholars, discusses issues faced by young Muslims, especially in the West.
	Zabiha Halal	2	Founded by Shahid Amanullah in 1998, provides a global comprehensive listing of Islamic restaurants, based on user location.
	Productive Muslim	3	Boosts productivity in the Muslim world, helping balance spirituality and day-to-day life through articles, webinars and infographics.
Android apps	Islamic Ringtones	1M - 5M	Developed by Best Ringtones Collection offers a collection of Islamic ringtones for incoming-call sound, SMS ringtone, or alarm sound.
	Islamic: The Quran		Developed by Dimach Cassiop, features Quran in Arabic with different translations.
	Prophet Muhammad stories		An app that includes all the Prophet Stories from the Quran.
SEGMENT: FUNCTIONAL TOOLS AND SERVICES			
Websites (listed by rank)	Falafel Games	1	Co founded by Vince Ghossoub, provides online multiplayer gaming with culturally appealing content targeting the Muslim world.
	Ramadan Legacy	2	Launched in 2015, the tool allows Muslims to track prayers and other religious activities, and share journals and stories with other users.
	Quran Academy	3	Started by Bilal Memon, the app helps users memorize/revise Qur'an more effectively.
Android apps	Muslim Pro - Ramadan 2015	10M – 50M	A comprehensive religious lifestyle planning tool, covering prayer time calculation, full Quran with translations, and Qibla locator.
	Islamic questions	1M – 5M	Modelled on "Who wants to be a Millionaire" it is an application that tests the user's Islamic knowledge in a fun trivia quiz style.
	Athan - Your Prayer Companion		Developed by the Islamic Finder Foundation, a pioneers of web-based prayer time calculation, it also helps keep track of prayers missed.
SEGMENT: COMMERCE AND EXCHANGE			
Websites (listed by rank)	Modanisa	1	Online fashion retailer for women's Islamic clothing, dresses and accessories, offering shipping and deliver all over the world.
	SefaMerve	2	Fashion e-tailer of modest, chic and affordable clothes that are in line with hijab attire.
	Islamic Online Univ	3	Free Islamic online education, where students receive a degree or diploma upon completion.
Android apps*	Modanisa Sefamerve	0.1-0.5M	Both covered above
SEGMENT: SOCIAL AND CROWD NETWORKS			
Websites (listed by rank)	Muslima	1	The largest Muslim-dedicated matrimonial site, with over 5 million users. Part of Cupid Media's network of ~30 matrimonial sites.
	Qiran	2	Second largest Muslim matrimonial website with over 2 million users.
	Muslim Matrimony	3	Part of CommunityMatrimony - over 300+ Indian community online matrimonial services, with a large focus on South-Asian Muslims.
Android apps	Ummaland	0.1-0.5M	Founded by Maruf Yusupov, it interfaces with existing social networking sites and offers a variety of services such as Zakat collection.

* The top three downloaded Android apps have been shown for most categories with the exception of Commerce and Exchange, where the third largest player had a significantly lower level of downloads, below 10,000 downloads in total

Sub-Seg.	Sectr	HQ	Bus. Model
Blogs	Media & Recreation	Houston, U.S.	Ad - supported
Ratings & Review	Halal Food	Chicago, U.S.	Ad-supported
Blogs	Education	Dallas, U.S.	Freemium
Media and Ent.	Media & Recreation	Not disclosed	Freemium
News & Insights	Education	Montpellier, France	Freemium
News & Insights	Education	Arizona, U.S.	Ad-supported
Games	Media & Recreation	Hangzhou, China.	Freemium
Productivity tools	Media & Recreation	Edinburgh, UK	Donations
Productivity tools	Education	New York, U.S.	Freemium
Productivity tools	Media & Recreation	Singapore	Freemium
Games	Education	France	Donation
Productivity tools	Media & Recreation	Riyadh, Saudi Arabia	Freemium
Retail sales	MF, A&D	Istanbul, Turkey	Direct sale
Retail sales	MF, A&D	Istanbul, Turkey	Direct sale
Service Marketplace	Education	Gambia	Freemium
Matrimonial networks	Media & Recreation	Australia	Freemium
Matrimonial networks	Mod. Fash.	Canada	Freemium
Matrimonial networks	Education	India	Freemium
Social networking sites	Media & Recreation	Denmark	Ad-supported

Global Digital Economy Value Profile for Muslim Consumers

Egyptians work on their computers in a cafe in Cairo January 6, 2006. Coffee shops offering wireless Internet connections are an increasingly popular phenomenon in the Egyptian capital and elsewhere across the country, which has been fast expanding Internet availability in a bid to become a regional IT centre. REUTERS/Aladin Abdel Naby

Total value of Muslims to the Global Digital Economy

The global value of the Muslim consumer to the Digital economy in 2014 was $107B[12], broken down as: e-commerce spend by the consumers ($101B) and digital ad spending by the providers ($6B).

- **Important Note:** This number does not represent the actual value of the Digital Islamic Consumer Services, but more broadly, the total value that Muslims provide to the Digital Economy, including their engagement in mainstream Digital services.

- The Digital Islamic economy could capture a sizeable share of online ad spend on, and e-commerce spend by Muslims, through offering digital services that appeal to the core values of Muslim consumers.

Muslim consumers in aggregate represented an estimated 5.8% of the total global Digital economy in 2014, estimated at $1.9 trillion.

A fast growing, young, global Muslim population is highly digitally active. Additionaly, strong economic growth in OIC[13] member countries is all adding up to strong growth in the value of Muslim consumers to Digital service providers. This value is expected to grow by ~17% CAGR to reach $277B by 2020, compared to 15% CAGR growth in the total Digital Economy through 2020.

