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ISLAMIC MARKETING MANAGEMENT FOR SMES

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ABSTRACT

Background: Small and Medium Enterprises (SMEs) are the most popular group of companies in the national economy (Kanibir, Saydan and Nart, 2014). The company must be effective in every activity especially in marketing which has become fundamental to success in the market and create a competitive advantage.
Aim: The purpose of this article is to reveal the stages of the task of a marketing manager/small and micro sharia businessman in carrying out marketing activities that can help achieve organizational goals.
Method: The researchers deployed qualitative approach by reviewing relevant articles.
Findings: The Elements of the Marketing Mix are products, prices, places, promotion, people, physical evidence, and process. Thus the task of marketing managers / small business entrepreneurs and micro-sharia is to choose and carry out marketing activities that can help achieve organizational goals.

KEYWORDS *Marketing manager, entrepreneur, small and micro business*

INTRODUCTION

Small and medium enterprises (SMEs) are recognized as one of the main contributors to economic growth, development and employment (Dahnil et al., 2014). The main underlying assumption is that SMEs, compared to large multinational corporations (MNEs), rely more on resources controlled by other companies that can be accessed through the development of network relationships (Kurt et al., 2020). Since a company's market success is a consequence of its market performance, it would be relevant to state that performance is a direct determinant of its consequences. On the other hand, Small and Medium Enterprises (SMEs) are the most popular group of companies in the national economy (Kanibir et al., 2014). The company must be effective in every activity especially in marketing which has become fundamental to success in the market and create a competitive advantage (Navrátilová & Milichovský, 2015).

One of the important concepts in management science, namely entrepreneurship (Korpysa, 2020). Small and medium-sized enterprises (SMEs) are often the driving force of the country's economy, but do not always fully exploit its innovative and creative capacity because many of these companies do not know the technology of tools that are currently one of them is social networks (Vásquez & Escamilla, 2014). Since then, companies have started adding online infrastructure to their business models as well. In addition, they changed the revenue model due to the tremendous profits on the internet and modified and updated key elements of traditional marketing (Öztamur & Karakadılar, 2014). It is clear that without successful sales a

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company will not be able to continue its activities, which means that it is equally clear that without planning relevant marketing activities, both for the short term (Sales-oriented), medium and long term (Oriented to meeting the needs and desires of consumers), SME managers will not be able to adapt to changes in the internal and external environment in their specific areas of activity (Izvercian et al., 2016).

The fundamental difference between sharia marketing systems and conventional marketing lies in the fact that Islamic law-based marketing is an amalgamation of the concept of value maximization with the principle of 'fairness' for the wider well-being of society (Saeed et al., 2001). These principles offer a way to create value and improve the standard of living of society in general through commercial activities. This important distinction, resulting from the application of Islamic sharia principles, provides an incentive for Islamic entrepreneurs to seek products and services that are in accordance with Islamic ethics (Sandikci, 2011). Although the idea of Sharia marketing is relatively new, compared to sharia economy as well as islamic finance and banking, it has attracted a lot of attention (Noor, 2010). As a new discipline, Islamic marketing is a field that still takes time to realize the potential benefits in practical terms. However, studies and research on Islamic marketing are still very limited (Ahmad Azrin Adnan, 2013). Therefore, the journal will discuss related to the management of small and micro sharia business marketing.

Definition

Marketing is a basic activity that must be understood in an effort to maintain the company's survival to grow and earn profits. According to P. Kloter (2003), marketing is a social and managerial process in which individuals and groups get the things they need and want through the creation, supply and exchange of products with others. From the above understanding it can be concluded that marketing is:

1) Creating products and services that consumers need and want
2) Set competitive and affordable prices by consumers
3) Distributing the goods goes smoothly
4) Promote these goods and services to be known, in demand, purchased and always remembered by consumers.

Thus the job of the marketing manager is to choose and carry out marketing activities that can help the achievement of organizational goals.

Difference between Conventional and Sharia Marketing

Table 1. Difference between Conventional and Sharia Marketing

No.	Indicator	Conventional	Sharia
1.	Basic Concepts and Philosophies	Conventional marketing is value-free marketing and not fundamental to God in every activity. So that in conventional marketing can a marketer give empty promises only as a consumer lure to buy the	One must feel that in every marketing activity he is always supervised by Allah SWT, so he will be very careful in marketing the products he sells. A Sharia marketer will not give a mere empty promise that aims only to find customers. A sharia marketer will not want to give

