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# Analysis of Sharia Business Strategy Implementation in the Batik Industry (Case study Batik in Pekalongan)

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#### Abstract

The research aims to explore the marketing strategy of Pekalongan Batik Entrepreneurs with this type of research through literature and field studies that are qualitative in nature. Collection techniques using interviews, observation and documentation. The results of the study can be concluded that Pekalongan Batik Entrepreneurs have carried out a marketing mix marketing strategy. They produce a variety of batik. The methods used are payment in cash and on time, distribution to the market, opening a batik shop. The market coverage ranges from within the city, outside the city, to outside Java. They use promotions with direct sales and utilize social media technology. Batik entrepreneurs in general have applied the principles of sharia marketing mix. As for those who haven't perfected sharia principles, such as using an interest-based paylater in the payment method. In addition, there are still entrepreneurs who dispose of batik waste water directly into waterways and rivers before being processed first. The strength possessed by batik entrepreneurs in Pekalongan is that they are able to produce batik products with various types, motifs and patterns. While the weaknesses are inadequate production sites, limited capital, incompetent workforce in production, and distribution costs which are still very high for consumers who are outside the city. The opportunity for Pekalongan Batik entrepreneurs is to maximize existing technology. While the threats are raw materials which tend to rise but the selling price is getting lower and the competition of batik entrepreneurs.

**Keywords**: Pekalongan Batik Entrepreneur, Sharia Marketing Mix.

### Introduction

Batik is one of the cultural heritages in the form of motifs or patterns painted on cloth using canting and liquid wax to form paintings of high artistic value. There are five techniques for making batik, namely written batik, stamped batik, tie dyed batik, printing batik, and dabbing batik. Batik is estimated to have existed in Pekalongan around 1800. Pekalongan is one of the largest batik-producing cities in Indonesia so that Pekalongan is nicknamed the City of Batik.

The increasing development of batik in Pekalongan has made many entrepreneurs start businesses in the batik industry. Batik entrepreneurs are people who are involved in the batik business from the production process to its marketing. The right marketing strategy can make the business grow. Marketing strategy according (Kotler & Keller, 2013) is a mindset used to achieve marketing objectives in a company regarding the specification of strategies for target markets, positioning, marketing mix and the amount of marketing expenditures.

Islamic marketing, namely connecting all marketing guidelines that do not conflict with Islamic rules and the Qur'an. Spiritual Marketing is an effort to spiritualize or apply spiritual values in every strategy, program and value implemented in marketing. The spiritual values in question are religious values or Islamic religious rules that originate from the Qur'an and Habawi Hadith. Conceptually, Spiritual Marketing is a process of creativity, taste, heart and intention (implementation) that is balanced by the integrity of faith, piety, and obedience to the Shari'a of Allah SWT. The understanding of spiritual marketing from a sharia point of view is to place restrictions on human material orientation which tends to be limitless, to provide space and energy in realizing spiritual passion and goals. Humans instinctively have lofty ideals that are not material in nature, but are more spiritually oriented. Although it is known that humans need material things to fulfill their physiological needs, fulfillment of their spiritual needs is also something that cannot be ignored (Fathoni, 2018).

The development of science and technology is marked by rapid progress in the field of information media and technology. Entrepreneurs can take advantage of social media and ecommerce applications. However, problems arise when there is still a batik industry that does not take advantage of technological developments in its marketing strategy. From here the author wants to examine the marketing strategy of the batik business from two levels, starting from well-known brands to those that are not widely known by the people in Pekalongan.

This research is based on previous research with the same topic, namely the research of Muhamad Masrur and Agus Arwani, Analysis of the Marketing Strategy of Batik Entrepreneurs in Banyurip Pekalongan Village Using a Sharia-Based Marketing Mix Approach. The results of this study indicate that 75% of batik entrepreneurs in Banyurip have applied the principles of sharia marketing mix. Meanwhile, 25% have not fully implemented sharia principles, with some still using the services of interest-based financial institutions for production capital, besides that there are still entrepreneurs who dispose of batik waste water directly into waterways and rivers before being processed first.

Research by Mohammad Rosyada and Anah Wigiawati, Pekalongan Batik Tulis UMKM Survival Strategies in the Middle of the Covid-19 Pandemic (Case Study on Pekalongan "Coastal Batik". The results of this study indicate that Pekalongan Coastal Batik uses a competitive strategy of product differentiation, development of innovation and creativity as well as good service. friendly and prime to consumers. In the promotion strategy, Batik Pesisir Pekalongan uses various kinds of promotion mix in marketing its products. The mix is as follows: Advertising (such as brochures, business cards, newspapers and billboards), Sales Promotion.