12 Note this figure also includes non-digitally native service players. Please refer to the Appendix for the Market sizing Methodology
13 Organization of Islamic Conference, 57 member countries

Muslim spend on E-commerce

MARKET SIZE AND PROFILE — $101 BILLION MARKET 6% OF GLOBAL EXPENDITURE:

This Report estimates Muslim populations globally to have spent a total of $101 billion on digital commerce (retail ecommerce and travel). This expenditure is expected to reach $252 billion by 2020 (6% of global expenditure). Global spending on digital commerce was expected to be US$ 1.9 trillion in 2014.[14]

- If the collective Muslim digital commerce market is considered a country, it would be the fourth largest in the world compared to countries globally; with the United States and China spending the most, at $440B, $399B in 2014, respectively.
- Top countries with Muslim digital commerce spending in 2014 are Turkey ($8.1 billion), United States ($7.5 billion), Malaysia ($6.5 billion), Egypt ($6.2 billion) and Indonesia ($4.7 billion).
- Significant size of Muslim digital commerce market also exists in countries where Muslims are minorities — especially western markets. Muslim's digital commerce market in Western Europe (Germany, France and UK) plus North America (U.S. and Canada) collectively are estimated to spend $18.7 billion in digital commerce in 2014 making it larger than the largest individual Muslim market (Turkey).

Digital Ad spend on Muslims

MARKET SIZE AND PROFILE — 6 BILLION MARKET (4.5% OF GLOBAL EXPENDITURE):

This Report estimates that $6.1 billion has been spent on digital advertisements targeting Muslim populations globally in 2014. This expenditure is expected to reach $24 billion by 2020, accounting for 9% of global digital ad expenditure, estimated to be $135 billion in 2014.[15]

- If the Digital Ad spend on Muslims globally is considered as a single country, it would be the fifth largest largest in the world compared to countries globally; with United States and China spending the most, at $47B and $20B in 2014, respectively.
- Top countries with digital ad spend on Muslims (based on 2014 data) are United States ($806 Million), Turkey ($603 Million), United Kingdom ($433 Million), Indonesia ($347 Million) and Malaysia ($330 Million).
- Digital Ad spend on Muslims is also significant in countries where Muslims are minorities — especially western markets. Digital Ad spend on Muslims in Western Europe (Germany, France, UK) plus North America (U.S., Canada) collectively is estimated to be $1,725 Million in 2014.

Actual Digital Islamic Economy Market Size

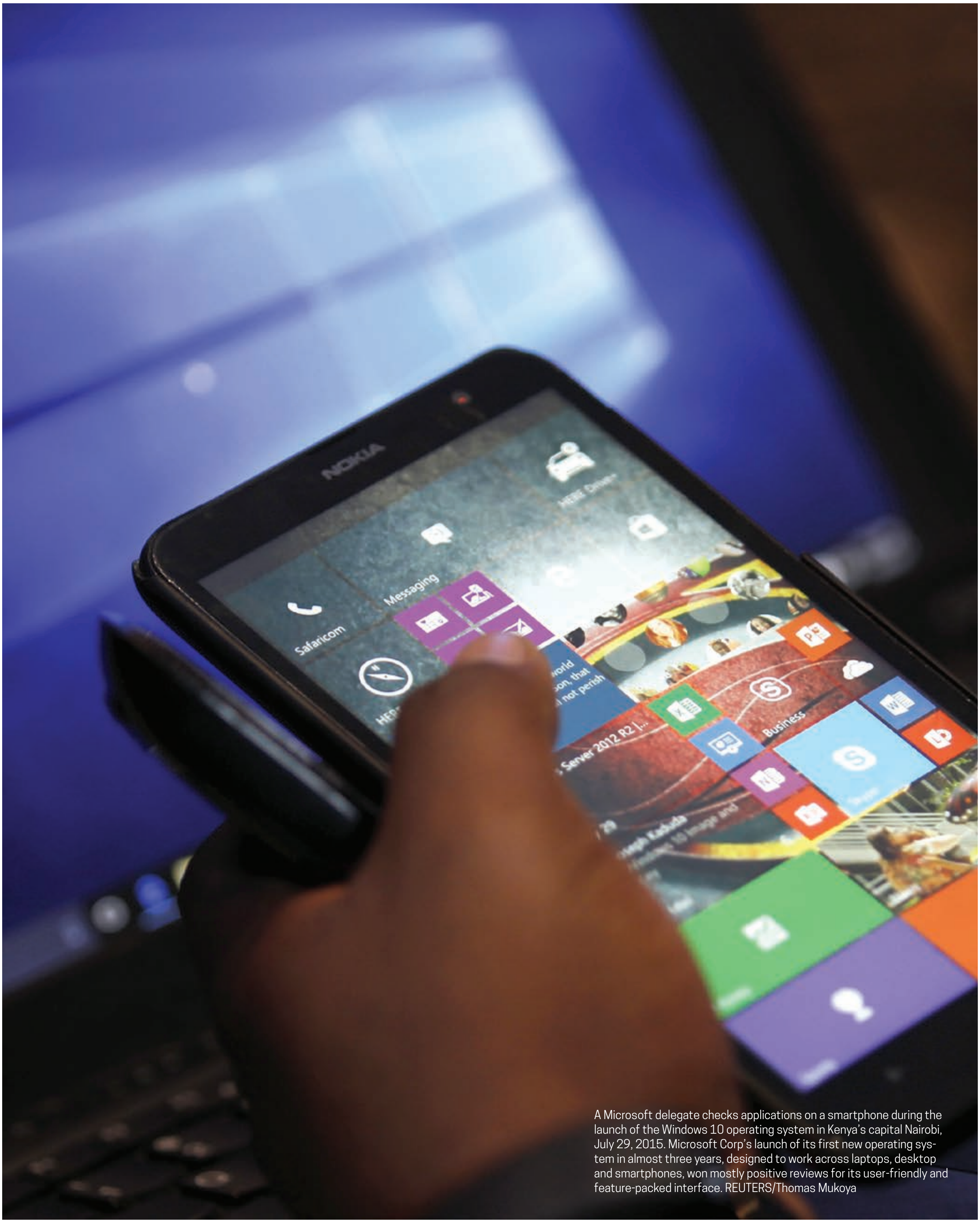
This report has not attempted to estimate the size of the actual Digital Islamic Consumer Services.

