

Analysis of Competitive Strategy of Brown Sugar Makers in Marketing Based on Sharia Economic Perspective (Case Study of Brown Sugar Entrepreneurs in Amali District)

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Abstract

This research aims to analyze the competitive strategies of brown sugar producers in marketing within Amali District, Bone Regency, and to review these strategies from an Islamic economic perspective. The research method used is qualitative with a case study approach. Data collection was carried out through observation, interviews, and documentation. The results show that brown sugar producers in Amali District implement various competitive strategies in marketing, focusing on product quality, good service, and the application of comprehensive marketing concepts. They use the 4P marketing mix principle (Product, Price, Place, Promotion) in their business strategies. These entrepreneurs also demonstrate adaptability to various challenges such as limited stock, weather constraints, and capital limitations. From an Islamic economic perspective, the competitive strategies applied are in accordance with Islamic principles, based on the obligatory attributes of the Prophet and Messenger, namely Shiddiq (truthfulness), Amanah (trustworthiness), Fathanah (intelligence), and Tabligh (conveyance). This research implies the need for government support in the form of regulations and promotional programs, as well as efforts to improve product quality standardization and packaging to enhance the competitiveness of the local brown sugar industry.

Key Words: Competitive Strategy Brown Sugar Marketing Islamic Economics

Introduction

The existence of a strategy is very important for marketing products, market segmentation, targets, and market positions that are carried out will not work if not followed by the right strategy. Marketing strategy is basically a comprehensive, integrated and unified plan in the field of marketing, which provides guidance on activities that will be carried out in order to achieve a company's marketing goals.

Marketing is a social and managerial process that allows individuals and groups to obtain what they need and want through the creation and exchange of products and values with others.

In increasingly intensive business competition, companies must be very careful in determining product strategies, prices, promotions, distribution channels. Companies must also conduct marketing research to be able to continue to identify the needs and desires of the market so that they can provide satisfaction to consumers. The increasingly widespread development of organizations encourages marketing to drive the company's vision, mission and strategic planning. Marketing activities include decisions about who the company wants to be its customers, which customer needs will be satisfied, what prices are set, what communication strategies are used, what distribution channels are used and what partnerships are developed. In simple terms, marketing can be said to be an effort to change needs into profitable opportunities.

Marketing strategy is a process or model to enable a company or organization to focus limited resources on the best opportunities to increase sales and thereby achieve competitive advantage.

Business activities generally have the goal of making a profit, as well as collecting enough funds for the business activities themselves. The business will not run well if it is not supported by the right competitive tactics. Competitive advantage is important to know in preparing a business plan because it cannot be separated from economic principles, namely how the company's operations can make a lot of profit by minimizing the costs used.

The development of this competitive strategy aims for the company to be able to objectively see internal and external conditions so that it can anticipate changes in the environment where it is very important to gain competitive advantage and have products that are in accordance with consumer desires with optimal support from existing sources. There are two factors that the company takes into account in creating the right competitive strategy, first, based on the company's competitive advantage and second, based on the scope of the company's competition in a wide or narrow market.

One type of business in Amali District, Bone Regency is the brown sugar industry that uses palm sap as the basic material. Lontar is a type of palm or Arecaceae that grows mainly in dry areas. The distribution of lontar is very wide from Saudi Arabia to Indonesia. In Indonesia, lontar is found in East Nusa Tenggara, East Java and South Sulawesi. Almost all parts of the lontar plant can be used, and lontar is called the tree of 800 uses. The main product of lontar is sap obtained from flower tapping, which can be drunk directly or processed into sugar. In South Sulawesi, lontar grows and is found in Jeneponto, Takalar, Gowa, and Bone Regencies. Lontar grows in dry land areas (fields/gardens) that are spread sporadically and in clusters, and of the four regencies, the largest is in Jeneponto Regency. Therefore, there are many brown sugar industries in South Sulawesi, one of which is in Amali District, Bone Regency. This brown sugar industry greatly affects the economy of the people in Amali District because this industry is one of the types of livelihoods of the local community. This causes a phenomenon where there is a gap between brown sugar makers in the competitive market which causes economic imbalance of local residents.

This occurs because of problems that include lack of capital to increase production and distribution, business management and limitations of the technology used. Therefore, the ability to maintain a business is needed amidst the many similar businesses around. Then another thing is the ability to compete and be honest by providing appropriate prices to the community. Where in Islam encourages its people to market or promote product prices correctly without any lies. Basically, there are several characteristics in sharia marketing that must be possessed by producers, namely being honest, trustworthy and advice. Honest is no element of fraud, trustworthy and advice means that producers are trusted to provide the best in their production process.