The next research is the research of Tafia Layalia Leksana and Pusvita Yuana, S.E, M.Sc entitled Analysis of the Feasibility of Muslim Fashion Sharia Business (Case Study on Craftaf Muslim Fashion Business). The results of this study indicate that the Craftaf Muslim fashion Sharia Business is feasible in every aspect specified, namely in the aspects of production, marketing, human resources, and finance.

Research conducted by Arif Zunaidi entitled Marketing of Madura Batik in the Perspective of Sharia Business Management (Case Study on "Jokotole" Batik in Bangkalan Madura). The results of this research are that in carrying out its marketing, Batik "Jokotole" uses a marketing mix strategy, namely paying attention to and maintaining a combination of product, price, promotion and distribution. If you look at the marketing carried out by Jokotole batik, the marketing that is carried out is still in accordance with Islamic rules.

### **Research Methods**

The type of research used in this research uses descriptive qualitative research. In line with that (Moleong, 2007) describes qualitative research as a research procedure that produces descriptive data in the form of written or spoken words from people and observed behavior. This type of descriptive qualitative research serves as a method for solving research problems by presenting, analyzing and interpreting the state of the research object based on facts in field research, but does not carry out hypothesis testing (Zellatifanny & Mudjiyanto, 2018).

The data collection technique used was the field study method in the form of individual interviews with informants. Individual interviews are a question-and-answer process through direct face-to-face contact between the interviewer and the person being interviewed (Sari, 2017). The second data collection is through observations on social media of batik entrepreneurs. Observation is an observation directly to the research object that aims to understand the problems and phenomena that exist in the research object (Agustian & Nugroho, 2020). The last collection of data is documentation. Documentation is a data collection technique in the form of notes, pictures that can be reported as legal evidence.

The data sources for this research are primary and secondary data sources. The primary data in question is information from the batik business owners in Pekalongan directly. There are two batik shops that are the object of research, namely Farizcraft and Batik Jlantir. Farizcraft is a batik brand that is well known by the people of Pekalongan. Batik Jlantir is a batik brand that is still in the process of being developed and is not well known by the people of Pekalongan. While the secondary data used is data sourced from journals and books that have something to do with the object of research. The data analysis method of this research is the inductive method, which is a method taken from concrete or specific research facts and then a general generalization is drawn.

# **Result and Discussion**

# Analysis of the Marketing Strategy of Batik Entrepreneurs in Pekalongan

Every company has a different marketing strategy. The role of marketing today is not only to convey products or services to consumers, but also how these products or services can provide continuous satisfaction to customers so that companies can generate profits through repeat purchases (Putri, 2017). There are four variables examined in this study, namely product, place, price, and promotion. The following describes the four variables of the marketing strategy of batik entrepreneurs in Pekalongan.

### 1. Product

Based on the research results in the form of interviews with batik shop owners in Pekalongan, it is known that both have their own advantages and disadvantages. What they both have in common is that they both produce their own goods, without supplying them from elsewhere.

Batik shops with brands that are well known and have developed for a long time have various types of products, ranging from tops, robes, kebayas, long dresses, kimonos, blazers, caftans, tunics, shirts, shorts, jogger pants, trouser covers, skirts, shawls, sandals, prayer rugs, bags, masks, sarongs, food covers, tablecloths, sheets, tissue holders, curtains and pillowcases. However, the product model is less varied because the batik cloth making techniques used are written batik and stamped batik. Hand-written batik is one of the most complicated and difficult batik techniques, because the process is still manual, starting from marking, crossing out with a brush or other tools by adding color and highlighting for the final result, so it takes a long time. On the other hand, the written batik technique gives an elegant and supple impression. Batik stamp is a batik technique using stamps made of copper to form motifs, which are then dipped in liquid wax and stamped on mori cloth (Nawawi, 2018).

Meanwhile, batik shops with brands that are not widely known and the business is still in the development stage only sell products in the form of tops, robes, blouses, tunics, and negligee. However, the store has a variety of models because it uses batik printing techniques. Printing techniques are batik techniques using screen printing or machines. The production process of batik printing is faster than other techniques, but the results are more rigid.

### 2. Place

The second marketing strategy is place. The place in question is the scope of distribution of the products produced. Pekalongan Batik entrepreneurs with well-known brands not only sell their products through shops, but also distribute them or become permanent suppliers for other cities such as Jogja, Bali and Semarang. Consumers come to the store directly or contact via cellphone which is then sent via package. So that Farizcraft is more focused on sales outside the city.