However, in its report **"TMT predictions 2015 Middle East"**, Deloitte included market sizing estimates for Digital Islamic Services provided specifically in the Middle East, which we have referenced here:

- **Modest Fashion** regional spend online in 2013 was estimated to be $0.6B, potentially crossing $1.4B by 2017.
- **Halal food** regional online spend of over ~$360M in 2013, projected to surpass $840M by 2017**.**
- **Islamic Economy Education** regional online spend sized at $3.4M in 2013.
- **Islamic Art & Design** regional online spend sized at $0.7M in 2013.

14 Source: AT Kearney, Euromonitor, Nielsen, World Bank, E-marketer, DinarStandard analysis
15 Pwc, Ovum, Nielsen, E-marketer, World Bank, DinarStandard analysis

Key Developments and Trends



A Microsoft delegate checks applications on a smartphone during the launch of the Windows 10 operating system in Kenya's capital Nairobi, July 29, 2015. Microsoft Corp's launch of its first new operating system in almost three years, designed to work across laptops, desktop and smartphones, won mostly positive reviews for its user-friendly and feature-packed interface. REUTERS/Thomas Mukoya

Recent activities and key trends in the Islamic Digital Economy

OVERVIEW: 2014/15 has been very active with over 15 promising new Digital Islamic consumer services launched, and two promising services being developed, across the services spectrum. To support this sector, we have noted a new Incubator, Affinis labs, the first Digital Islamic Economy hackathon and the increased use of crowdfunding.

INFORMATION AND CONTENT: There have been a number of newly launched Islamic digital magazines in 2014/15:

- **Ummah Wide**, based in San Francisco focusses on stories and cultures that resonate with Muslims worldwide.
- **Tafsir.io** has built a platform for some of the world's great Islamic scholars that include both women and men to explain the Qur'an verse by verse.
- **Mozzified** focuses on Muslim pop culture, providing American Muslims with articles, videos and memes covering life, politics, culture and religion.
- **Barakah Bits**, founded by Rama Chakaki, publishes in Arabic and English with a focus on "Good news from the Middle East".
- **MuslimGirl** aims to empower females through providing daily content tackling stereotypes of Islam and Muslims, and encourage women leaders.
- **Karaz** is an Arabic/English digital magazine educating readers about key issues that may seem taboo such as reproductive health and sex education.
- **Halal Gems**, "the first interactive digital magazine for halal foodies", showcases the best halal cuisine and halal restaurants globally.

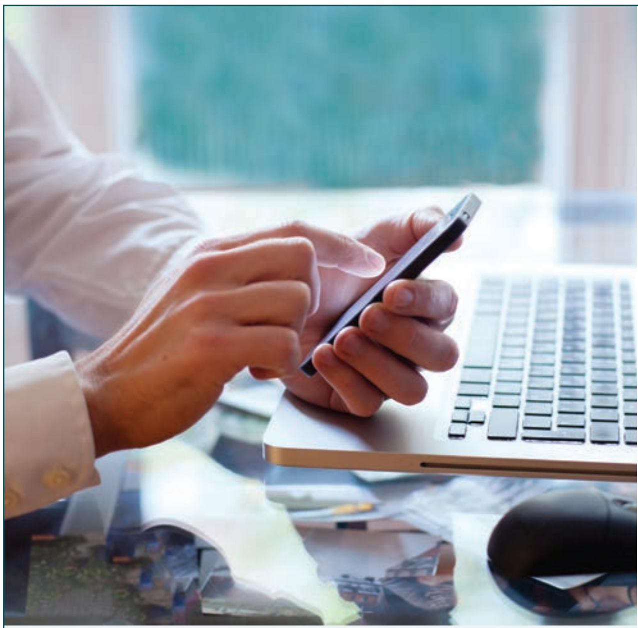
Several **ISLAMIC ON-DEMAND CONTENT** platforms were launched in 2014/15:

- **Alchemiya** a premium, online, subscription-based, video-on-demand ("SVoD") platform aims to present the best video content about Muslim life.
- **ScholarView.com**, launched by American Muslim entrepreneur Mohamed Geraldez, aims to provide high-quality Islamic lectures through its platform.

FUNCTIONAL TOOLS AND SERVICES: Several new educational and Islamic lifestyle apps have been launched that aim to solve the challenges faced by the Muslim consumer in a digitally-enhanced way:

- **QuranAcademy App,** the world's first Smart Quran Memorization & Revision App, was launched in Ramadhan 2015 by Bilal Memon. This app requires special mention as it has been supported by a mainstream incubator in California and shows how, with a robust value-proposition and business plan, Digital Islamic Services can access mainstream funding and support.
- **RamadanLegacy**, launched in June 2015 and founded by a team in Scotland, aims to help Muslims set goals for Ramadan and share their achievements.
- **Musallah,** launched in 2015 and founded by Nushmia Khan and Rashid Dar, aims to help Muslims find a place to pray in any city.
- **Ahli App** launched in December 2014 is a location-based service connecting nearby Muslims that want to pray together in congregation.
- **ProductiveMuslim Academy**[16] is a self-development, e-learning tool for Muslims launched in 2015, providing courses on productivity, goal-setting and access to tutors.

16 Disclaimer: The Lead Research Analyst of this report, Mohammed Faris, is the founder of ProductiveMuslim.com and ProductiveMuslim Academy.