		product. Marketers only attach importance to the achievements that have been set by the company.	something misleading to his customers because he always feels that Allah SWT always watches over him and will ask for accountability on the Day of Resurrection.
2.	Marketer Ethics	A free marketer uses all sorts of means to get consumers even in ways that are not justified by sharia. In conventional marketing, a marketer can make a lie by overestimating the product offered, this can cause disappointment from the consumer after he consumes it because the quality of the product is far from expected.	A Sharia marketer is very firm in ethics in doing marketing to prospective customers. He avoids giving false promises, or overestimating the products offered. Sharia marketers will honestly tell the advantages and disadvantages of the products they offer.
3.	Approach to Consumers	Consumers are placed as objects for sales targets only. Consumers can be disadvantaged because promises and realities are often different. The company after getting sales targets, will not care about consumers who have bought their products without thinking about disappointment over the promise of the product. The value of family is not felt because the company considers consumers as cash cows to achieve their sales targets.	Consumers in sharia marketers are placed as equal partners, where both the company as the seller of the product and the consumer as the buyer of the product are in the same position. The company does not consider consumers as cash cows to buy their products, but businesses will make consumers as partners in business development. A Sharia marketer will always strive to create positive product value for his consumers including by asking for feedback from consumers. The value of family is felt in Sharia marketing because the concept of partners already consider consumers as their own brothers who will be helped and will not be harmed.
4.	How to Look at Competitors	Competitors as opposing parties that must be defeated even if it can be turned off so that the existence of business can be further advanced. This concept	Don't think of a competitor as a party to beat or even turn off. The concept of per-rival in Sharia marketing so that every business is able to spur itself to be better without having to become a competitor.

		resulted in competitors after being defeated, eventually the company's innovation power decreased because there was no motivation and competitors.	Competitors are partners who help succeed the application of Sharia economy in the field, and not as opposed to being turned off.

Source: Processed data

As for marketing goods, a Muslim is prohibited from using perjury as in the following *hadith*:

حَدَّ ثَنَا ابْنُ أَ بِي عَدِ يٍّ عَنْ شُعْبَةَ عَنِ الْعَلَا ءِ وَابْنُ جَعْفَرٍ حَدَّ ثَنَا شُعْبَةُ قَلَ سَمِعْتُ الْعَلَاءَ عَنْ أَ بِيْهِ عَنْ أَبِي هُرَ يْرَ ةَ قَا لَ رَسُو لُ اللهِ صَلَّي اللهُ عَلَيْهِ وَ سَلَّمَ الْيَمِيْنُ الْكَا ذِ بَةُ مَنْفَقَةٌ لِسَّلْعَةِ مَمْحَقَةٌ لِلْكَسْبِ وَقَا لَ ابْنُ جَعْفَرٍ الْبَرَ كَةَ.

Meaning:

> “"*Perjury (bombastic so as to make the sale of goods) brings breadth but eliminates work." Ibn Fajar said: "Removing blessings"*” (Other Matan: Bukhori 1945, Nasa'I 4385, Abu Daud 2897, Ahmad 6909,6992,8981).

From the *hadith* it can be understood that in promoting a product, a Muslim should not be excessive with perjury, bombastic, but must be reality. Because, if done bombastically, it can mislead and deceive consumers. If one day the consumer realizes the lie of a product, then they will definitely leave it. As a result, production will decrease, of course the profits are getting smaller (Bustami, 2019).

Marketing Mix

Marketing Mix is a mixture of controllable marketing variables used by a company to pursue the desired level of sales in the target market (Nurhadi & Salim, 2019).

Marketing management is grouped into four aspects that are often known as marketing mix or marketing mix. According to Kotler & Armstrong (2013) the marketing mix is a collection of controlled tactical marketing tools that companies combine to produce the response they want the target market to respond to. Kotler &Armstrong (2013) suggests that 4P marketing approaches namely product, price, place and promotion are often successful for goods, but a variety of additional elements require attention and distribution systems. The Elements of the Marketing Mix are as follows (Nurhidayat, 2018):

1) Product

   A product is everything that can be offered to a market to meet a need. Products marketed include physical goods, services, people, places, organizations and ideas. It can also mean that a product is a collection of real and unreal attributes, including packaging, color, price, quality and brand coupled with its services and sales reputation.

2) Price

The price is the amount of money charged to a particular product. Companies set prices in a variety of ways. Prices are often set by top management in small companies but in large companies, pricing is usually handled by division managers or product line managers even within these companies, top management devises goals and policies on general pricing and often approves prices proposed by lower-ranked management.

3) Place

Place in service is a combination of location and decision on distribution channels, in this case related to how to deliver services to consumers and where the location is strategic.