Meanwhile, shops that are still not widely known, according to the results of an interview with one of its employees on Friday, October 21, 2022, that Batik Jlantir has not yet become a supplier to other places or is still selling via shops and e-commerce. Batik Jlantir focuses on in-store sales, e-commerce, and resellers.

# 3. Price

One of the determining factors for consumers in purchasing goods or services is price. The price range for batik products from Farizcraft is from tens of thousands to millions of rupiah. The price is influenced by the production factor of batik which uses written and stamped batik. In addition, pricing is also influenced by the level of difficulty of the resulting batik motifs. Then the payment method in the Shopee application can be in the form of shopeepay, bank transfer, COD (cash on delivery), paylater, credit/debit card, and pay cash at partners/agents. As for direct purchases, payments are made using cash and credit/debit cards.

Prices for batik products from the Batik Jlantir shop range from sixty thousand rupiahs to two hundred thousand rupiahs. This is because Batik Jlantir uses a printing method that does not take a lot of time and costs. Then the payment methods in the shopee application are shopeepay, bank transfers, paylaters, credit/debit cards, and cash payments at partners/agents. As for direct purchases in cash.

### 4. Promotion

The next marketing strategy is promotion. According to Laksana (2019:129) in Herawati & Muslikah (2019) Promotion is a communication of information between sellers and buyers

with the aim of changing the attitude and behavior of buyers, who were previously unknown so that they become buyers and further improve the product.

Promotions carried out by Batik Entrepreneurs in Pekalongan are Farizcraft Shop and Jlantir Batik, both of which utilize social media and e-commerce applications. Farizcraft conducts promotions via Instagram, Facebook, Shopee and Tokopedia. However, based on observations made by researchers on Farizcraft's social media, Farizcraft is not active on social media, because Farizcraft has become a permanent supplier to other cities.

Meanwhile, Batik Jlantir uses more diverse social media, namely Instagram, Facebook, Telegram, Whatsapp, Shopee, Tokopedia, and has several resellers. According to observations made by researchers through social media, Batik Jlantir makes good use of social media and e-commerce applications. This is evidenced by sales at Shopee which have reached more than 1,500 sales, and are active in providing product information on Instagram stories.

# Analysis of Marketing Strategy for Batik Entrepreneurs in Pekalongan City Using the Sharia Marketing Mix Concept

According to Hermawan Kartajaya and Muhammad Syakir Sula Sharia Marketing is a strategic business discipline that directs the process of creating, offering and changing value from an initiator to its stakeholders, which in the whole process is in accordance with the contracts and principles of muamalah (business) in Islam.

This means that Shari'ah marketing, the entire process, whether it is the process of making, offering, or the process of changing value, must not have things that conflict with the Islamic contract and principles of muamalah. As long as a transaction can be guaranteed, and does not deviate from the principles of Islamic muamalah, marketing can be permissible.

In O.S Al-Ahzab 21 as follows: 26

Meaning: "And He sent down people from the People of the Book (Bani Quraiza) who helped them (the allied groups) from their strongholds, and He put fear into their hearts. Some of them you killed and some of them you captured." (Q.S. Al-Ahzab: 21).

The legal basis of marketing in Islam is contained in QS. Al-Kahf verse 19, which reads:

Meaning: "And thus We wake them up, so that they may ask one another. One of them said, "How long have you been (here)?" They replied, "We are (here) a day or half a day." Said (another), "Your Lord knows better how long you have been (here). So send one of you to go into town with your silver money, and let him see which food is better, and bring some of it to you, and let him be gentle and never tell anyone about you"

### 1. Product

Product is anything that can be offered in a market for consideration, purchase, use or consumption that might satisfy a need or want (Kotler & Armstrong, 2007). Products become symbols of personal attributes. From brands that are less widely known, the products produced are no less good than brands that are widely known.

One of the strategies in developing products carried out by Pekalongan Batik Entrepreneurs is to create a trademark to attract the public to become more familiar with the batik they produce. Consumers who buy products can judge sharply about the product. Good product quality and high quality are in the interests of the company to expand sales areas.

Batik Entrepreneurs in Pekalongan City prioritize honesty and stay away from fraud in their transactions. A product to be marketed is a halal product and has good quality. In a hadith it is stated: "Judge bin Nazam said: The Prophet said, "Sellers and buyers have equal voting rights before splitting up. If they are honest and willing to explain (the condition of the goods), they will receive blessings in their buying and selling. And if they lie and cover up (defective goods) the blessing of their sale and purchase will be erased." (HR. Al Bukhari no. 2825) (Nurcholifah, 2014).