Brief note on B2B

Although this report has excluded B2B companies, they are nevertheless well covered in the 'Digital Islamic Services landscape' report written by Deloitte. We note here several key areas of Digital B2B services with examples:

- **Product marketplaces:** Zilzar is a B2B e-commerce platform connecting businesses with vendors, launched in 2014 during the 10th WIEF in Dubai and has over 2000 registered sellers and buyers on the platform.
- **Notable milestone:** Zilzar has developed a strategic Partnership with MasterCard and launched ZilzarLife Digital Magazine to connect Muslim Millennnials around the globe on the culturally diverse nature of the Muslim Identity.
- **Online Advertising:** Muslim Ad Network is a leading provider in this area, operating an online advertising platform connecting businesses with Muslim consumers online, reaching over 10 Muslims in the US, UK and Canada and has delivered over 150 million advertisements to date.
- **Online Directories:** Halalpage.com.my is a reference guide for Halal certified companies, launched in 2002. The site also features product comparisons, analytics and has over 30,000 print copies also distributed in Malaysia.

↘ **Smart Muslims**, based in Saudi-Arabia, is developing Wearable Technology products to capture and enhance Muslim's spiritual practices. The first product is targeted for Ramadan 2016 and aims to capture spiritual activity data, exhibit that data with impact and facilitate the user's spiritual growth.

COMMERCE AND EXCHANGE: Several new digital Islamic crowd- and peer based-funding players have emerged in 2014/15:

↘ **Launchgood** have crowdfunded nearly $3 million, connecting Muslim entrepreneurs and consumers.

↘ **Growmada**, founded by Raafi Hossain and Kavilash Chawla, is focused on integrating global crowdfunding with e-commerce to sell luxury, hand crafted artisan goods, similar to Kiva.

THERE SEVERAL SUCCESSFUL CROWDFUNDING CAMPAIGNS TO FUND STARTUPS, NOTABLY:

↘ **Alchemiya** recently closed the first Shariah-compliant crowdinvesting campaign on CrowdCube.com, raising over $180k (195% of their target).

↘ **Musallah** raised $14,861 (106% of its target) within a month of launching its project on Kickstarter.

SOCIAL AND CROWD NETWORKS: There is a trend towards greater online activism to tackle issues centred on the Muslim community:

↘ **Muslim Anti-Racism Collaborative (Muslim ARC)** is a collaborative platform that aims to provide anti-racism education to the American Muslim.

↘ **Celebrate Mercy** is a global online semi-annual live event where groups connect to view webcasts about the life of Prophet Muhammad (Peace be upon him), taught by renowned Islamic scholars and speakers.

MUSLIMFACE.COM, WAS RECENTLY LAUNCHED IN BETA-MODE AS AN ONLINE MUSLIM SOCIAL COMMUNITY, and aims to be an integral part of a Muslim's daily life including prayer reminders, a "mahram" list for connecting with family and matrimonial services.

BROADER DEVELOPMENTS: A robust investment and support structure is emerging to enable the digital Islamic economy to thrive, which is integral to creating successes and attractive capital from mainstream investors. Select developments:

- **Affinis labs (U.S.)** is a key driving force behind developing the Digital Islamic Economy. Launched by Shahed Ahmanullah in collaboration with Quintan Wiktorowicz, Affinis Labs is an incubator which launched in 2015, based in Washington DC but operating globally, providing a working space, and supporting high potential ideas that address the core values and key unmet needs of Digital Muslim consumers. They have also launched a $5 million private equity fund, and are supporting companies such as Ishqr and Launch Posse.
- **Qeerad (Malaysia)** is an angel investment firm, focused on Germany, Malaysia and Australia, providing Shariah-compliant seed funding.
- **Ummah Catalyst (Malaysia)** is a new platform that connects Muslim Investors to entrepreneurs and provides critical due diligence services.

The first ever Digital Islamic Economy "haqqathon" was held in the UAE in April 2015, bringing together entrepreneurs, Islamic scholars and investors, organized by Affinis Labs.

There have been a number of digital initiatives in OIC countries to pursue leadership in the Digital Islamic Economy. Select developments:

- The **Digital Malaysia initiative** aims for developed digital economy by 2020, to create a digital ecosystem that will increase Gross National Product, raise living standards and empower citizens.
- Dubai launched the **Dubai Technology Entrepreneurship Centre (DTEC)**, a start-up business centre, was launched to accommodate and support young technology companies, providing discounted office space and easing visa requirements.
- **Qatar aims to become the best-connected country in the world** and a leader in innovative digital economy. By 2016, 95% of households in Qatar shall have the ability to access affordable and high-quality broadband service.

AS HIGHLIGHTED BY DELOITTE IN ITS REPORT ON "THE DIGITAL ISLAMIC SERVICES LANDSCAPE", Smart Mosques are new initiatives that aim to bring Mosques to the Digital age. New initiatives in Dubai and other countries aim to bring a suite of digital services that serve worshippers 24/7 via mobile phones or tablets. These digital services include information sharing about mosque activities, donations, suggestions/complaints as well as faults reporting.

Gaps and Opportunities

A woman uses an iMac computer in a shop at a mobile and computer shopping complex in northern Tehran January 18, 2011. Although there were no queues outside Tehran's computer stores when Apple's iPad hit the market last year, the latest must-have gadget has quietly appeared in shops, despite tightened economic sanctions. On a recent cold winter's evening, the Paitakht Computer Centre in northern Tehran, was packed with tech-savvy young Iranians looking for latest digital products either for work or fun. Picture taken January 18, 2011. REUTERS/ Raheb Homavandi

Major unmet needs across the Digital Islamic Services spectrum

After several Digital Islamic Services struggled to achieve financial viability, in particular social media websites, it is critical for entrepreneurs and investors alike to evaluate which services are doing well and which are needed by the market.