An effective competitive strategy can open the door to success for a company, encourage innovation, and ultimately provide added value to consumers. Brown sugar makers in Indonesia often adopt product differentiation strategies, such as creating variations in flavors or unique packaging, to increase their competitiveness in an increasingly competitive market. However, this is different from brown sugar entrepreneurs in Amali sub-district, the products sold are just like the products in general. Lack of access to funding sources can limit the ability of producers to increase product capacity or innovate.

In the coconut brown sugar industry in Rumbai Jaya village, Kempas sub-district, they adopt a marketing strategy that involves expanding outside their village, selling their products to various industries including the soy sauce industry and the steamed bread industry. This approach reflects an effort to achieve a wider market share and take advantage of opportunities at the industry level.

On the other hand, brown sugar in Amali prioritizes marketing that is focused on the local scope, limited to the village, local market and working with cake entrepreneurs

in the village. This policy may be based on efforts to maintain close relationships with local communities and meet the needs of consumers in the surrounding area.

This difference in marketing strategy also reflects the different distribution patterns between the two. Brown sugar in Rumbai Jaya village tends to explore regional and industrial markets, while brown sugar in Amali chooses to concentrate on local marketing to maintain sustainable relationships with local customers. In addition, brown sugar in Rumbai Jaya is involved in greater branding and promotion efforts, with the aim of creating a strong brand image at the regional level. In contrast, brown sugar in Amali may rely more on traditional marketing methods, such as word-of-mouth recommendations within the village.

This study aims to achieve two main things. First, this study aims to determine the competitive strategies applied by brown sugar makers in marketing their products in Amali District. Second, this study aims to examine these competitive strategies from a sharia economic perspective, so that it can be understood how sharia principles are integrated into brown sugar marketing practices in the region. Thus, this study is expected to provide comprehensive insight into the methods used by brown sugar producers to compete in the market and the suitability of these strategies with sharia economic values.

Research Method

This study is a field research that uses a qualitative approach to deeply understand the behavior and experiences of brown sugar makers in Amali District. With data collection techniques through observation, interviews, and documentation, this study focuses on competitive strategies in marketing brown sugar. The data obtained were analyzed descriptively qualitatively, starting with data reduction, data presentation, and drawing conclusions. The research location is in Amali District, Bone Regency, and was conducted from August 2023 until completion, with the main data source coming from brown sugar business owners and secondary data sources from related literature.

Discussion and Discussion

1. Competitive Strategy of Brown Sugar Makers in Marketing in Amali District

a. Strategy Formulation Process

In the case of brown sugar makers in Amali District, the strategy implemented is more inclined towards differentiation. They focus on high product quality, good service, friendliness in interactions with customers, and fair treatment of all customers. This strategy creates unique value for customers, not only from the physical product of high-quality brown sugar, but also from positive customer experiences. This strategy not only aims to increase short-term sales, but also to build a loyal and sustainable customer base, which in turn can increase their competitiveness in the local market. In strategic management that explains how companies can achieve and maintain a profitable position in the market, Porter argues that companies can achieve competitive advantage through two main strategies: differentiation or cost leadership. This is in line with research conducted by Muhammad Fajrul Falah (2020) that traders who provide good service become an attraction to consumers.

b. Marketing Strategy Implementation

Brown sugar entrepreneurs can survive and even thrive amidst challenges. This emphasizes the business's ability to anticipate, respond, and adapt to change and disruption while maintaining its operations. In the context of brown sugar entrepreneurs, business resilience is reflected in how they overcome various obstacles such as limited stock, seasonal production difficulties, and limited capital. They demonstrate strong adaptability by developing creative strategies, such as adjusting prices and extending production times, to retain customers and meet demand. Linnenluecke in his research underlines the importance of

this concept in modern management studies. He identified several key aspects of business resilience, including resilience to external disruptions, employee resilience, resilient organizational design, adaptability, and supply chain resilience. All of these aspects are relevant to the experiences of brown sugar entrepreneurs. This is in line with research conducted by Nurma Yulistiyaningrum (2021), that with limited capital, it is difficult for companies to develop their products, because capital is the main determinant in business. If the capital is small, automatically the development will be less than optimal, and vice versa.

c. Marketing Concept

The application of the five main marketing concepts (production, product, sales, marketing, and social marketing) by brown sugar entrepreneurs is in line with the Holistic Marketing concept put forward by Kotler and Keller. Holistic Marketing emphasizes the importance of integrating various aspects of marketing to create value for customers and other stakeholders. They do not only focus on one aspect of marketing, but try to integrate various elements: The production and product concept shows a focus on quality and efficiency. The sales and marketing concept shows an effort to understand and meet customer needs. The social marketing concept shows an awareness of social responsibility and the long-term impact of their business activities. This is supported by research from Fahrizal (2020) namely that in marketing there are five concepts that are the basis for implementing a company's marketing activities, namely the production concept, product concept, sales concept, marketing concept, and social marketing concept.

d. Marketing Mix Principles

The strategy implemented by these brown sugar entrepreneurs is in line with the 4P marketing mix concept (Product, Price, Place, Promotion) developed by McCarthy. Although the marketing mix is considered a classic marketing concept used by companies to offer products to consumers through differentiation and manipulation of the marketing mix. However, the marketing mix is an initial concept for developing marketing strategies that are currently developing which still require attention in marketing activities. Because seeing marketing that has shifted to a consumer-oriented concept such as creating superior value for consumers for products purchased or consumed, the basic concept of the marketing mix itself cannot be removed as a basis for developing customer value as a marketing strategy. This is supported by research from Fajriyah (2019), namely that the marketing mix is a combination of four variables or activities that are the core of the company's marketing system, namely products, price structure, place or distribution system, and promotional activities.