Meaning: "A Muslim is a brother to another Muslim, it is not lawful for a Muslim to sell goods that have defects to his friends, unless he explains." (Narrated by Ibn Majah)

From the results of the interviews it can be concluded that batik entrepreneurs in Pekalongan produce their products using fabrics purchased directly from shops or through brokers. Interviews with Batik Farizcraft and Batik Jlantir shops in Pekalongan stated that these shops have their own production facilities in their homes and employ several employees who each have different tasks. The technique used by the majority uses printing, stamping, and writing techniques. Products produced by Batik Farizcraft entrepreneurs have premium quality materials. This is because the techniques used in the process of making batik are written batik and stamped batik. So that the products sold have high artistic value. While Batik Jlantir has ordinary product quality but has a variety of models because it uses batik printing techniques.

From the description above it can be concluded that the products produced by Pekalongan Batik Entrepreneurs are in accordance with sharia marketing ethics, because they use halal raw materials, real, clear quality and quantity.

### 2. Place

The next marketing strategy is a distribution or placement strategy. When deciding to distribute products to consumers, Pekalongan batik entrepreneurs contact parties outside the city via cell phones, and orders are sent via packages. Consumers come to the store when they are in town. The market coverage that has been entered by Pekalongan Batik Entrepreneurs is the islands of Java and Bali.

An Islamic entrepreneur will not commit unjust acts against other competitors, such as bribes to facilitate marketing or other actions. In determining locations or distribution channels, Islamic companies must prioritize locations that are in accordance with their target market so that they can operate effectively and efficiently. So in essence, in determining the marketing-mix must be based on the principles of fairness and honesty.

The results of an interview with one of the employees of the Pekalongan Batik entrepreneur stated that they chose a place to distribute their products through suppliers, agents, distributors and opened a shop. However, apart from opening shops, most Pekalongan Batik entrepreneurs produce their own products and then distribute them to various regions. The distribution strategy of Pekalongan Batik Entrepreneurs has different ways, namely

according to the range of their respective abilities which they consider to be more effective and efficient. Pekalongan Batik Entrepreneurs in choosing a place are in accordance with sharia marketing ethics, because they pay attention to benefit and avoid tyranny, and prioritize the convenience and comfort of producers and consumers in transactions.

### 3. Price

The next strategy is pricing. Based on the results of interviews and observations, it is known that Pekalongan Batik Entrepreneurs set reasonable prices and there is no element of fraud to customers. In addition, Pekalongan Batik Entrepreneurs set prices according to the type of batik quality. However, in the Shopee application, both stores activate the paylater feature. Based on the results of research conducted by Marinda Agesthia Monica regarding the analysis of Islamic law on ShopeePayLater electronic money loans in e-commerce, that analysis of Islamic law includes qard and DSN-MUI Fatwa No: 116/DSN MUI/IX/2017 concerning ShopeePayLater, that ShopeePayLater does not This is permissible because it contains elements that are contrary to Islamic law, namely increasing the principal debt, imposing other burdensome additional costs and discrepancies in the time between the due date and the time the contract is made.

Profits obtained in sharia business must be proportional without harming other parties. The emphasis on business ethics is the main barrier so that entrepreneurs do not fall into greed (Alma, 2013). This is explained in the Word of Allah SWT:

وَلَا تَبْخَسُوا النَّاسَ اَشْيَاءَهُمْ وَلَا تَعْثُوا فِي الْأَرْضِ مُفْسِدِيْنَ ۗ

Meaning: "And do not harm humans by reducing their rights and do not make damage to the earth." (As-Shura: 183).

### 4. Promotion

Promotions carried out by Farizcraft and Batik Jlantir are both using social media and e-commerce applications. Images used in promoting products, use real images and not stolen photos. Then there is a product description regarding the material and size of each product without exaggerating or reducing information.

" If the item is damaged, say it is damaged, don't hide it. If something is cheap, don't say it's expensive. If this item is bad, say it's bad, don't say it's good". (HR. Tirmidzi).