After analysing the existing Digital Islamic Services landscape (services that currently exist, services that are not relevant, and gaps in current services), following key insights emerge:

- **Existing**: From the total of 394 Digital services that met a certain market reach threshold, there is a clearly well-developed offering of "*Information and Media content*" services (196 services), followed by "*Commerce and Exchange*" services (103 services) and *"Functional Tools and Services"* (77 services), with the remaining in *"Social and Crowd networks"* (18 services).
- However, several gaps exist across the services spectrum, which have been shaded according to their level of attractiveness and viability.
    - The sectors shown correlate broadly with the Islamic Economy Sectors discussed in this report. However, we've also added Education and have captured any religious lifestyle and matrimonial activities within Media & Recreation.
- **Not relevant:** We have identified 12 potential services, each correlating with 1-6 specific sectors (52 potential offerings in total17), that may have been attempted, but are not viable opportunities for a digital Islamic service, highlighted in grey, for the following reasons:
    - *The service only makes sense for specific sectors (31 potential offerings):* Matrimonial sites are recreational and aren't tailored to a specific consumer sector. Classified ads don't usually advertise media programs and television content.
    - *The service provides a digital infrastructure that encompasses all sectors and customer segments (12 potential offerings):* Communication services such as email are not dedicated to any specific sector or group of people.
      As such, it does not make sense to have a specific email service, search engine or payment service just for foodies or Muslims. There have been attempts to launch Halal search engines, but these have not been successful, given the ability to adapt mainstream search engines to Muslim needs.
    - *Muslims do not have a specific need that the service addresses (9 potential offerings):* Unlike halal food, there is no need for a dedicated transportation service for modest clothing, whereby Muslim and non-Muslim clothing would be separated.

OPPORTUNITIES: There are ten key opportunities identified as attractive for Muslims, of which nine aren't currently addressed by Digital Islamic Services. Five are considered highly attractive:

- Sharing economy (Halal "sharing"); Social commerce (Halal "discount/flash-sales"); Retail e-commerce (Muslim "Retail commerce"); Food transportation and logistics (Halal and Tayyab "convenience"); Islamic Finance Investment Products (Halal "Investing").
- The ten opportunities have been ranked according to the following principles:
    - *Mainstream success:* The market for the service is attractive, evidenced by successful mainstream companies providing the service currently.
    - *Ease of monetization:* The service has the potential, or demonstrated, ability to generate substantial revenues, and not just relying on ad-support or donations.
    - Islamic relevance and market potential: It appeals to core Islamic values and could represent a significant opportunity.

17 A potential offering is a Digital Service offered for a specific Islamic Lifestyle sector, for instance, a Search Engine for Halal Food, or a Location-driven service for Modest Fashion

Scale of opportunity	Major sub-segment	Sectors	Opportunity	Mainstream (and other) examples
High	Sharing Economy	All sectors	**Halal "sharing"** ▫ Muslim version of airb'n'b that brings people together with shared cultural values, and can be extended to all aspects of life, including food, travel, recreation, fashion and cosmetics	Airb'n'b (travel), Casserole (food), Listia (consumer products, including clothing, cosmetics)
High	Retail sales	MF, Cosmetics	**Muslim "Retail commerce"** ▫ Despite many successful Digital Islamic Services companies serving the retail e-commerce space with robust business models, this remains an attractive, high growth market with lucrative opportunities to meet the fashion and cosmetics needs of Muslims globally	**Muslim examples:** Zalora, Sefamerve, Modanisa **Mainstream examples:** Chloe & Isabel, Net-a-porter, Sylyebop.com
High	Social commerce	All sectors	**Halal "discount/flash-sales"** ▫ Offering a comprehensive suite of discounts and deals across the Islamic economy ▫ Connecting merchants directly with consumers and users "sharing" deals	Groupon; BuywithMe; Offerpop; Living Social (Food); Poshmark (mainly Fashion)
High	Transport & logistics	Halal food	**Halal & Tayyab "convenience"** ▫ Occasion-based meal preparation service, delivering halal ingredients and cooking instructions to the consumer ▫ Dedicated halal fast food delivery services	Blue Apron, Plated, HelloFresh, Chefday Grubhub, Seamless
High	Product Mktplace & Retail sales	Islamic Finance	**Halal "investing"** ▫ Institutionalized shariah-compliant investment products that allow investments in listed companies, as well as startups	Betterment; Equity Zen; Motif Investment
Moderate/High	Service Mktplace	Halal Food, MF, Cosmetics	**Halal "doorstep services"** ▫ Ordering halal services via the phone/ desktop, including beauty/ fashion	Housecall (Home general); Kitchensurfing (Food – Butler)
Moderate High	Productivity tools	Travel	**Muslim friendly "trip planners"** ▫ Travel itinerary tools that enables Muslim travelers to manage their halal travel needs from one location	Trip It, Kayak Mytrips, Worldmate
Moderate/High	Location-driven services	Islamic Finance	**Halal loyalty "convergence"** ▫ Identifying nearby locations that offer halal-friendly loyalty schemes and products, and signing up/ spending	Google wallet, Shopkick
Moderate/High	Social Gaming	All sectors	***Muslim "community games"*** ▫ Games across all sectors that enable Muslim's to connect online and share common interests and passions	Heaven's Diner (Food); Virtual traveler (tourism); Fashion fantasy
Moderate/High	Games	Islamic Finance, Education	**Muslim "learning tools"** ▫ Building on the popularity Islamic Q&A apps, there is scope for more educational apps for children, scenario testing for Islamic Finance and educating users on compliance and lifestyle	Reality check; Bad credit hotel; Celebrity Calamity

Broader opportunities

MILLENIAL MUSLIMS represent an exciting group of digitally aware and activite consumers that can be targeted as a single group. As this target customer segment develops, they will require a suite of Digital services to address their needs and cultural values.