1. Competitive Strategy of Brown Sugar Makers in Marketing Based on the Perspective of Sharia Economics in Amali District.

Business success is essentially the success of the business in achieving its goals. A business is said to be successful if it makes a profit, because profit is the goal of people doing business. Entrepreneurship in Islam is not merely pursuing worldly profits, but also genuine profits in the afterlife by implementing the applicable trading laws.

According to Hermawan Kertajaya, this is also inseparable from four things that are the key to success in managing a business, namely:

a. Shiddiq (Honest)

Brown sugar entrepreneurs implement honesty in promoting and selling their products. They do not hesitate to explain the advantages and disadvantages of the product transparently to prospective buyers and do not manipulate prices. If there is a defect in the product, they honestly inform them before the transaction takes place. This honesty is considered an important foundation in their business, because it can build customer trust and bring blessings to the business.

b. Amanah (Responsibility)

Amanah, which means responsibility. Brown sugar entrepreneurs show their

responsibility in various ways. They do not make excessive or misleading promotions or advertisements. In the sales process, they pay close attention to customer rights and do not apply pressure or coercion in sales. If there is a product mismatch, for example in online purchases, customers are given the right to exchange goods. They also try to maintain the trust in product delivery, especially for orders outside the region. This responsible attitude reflects their commitment to product quality and customer satisfaction.

c. Fathanah (Creative and Innovative):

Fathanah, which means creative and innovative, is the third principle applied by brown sugar entrepreneurs in Amali District. They are not satisfied with just producing ordinary brown sugar, but continue to develop their creativity. This can be seen from the existence of various brown sugar form and innovation in its packaging. Some entrepreneurs even dare to develop their business with new ideas, such as collaborating with cake shop owners to increase sales. This creative and innovative attitude shows that they are not afraid to compete and continue to strive to improve the production and quality of their products and services. However, there are two brown sugar entrepreneurs who do not apply the fathanah trait, because they are not innovative in doing business.

d. Tabligh (Communicative)

Brown sugar entrepreneurs realize the importance of good communication in business. They do word of mouth promotion through the community and family, which shows the importance of social networks in their marketing strategy. In running a business, they maintain relationships not only with customers but also with fellow entrepreneurs who sell similar products. They avoid the practice of bringing down other businesses and focus more on improving the quality of their own products and services. Good, polite, and honest communication is always emphasized in serving customers, which reflects their professionalism in doing business.

The four are the traits of the Prophet Muhammad SAW which are already very well known among scholars, but are still rarely implemented, especially in the business world. These traits are the basis for every business activity of his which then become basic human attitudes that support the success of a business. The application of these four characteristics by brown sugar entrepreneurs in Amali District shows that they have integrated sharia economic values into their business practices. This is not only in accordance with Islamic teachings, but can also provide a competitive advantage in the long term. By implementing these characteristics, brown sugar entrepreneurs in Amali District not only run a business in accordance with sharia, but also build a strong foundation for sustainable business growth and benefit the surrounding community. Research conducted by Sri Devita Sari (2023) also revealed that from an Islamic economic perspective, competing does not only mean achieving competitive advantage and achieving profit, but also involves fulfilling Islamic values in all aspects of business.

Conclusion

Based on the results of data analysis and discussion of the study, several things can be concluded as follows:

1. The competitive strategy of brown sugar makers in marketing in Amali District applies various competitive strategies in marketing to increase their competitiveness in the local market. These strategies focus on product quality, good service, and the application of a comprehensive marketing concept. They use the 4P marketing mix principle (Product, Price, Place, Promotion) in their business strategy, which includes focusing on product quality and packaging, competitive and flexible pricing, strategic sales location selection, and promotion through various channels including digital media.
2. The form of competitive strategy implemented by brown sugar entrepreneurs in Amali

District is in accordance with the principles of sharia economics. In the sense that the implementation of competitive strategies carried out by brown sugar entrepreneurs in Amali District will not harm any party because it is based on the obligatory characteristics of the Prophet and Apostle, namely Shiddiq, Amanah, Fathanah and Tabligh. However, there are two brown sugar entrepreneurs who do not apply the nature of

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