"The false oath spoils the trade and destroys the blessings of work." (HR. Bukhari and Muslim). حَدَّثَنَا عَبْدُ اللَّهِ بْنُ يُوسُفَ أَخْبَرَنَا مَالِكُ عَنْ عَبْدِ اللَّهِ بْنِ دِينَارٍ عَنْ عَبْدِ اللَّهِ بْنِ عُمْرَ رَضِيَ اللَّهُ عَنْهُمَا أَنَّ رَجُلًا ذَكَرَ لِلنَّبِيّ صَلَّى اللَّهُ عَبْدُ اللَّهِ بْنُ يُوسُفَ أَذَهُ يُخْدَعُ فِي الْبُيُوعِ فَقَالَ إِذَا بَايَعْتَ فَقُلْ لَا خِلَابَةَ عَلْمُ اللَّهُ عَلْمُ لَا خَلَابَةً

Meaning: It has been told to us ['Abdullah bin Yusuf] has informed us [Malik] from ['Abdullah bin Dinar] from ['Abdullah bin 'Umar radliallahu 'anhu] that there is a man telling the Prophet sallallahu 'alaihi wasallam that he was tricked into buying and selling. So he said: "If you are buying and selling, say "Sorry, but no fraud". (HR Al-Bukhori)

Marketing in a sharia review is based on the ethical guidelines of Islamic values contained in the Al-Qur'an and Hadith. Promotions in sharia review must comply with sharia rules reflecting truth, fairness and honesty to society. All information related to the product must be conveyed in a transparent and open manner so that there is no element of fraud and fraud in the promotion. Promotions that are not in accordance with quality or competence, for example promotions that are too high to display the imagination of consumers are included in the practice of deception and lies. For that kind of promotion is strictly prohibited in Islam. This is in accordance with the word of Allah SWT.:

كُلُّ نَفْسٍ بِمَا كَسَبَتْ رَهِيْنَةٌ

Meaning: "Everyone is responsible for what he has done." (QS. Al-Muddassir: 38)

# SWOT Analysis of Batik Entrepreneurs in Pekalongan

SWOT analysis is used to find out what strategy to use after seeing the strengths, weaknesses, opportunities and threats that the industry has. SWOT analysis is a management tool used to evaluate internal and external company information so that it can provide information on important issues for the company. SWOT analysis begins by identifying positive aspects, namely strengths and negative aspects, namely weaknesses from within the company. While from the external company identification opportunities (opportunities) and threats (threats).

Based on interviews with Pekalongan Batik Entrepreneurs, that they have several strengths, including in terms of varied motifs and products, so that they can attract consumers and not be boring, and the products produced are self-produced. Its online sales are also quite successful outside the province. In addition, the raw materials used are of good quality, the availability of raw materials is sufficient, the products produced are of good quality and competitive in the market, and the needs and desires of customers are taken into account in production.

The weaknesses of Pekalongan batik entrepreneurs in general are inadequate production facilities, limited capital, incompetent workforce in production, and distribution costs which are still very high for consumers who are outside the city. The increase in fuel prices also affected the level of demand from customers outside the city/province. Resellers will definitely consider whether to request goods from Pekalongan or not, due to the high cost of distribution.

The opportunity for Pekalongan Batik entrepreneurs is to maximize existing technology. With the rapid development of technology, it can help the development of the Pekalongan batik business, for example its use in marketing, such as the use of e-commerce social media for promotion. According to Ms. Anita in an interview conducted on October 21, 2022 "To take this opportunity, batik entrepreneurs must be smart in carrying out promotions, we must follow current trends, don't let the promotions we do lag behind current trends."

The obstacles or obstacles that can be a threat to Pekalongan Batik Entrepreneurs are the price of raw materials which tends to rise, but the selling price decreases because consumers want to get cheap or commensurate prices. Even though production capital has increased, entrepreneurs cannot increase prices. In addition, regarding the problem of using the brand at the Batik Jlantir shop, they said that sometimes there were resellers who bought the product but these resellers sold it under their own brand and did not include the Batik Jlantir shop brand. This will become an obstacle or a threat to Batik Jlantir, such as their store's not being well-known among consumers, because the products sold no longer use their shop brand.

### Conclusion

Batik entrepreneurs in Pekalongan are able to produce a variety of goods. Some of them have distributed their goods outside the city. From the results of interviews and observations conducted by researchers, entrepreneurs have implemented sharia business-based marketing strategies quite well, but there is one side that is not in accordance with Shari'a, namely the payment method in the shopee application that uses a paylater . The

advantage of Pekalongan Batik Entrepreneurs is that in producing their products they produce various types and motifs of batik which are then sold in various regions of Indonesia such as Yogyakarta, Bali, Semarang, and others. While the weakness is that there are still batik entrepreneurs who still dispose of waste water into rivers and ditches so that it has an impact on water pollution. It can damage the environment.

# Suggestions

This research is still limited, the researcher hopes that the researchers can complement the shortcomings of this research, so that better and more perfect research results are obtained so that they can contribute to the development of science.

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