4) Promotion

Promotion is one of the variables in the marketing mix that is very important to be implemented by companies in marketing service products. Promotion is all activities intended to convey or communicate a product to the target market, to inform about its privileges, uses and most importantly about its existence, to change attitudes or to encourage people to act.

5) People

People here means people who serve or who plan to serve consumers. Most services are served by people so that the person needs to be selected, trained, motivated so as to provide satisfaction to customers.

6) Physical Evidence

Physical evidence is a physical means, the environment of service delivery, between producers and consumers interacting and every other component that facilitates the appearance of services offered. In an educational and training institution of course that is physical evidence is a building / building, and all the facilities and facilities contained in it.

7) Process

The process takes place outside the consumer's view. The consumer does not know how the process is going, which is important the services he or she receives must be satisfactory. The process occurs thanks to the support of employees and the management team that organizes all processes to run smoothly. The process of delivering services is very significant in supporting the success of marketing educational services and also provides satisfaction to trainees.

Sharia Marketing Mix

According to Kertajaya and Sula (2014) in applying the concept of Islamic marketing there are four characteristics of Sharia marketing (Syariah Marketing) that can be a guideline or guide for phak who do marketing, this can be explained as follows (Nurhidayat, 2018):

1) Sue *(Rabbaniyah)*

The application of sharia marketing must comply with all rules or laws that apply for use in all its activities. This also applies to the marketing concept offered through the Marketing mix. The process of implementing product design, setting prices, promotions, is always carried out on sharia basis in accordance with the provisions set in Islamic values.

2) Ethical *(Akhlaqiyyah)*

Marketing parties who do marketing using sharia principles must prioritize or attach importance to moral aspects (moral, ethical) in all their activities.

3) Realistic *(Al-waqi'iyyah)*

Sharia marketing is a concept that is not exclusively mobile, fanatical, antimodernity and rigid but the concept of Sharia marketing is a marketing model that has a high flexibility value in accordance with Islamic values.

4) Humanistis *(Insaniyyah)*

The concept of Humanist or (*Insaniyyah*) provides an understanding that the life in which the concept of sharia is applied provides guidance in certain things such as maintaining human nature and nonhuman nature and raised by the almighty with the principle of sharia firm.

METHOD

The researchers used qualitative approach in conducting the research by reviewing relevant articles from different journals. It was so that the proper results can be displayed and give more insight into the topic discussed. For the data analysis, the researchers extracted data from different journals before concluding the results by filtering only the main points of each journal article.

RESULTS AND DISCUSSION

Market Opportunity Analysis and Marketing Research

To create a product that is cooled and needed consumer marketing managers must smooth the environment of consumers and competitors. In this case, there are two known theories (Abdurrahman, 2013):

1) Equality theory states that people evaluate the leader's treatment of them as opposed to the leader's treatment of others.
2) Equity theory states that compensation must be fair in accordance with the proportion of contributions.

Strategies to Increase Satisfaction and Morale Work

There are many ways that managers can do to increase motivation for satisfaction or morale, including:

1) A decent compensation program
2) Security of workers
3) Flexible work schedule
4) Employee attachment program
5) Incentive program
6) Job expansion program
7) Management by Objective (MBO) means allowing employees to participate in determining their goals and deciding which ways to accomplish their tasks.

In analyzing these consumers and competitors, there are several questions that managers should understand, among others:

1) What products are needed and desired by consumers?
2) Whether the value and usefulness of the product will really provide satisfaction to consumers?
3) Does the product have added value compared to a competitor's product?

4) Which consumer will buy the product?
5) How far is the purchasing power of this consumer group.
6) To better know the market opportunities of products and services to consumers, companies need to conduct marketing research.
7) "Marketing research is the study of the needs and wants of consumers and the best ways to have them." – R.W. Griffin

Understanding Market/Consumer Behavior

After doing marketing research, the next step for a marketing manager is to understand consumer behavior. Attitude is the evaluation, emotional-onal feelings and tendency of actions that benefit or do not benefit a person to bebe-rapa objects or ideas. Consumer behavior can be defined as the process of decision-making and the physical activity of individuals involved in the process of evaluating, acquiring, using or being able to use goods and services (Muka et al., 2006).

This consumer behavior is important to be traced by marketer managers to know the following:

1) What factors influence consumer purchases, whether psychological factors, personal influences, social influences, cultural influences or marketing mixes.
2) How is the consumer purchasing decision process
3) Whether the consumer is satisfied and loyal after making the purchase of the product or service.