THERE ARE MANY PLAYERS, WITH ROOM FOR CONSOLIDATION: Companies in the Islamic Digital Space are largely fragmented with various players being very small. There is an opportunity for consolidation of some of these players to make more meaningful impact to the global Muslim consumer and to acquire greater scale, in particular among Digital Media players.

ISLAMIC FINANCE & DIGITAL START-UPS: Given a renewed focus on SMEs by Islamic financial institutions, Digital Islamic services are an important area to consider. There are a large number of players in this space but to date limited focus by investment funds. With the recent launch of Affinis Labs, and several global haqqathons, we hope that there will be increasing attention and investment interest in this area, propagating a suite of exciting new products.

GLOBAL BRANDS/RELEVANCE: There are opportunities to target a broader audience, beyond Muslims, by focusing on creating global digital brands that appeal to underlying Islamic values. Key sectors of opportunities would include: ‘Media and entertainment,’ ‘Games,’ ‘Crowd and peer-based funding,’ Productivity Tools,’ ‘Product/Service marketplaces,’ and ‘Sharing economy’ digital services.

Challenges

The Facebook logo is seen in front of an escalator at the venue of a news conference announcing the opening of Facebook offices in Dubai May 30, 2012. Social networking site Facebook opens its first office in the Middle East on Wednesday, in Dubai's Internet City, according to local media. REUTERS/Jumana El Heloueh

There are several key challenges that the industry faces that need to be addressed in order to ensure a robust business ecosystem that can support growth and profitability.

NUMEROUS ISLAMIC SOCIAL NETWORKS WERE NOT COMMERCIALLY VIABLE, FAILING TO DIFFERENTIATE THEMSELVES FROM MAINSTREAM ALTERNATIVES. Despite the widespread use of social networking sites among Muslim consumers, Salamworld was shut down recently. Started in 2012 by a group of Turkish, Russian and Central Asian businessmen, and launched amidst much fanfare, it attempted to create an Islamic alternative to Facebook. Similarly, Muxlim.com was launched in 2006 out of Finland, but was shut down in 2012 after failing to reach commercial success. Muslimface.com promises to better address the Islamic social networking segment.

DIGITAL SERVICES THAT DEPEND ON HIGH LEVELS OF CONTENT CREATION HAVE BUSINESS MODELS THAT ARE A CHALLENGE TO SUSTAIN. Conventional online journalism has required substantial scale and significant capital to prosper. The chances of failure for Islamic Digital content services is even higher than conventional and requires very effective targeting of the Muslim consumer base, with a focus on the right values, with significant and patient capital.

THERE IS A LACK OF WEB DEVELOPMENT AND MOBILE CODING SKILLS IN OIC COUNTRIES. There is a concentration of skilled labour in this space developing in India, Eastern Europe, and Latin America, aided by educational institutions, following examples set by the US and Europe. Many OIC countries are behind in this regard, and require increased government support.

THERE IS A VOID OF CREATIVE MARKETING DIGITAL ISLAMIC TALENT, which Peter Gould has tried to address through launching CreativeUmmah.com and training hundreds of aspiring artists. While plenty of internet marketing courses are available for conventional startups, tailored training is currently lacking to address the needs of the Muslim market.

VENTURE INVESTORS ARE NOT YET CONVINCED BY THE VIABILITY OF DIGITAL ISLAMIC SERVICES: Lacking convincing data about the Digital Islamic market opportunity, talented entrepreneurs in this space have struggled to attract funding either from conventional VC firms, or shariah-compliant funds based in OIC countries.

- **Restrictive rules on work practices** can hamper the growth potential of Digital Economy in some of the biggest OIC economies, including Saudi Arabia, Nigeria and Egypt.

Some Governments treat Digital Companies as “brick and mortar” companies requiring them to rent office space and pay traditional trade licenses that are not applicable to the digital/virtual nature of their companies, increasing upfront costs for Digital Entrepreneurs and forcing some of them to register elsewhere.

There is a lack of requisite infrastructure in several OIC countries, hampering the use and growth potential of Mainstream and Islamic Digital Services:

- **Reliable postal Services are not always available** in every country, limiting the sales potential of Digital Services, which requires efficient, reliable delivery services

- **Digital payment systems are lacking:** A combination of poor banking IT infrastructure and low payment card penetration, have made online payments difficult. E-commerce sites in emerging digital economies are resorting to Cash On Delivery (COD) to circumvent this problem.

Interview

Shahed Amanullah
CEO & founder, Halalfire

What challenges did you face early on, in particular when launching Zabiha Halal?

The biggest challenge we faced early on — and it is a challenge that continues to hold back the growth of the market — is proving the viability of the Muslim market. Muslim advertisers were not sold on the value of marketing promotions to further their business, and mainstream advertisers were either skeptical of the size of the Muslim market or were deterred by negative perceptions about Muslim audiences. Frankly, the only way to address these challenges is to prove the naysayers wrong, and that means attracting and keeping mass audiences (for example, zabihah.com serves nearly 10 million people a year), proving the value of promotions and adverting to Muslim markets, and leveraging our market data to prove the viability to the mainstream market. For example, we used ten years of zabihah.com data to prove to the US grocery chain *Whole Foods* that there was a significant opportunity in carrying Halal goods for Muslim markets. Subsequent sales of Halal goods, particularly the *Saffron Road* brand of halal products, has in turn validated our original data. We need to replicate these successes until the idea of catering to Halal markets is considered a no-brainer.

You've created a number of companies that serve the Islamic Digital Economy; which one has been most successful, least successful, and why?

The companies that I consider most successful include the following:

Zabihah, which helped jumpstart a global halal revolution and has played a significant role in stimulating an economy that rides on the global foodie movement, increased identity expression of Muslim populations in the West, and the digital revolution. The most important reason for our success is not our service but our brand — an online identity that people can resonate with and be proud of.