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Product Strategies of Goods and Services

A product is everything that is offered to the market to be noticed, purchased to be used, or consumed in order to satisfy the wants and needs of consumers. A service is an activity or benefit that can be offered by one party to another, which is essentially intangible and does not result in any particular ownership. Thus it can be concluded that a product can be considered to contain a certain amount of needs. In addition, the product can also be seen as a collection of benefits that consumers are looking for. The product includes not only physical attributes,

but also services that include non-physical properties, such as price, brand, color, service and others.

Product classification by usage / character consists of three mamac, namely consumer products, industrial products and services. Consumer products consist of convenience goods, shooping goods, specialty good,and unsought goods. Convenience goods are products that are easily obtained or purchased, such as soap, toothpaste, cigarettes and others. Shopping goods are products purchased in certain places with limited consideration. Specialty goods are products that have characteristics and special brands, such as motor cars and others. Unsought goods are products that are rarely or sought after only at certain times such as mosque frames.

LifeCycle and Product Development

The product also has times of introduction, success and deterioration The life cycle of the product is realized by:

1) Introduction period
2) Growth period, the number of heyday, meaning that the product is much in demand and purchased by consumers so that the company earns a large profit.
3) Expiry period or maturity interest and desire of the product begins to decrease
4) The period of decline in product purchase interest decreased completely even the company began to lose money.

To maintain the survival of the product so that interest and purchase remain good one of the company's efforts is to do product development. The development of this product according to Kotler, consists of eight stages, namely:

1) Creating ideas/ ideas
2) Filtering ideas
3) Business analysis
4) Development and testing of concepts
5) Strategy formulation
6) Product development
7) Marketing test
8) Commercialization

Pricing Strategy

1) Understanding price

   Price is the value given by consumers to goods or services. Therefore the key to determining the price of the product lies in understanding the value that consumers will give to the product.

2) Pricing Objectives

   Pricing by a company is intended for various purposes including:

   a. Profit maximalitation
   b. Market share pricing
   c. Current revenue pricing
   d. Profit pricing target
   e. Promotional pricing

3) Factors that affect price
   a. Demand for theproduct, i.e. the company needs to estimate the demand
   b. Target share of the marketshare, targeted by the company
   c. Competitive reaction is the reaction of competitors.
   d. Use of creams skimming pricing of penetration pricing that considers the steps that need to be taken when a company enters the market at a high or low price.
   e. The cost of producing or buying a product.

Pricing Strategies and Tactics

1) Line pricing is determining a certain number of prices for a particular product category
2) Psychological pricing, which is a pricing tactic that benefits fromthe fact that consumers are not always rational inassessing the prices listed
3) Discounts/ or discounts
4) Cost oriented pricing
5) Demand oriented pricing
6) Competitive oriented pricing
7) Discrimination pricing

Distribution Strategy

Distribution includes efforts to ensure that the product is in the appropriate place. Intermediaries play a role in distributing goods from consumers to the hands of consumers. In detail there are four main tasks of intermediaries, namely:

1) Accumulating, which is collecting goods from various products
2) Bulk breaking divides a manufacturer's products into smaller quality.
3) Sorting divides each of those smaller qualities into homogeneous product lines with specific specifications and quality levels.
4) Assorting is selling a wide range of products together.

Promotional Strategies

1) Understanding and Purpose promotion

   Promotion is one of the determining factors for the success of a marketing program. Promotion is all activities aimed at introducing, persuading and reminding customers of a product or intermediary.

   Thus the main purpose of promotion is to inform, influence, persuade as well as, remind customers about the product or company.
2) Promotion strategy

   As is known that there are six promotional tools, namely advertising, face-to-face sales (personal selling). Sales promotion, publicity, public relations, direct marketing. Which combination of the six promotional tools is the most appropriate to use.

Thus the main task of business strategy planning is to determine the combination of promotions that will achieve the organization's promotional goals. Rarely does a company use only one of the promotions.

CONCLUSION

Marketing is a basic activity that must be understood in an effort to maintain the company's survival to grow and earn profits. Marketing is a social and managerial process in which individuals and groups get the things they need and want through the creation, supply and exchange of products with others. The Elements of the Marketing Mix are products, prices, places, promotion, people, physical evidence, and process.

Thus the task of marketing managers / small business entrepreneurs and micro-*sharia* is to choose and carry out marketing activities that can help achieve organizational goals, namely: 1) Market Opportunity Analysis and Marketing Research; 2) State of Increasing Satisfaction and Morale; 3) Understanding Market/Consumer Behavior; 4) Product Strategies of Goods and Services; 5) LifeCycle and Product Development; 6) Pricing Strategies; 7) Pricing Strategies and Tactics; 8) Distribution Strategies; and 9) Promotional Strategies.

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