Altmuslim, an online newsmagazine founded in the days after 9/11. It is also the first major Muslim online property to be acquired by a mainstream company (Patheos in 2011). The main contribution of Altmuslim has been not financial or market-based (at its sale, there were 2 million unique annual users), but it's impact on Western media. Many of the most prominent Muslim commentators and opinion makers in the West got their start being profiled on Altmuslim or writing for it.

One of my newer ventures, *Affinis Labs*, has been around only six months but already calls itself home to some of the most promising and dynamic Muslim startups in the world. Our model of Hackathons to stimulate business ideas, incubation and acceleration of companies, and strategic funding to get companies to the next level hopes to invigorate an ecosystem of Muslim startups.

My least successful ventures usually revolve around models that depend on high levels of content creation, as this is a financially difficult model to sustain without significant (and patient) venture capital. Monetizing online journalism is a challenge for any market, and aside from high profile ventures such as Huffington Post, Vice, BuzzFeed, etc., many such models struggle. Muslim versions of these companies have additional burdens.

Which technological trend or development would Islamic Digital Entrepreneurs need to look out for in the next 3-5 years?

The most exciting trend to look out for, and the one that will bring the whole Halal marketplace together, is the emergence of a cohesive, global millennial Muslim market (which our friends at Alchemiya call the "global urban Muslim") that can be marketed to as one group of people. I've said often that the world's largest Muslim ummah is the one that is emerging online, one that has unique cultural qualities and behaves as one market.

Please tell us about any new products that are being developed, either as part of your existing ventures, or a new venture?

The venture I am most excited about is one that will be launching later this year, *LaunchPosse*. It's not targeted towards Muslims per se, but it does incorporate my values with respect to equality of economic opportunity. *LaunchPosse* allows users to take one or more ideas for businesses and leverage their social networks to refine, raise capital for, and market. It's targeted toward the 99% — people who wish to launch part-time or home-based businesses, or small enterprises. The idea behind *LaunchPosse* is that hundreds of years ago, all of us were entrepreneurs and we did not need business school to be successful — only hard work and the ability to cooperate with others. *LaunchPosse* brings this ethos back and puts it in an app that can be made available to both developed and emerging markets.

Tell us a bit more about examples of digital companies you've supported as an Incubator for Islamic Economy Entrepreneurs.

We're being very strategic in selecting companies to support at *Affinis Labs*, as we have our eyes on the Muslim market as it will exist in 5-10 years, not necessarily today. We're not interested in Muslim businesses that follow the "nanny model" — a crippled version of a mainstream product like Google or Flickr. We are interested in companies that produce unique goods and services, which showcase Islamic values in a universal way that even other faiths can appreciate, and creating an ecosystem of businesses that interact with and depend on each other. This space is broad enough to include crowdfunding (e.g. *LaunchGood*, the world's largest faith-based crowdfunding platform), *Ishqr* (which looks for new ways to facilitate matchmaking among Muslim millennials), and *AquaBean* (which seeks to create a suite of Muslim lifestyle products for modern homes and businesses). We're trying to support them with advice, marketing strategy, fundraising help, etc. but we are a new effort and cannot do it alone. We wish to partner with other VC firms and incubators around the world, as we all can benefit from this model.

Interview

Ali Dabaja
CEO & Founder, HAJJNET

Please tell us about Hajjnet.

Hajjnet employs technology to make Islamic faith fulfillment more safe, informed and convenient — while keeping users more connected to their faith and each other. We have a focus on the Hajj and Umrah pilgrimages. Our target market is the "Global Muslim Consumer" whom we define as a Muslim that has a Smartphone and/or Internet access, a data plan and is committed to Islamic faith fulfillment. Hajj creates a unique and acute need for online and mobile information, features, content and support. About 1 out of 4 humans on the planet is a Muslim and Hajj is obligatory so our market is large with many opportunities. Mobile penetration (specifically Smartphone) is a key driver. The GCC has 131% "mobile subscriber penetration" so this is definitely a significant driver of our business (Source: Strategy&, formerly Booz & Co.).

Could you share with us the number of downloads/ users for the app? How much growth are you expecting in the next 2-3 years?

Today we have over 500,000 downloads and the majority of them are from MENA. The *Salam* app is localized in Arabic and English but the majority of the market speaks other languages. Any company at our stage should look to double their user base and revenue every year for at least the next 4-5 years.

Has sponsorship revenue been a key contributor to Hajjnet's funding?

Winning sponsorships from brands like *Vaseline, Lifebuoy and Jeager LeCoultre* were major milestones and were "proof of concept" — the fact that major global brands were eager and willing to position alongside our brand in supporting Islamic faith fulfillment are big wins for all parties.

We are an ambitious company and to rely solely on sponsorships would be foolhardy. Brands and multi-national conglomerates' levels of interest are driven by factors that can be extremely complex and the value of our offering may not be a determining factor. Our faith is aligned with that of the user, we know that as long as a human is alive there will be Hajj & Umrah.

Do you have plans to introduce the app in different languages?

We are scheduled to roll out localizations for Indonesian, Malaysian, French and Urdu in the near term. We have limited resources so our localizations need to be tactical. Because our potential market is so large it is sometimes easy to lose focus and divert needed resources — it is essential that we maintain and improve the quality of the user experience along the way.

Please tell us about any new products that are being developed, either as part of Hajjnet, or a new venture?

We have a schedule of feature and content enhancements for this year that will reflect what we've learned from our users over the last year. We have beta tested several features/concepts like the "Social Dua" and based on how it was received we're very excited to roll it out on scale.

You've recently completed a 2nd round of seed funding. What challenges do you face when trying to raise funds from investors for your company?

Our biggest challenge is resources, and time is the vital one. Fundraising is a function in itself and requires a lot of time and effort. It is essentially a relationship building exercise that requires a huge commitment and can be difficult running in parallel with a startup business.

Our investors know that they are required to add value and we chose them for specific reasons. We targeted specific people that we knew and felt confident in - conversely they were confident in the concept our team. We spent a lot of time "cooking the concept" and then more time and effort in prototyping our products and illustrating the market and need.

In your view, what are some of the challenges in the Islamic Digital Economy space as a whole? What is missing in terms of infrastructure and regulation that would help this industry really thrive?

We have over 100% Smart-phone penetration and some of the highest penetration and usage of social media in some of our markets, surely infrastructure is not the issue. Regarding regulation, it poses neither a deterrent nor does it offer encouragement.

Our biggest enemy as a group is money without purpose. Time and again, we see new ventures bought out or targeted for a majority stake by "non-smart money" investors with deep pockets but no real growth strategies in their core businesses and not aligned with the target company's vision. Of course, these scenarios aren't fertile ground for the seeds of innovation.

What future opportunities do you see in for the Islamic Digital Services Economy as a whole? In which areas do you see the most promising growth opportunities?

As Muslims, we have much larger issues to tackle than attempting to mold into an "Islamic Digital Services Economy". I do not believe branding as "Islamic" or "Halal" is a formidable strategy. If you are a Muslim and you have a business then inherently you will gravitate to your beliefs and seek solutions that are congruent with them. Solving or addressing a water or health issue within or outside of a Muslim majority community is an "Islamic Economy Endeavor" in my opinion. It is painfully clear that the most promising growth lies in alleviating the pain of some of our largest problems through technology and innovation.

Case Study

Dubai Technology Entrepreneurship Centre (DTEC)

The Dubai Technology Entrepreneurship Centre (DTEC) is part of the Dubai Silicon Oasis Authority (DSOA), an integrated free zone technology park. In line with Dubai's 'Capital of Islamic Economy' initiative launched by His Highness Sheikh Mohammed Bin Rashid Al Maktoum, Vice-President and Prime Minister of the UAE and Ruler of Dubai, DTEC is focusing on supporting start-ups engaged in the 'Islamic digital' domains.

Operational since Q1 2015, DTEC is providing start ups that offer solutions built around the requirements of an Islamic economy, a nurturing business environment across an area of 3,600 square metres. In addition to providing logistical support, seed money and relevant incentives, DSOA engages the support of its partners including international technology companies to host global events, road-shows and networking platforms towards marketing Dubai as the platform of choice for Arabic content creation and online solutions.

The Dubai Silicon Oasis Authority (DSOA), has partnered with Dubai Islamic Economy Development Centre (DIEDC) in collaboration with Thomson Reuters, to launch an inaugural 'Innovation 4 Impact' Competition that will take centre-stage at the Global Islamic Economy Summit (GIES 2015). The initiative has been launched as part of the shared commitment between DSOA and DIEDC to support emerging economies through offering a well-rounded and enabling environment for incubating and developing technology ventures in the UAE and the wider region.

The Innovation 4 Impact Competition seeks to support start-ups and businesses in the Islamic digital economy and serve as an incubator for SMEs across the world.

An Emirati tours the GITEX information technology fair in Dubai October 21, 2008. GITEX Technology Week is an annual event that consists of more than 3,300 companies from 83 countries showcasing their technology products. REUTERS/Ahmed Jadallah

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ISLAMIC FINANCE GATEWAY

Market Sizing Methodology

Methodology for estimating Muslim contribution to the Global Digital Economy

1 Global digital services spend, $

Key steps in the calculation (summary)

COMPRISES

- Digital Ad Spend
- +
- Retail e-commerce
- +
- Digital travel e-commerce

BY COUNTRY

Key external sources

- AT Kearney, Euromonitor, Nielsem, E-Marketer, DS Analysis
- PwC, Ovum, E-Marketer, DS Analysis
- E-Marketer, DS Analysis

X

2 Muslim multiplier %

Key steps in the calculation (summary)

BASED BROADLY ON

- Muslim % of total population
- Relative income levels
- Average family size

BY COUNTRY

Key external sources

- Census data; DS Analysis and Estimations

=

Total Muslim contribution to the Digital Services Market, $B

The **Global Market size** has been developed based on aggregating individual estimates of the key components of the Digital Economy.

- The components of the Digital Economy were broadly defined by E-marketer as follows:

  i. Digital Ad spending on Consumers

  ii. Retail E-commerce – all spend by consumers online excluding travel

  iii. Digital Travel spend – all spend by consumers on digital travel only

- Data was available globally, as well as for individual regions and select key countries from 2014-19:

  i. Data was obtained, and averaged, across several sources shown, to create a "blended" dataset

  ii. For 2019-20, growth was assumed to mirror the CAGR from 2014-19

  iii. For countries where spend data was not available, World Bank data on internet usage by country and region were used to estimate spend at the country-level, with purchasing power parity used to validate the findings from this approach for specific regions (notably, Middle East and Asia)

The Muslim multiplier is a proprietary dataset developed and maintained by DinarStandard, assessing the economic contribution of Muslims to each individual country's economy, accounting for key factors such as population size, income levels and ethnic composition.

- **A note on research methodology:** DinarStandard conducted research from a broad range of sources to inform its key findings, broadly including:

  - External databases: iOS apps (Appannie), Android apps (Google android), Website rankings (Alexa, Similarweb).

  - Individual company websites.

  - News sources and articles.

  - DinarStandard databases, expert contacts and existing knowledge.

DIGITAL ISLAMIC ECONOMY

Special focus brief on the
Digital Islamic Consumer Services

2015

Part of the State of the Global Islamic Economy Report 2015

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