

## Healthy Business Competition Strategy with Neighbors in Islamic Business Ethics in Bojongwetan

Grecia Adis Vanessa<sup>1</sup>, Nafila<sup>2</sup>, Na Jaemin<sup>3</sup>

<sup>1,2</sup> UIN K.H Abdurrahman Wahid

<sup>3</sup> SM Entertainment

[greciaadisvanessa@mhs.uingusdur.ac.id](mailto:greciaadisvanessa@mhs.uingusdur.ac.id)<sup>1</sup>, [nafila@iainpekalongan.ac.id](mailto:nafila@iainpekalongan.ac.id)<sup>2</sup>,

[najaemin0813@gmail.com](mailto:najaemin0813@gmail.com)<sup>3</sup>

**ABSTRAK:** Pedagang sembako adalah orang yang menjual kebutuhan pokok atau sembako, singkatan dari sembilan bahan pokok, seperti beras, gula, minyak goreng, tepung terigu, dan lain sebagainya. Mereka biasanya menjual barang-barang ini secara eceran kepada konsumen untuk memenuhi kebutuhan sehari-hari. Penelitian ini bertujuan untuk menggali strategi sehat dalam persaingan dengan tetangga dari perspektif etika bisnis Islam. Metode penelitian yang digunakan adalah kualitatif. Data dikumpulkan melalui wawancara mendalam dengan para pelaku usaha yang menjalankan prinsip-prinsip bisnis Islam. Hasil penelitian menunjukkan bahwa strategi sehat dalam persaingan dengan tetangga dalam bisnis, berdasarkan prinsip-prinsip etika Islam, mencakup tauhid, keseimbangan, kehendak bebas, tanggung jawab, kebenaran. Implikasi dari penelitian ini adalah bahwa praktik bisnis yang berbasis pada nilai-nilai Islam dapat membantu membangun hubungan yang lebih baik antara pelaku bisnis dan tetangga serta mempromosikan keberlangsungan bisnis yang berkelanjutan.

**Kata kunci:** Strategi, persaingan usaha dan sembako

**ABSTRACT:** A staple food trader is a person who sells basic necessities or basic necessities, short for nine staples, such as rice, sugar, cooking oil, wheat flour, and so on. They usually sell these items at retail to consumers to meet their daily needs. This study aims to explore healthy strategies in competition with neighbors from the perspective of Islamic business ethics. The research method used is qualitative. The data was collected through in-depth interviews with business actors who practice Islamic business principles. The results showed that a healthy strategy in competition with neighbors in business, based on Islamic ethical principles, includes tawhid, balance, free will, responsibility, truth. The implication of this research is that business practices based on Islamic values can help build better relationships between business people and neighbors and promote sustainable business continuity.

**Keywords :** Strategy, business competition and basic necessities

### 1. INTRODUCTION

Strategy is defined as a process of determining the plans of top leaders that focus on the long-term goals of the organization, accompanied by the preparation of a way or effort on how these goals can be achieved. Strategy is defined specifically as actions that are incremental (always increasing) and continuous, and are carried out based on the point of view of what customers expect in the future (Prahalad in Umar, 2001: 31). Strategy comes from the Greek strategos, which comes from the word stratos which means military and ag which means to lead. Strategy in its original context was defined as generalship or something done by generals in making plans to conquer the enemy

and win the war. It is not surprising that at first this strategy was popular and widely used in the military world. Meanwhile, if we follow it as a field of business research, the development of the business world in the decade of the 50s can be used as a foothold (Setiawan Hari Purnomo, 1996: 8). According to Siti Khotijah, strategy is the long-term goals and objectives of a company, and the direction of action and allocation of resources needed to achieve goals and objectives. And he also added that strategy is a pattern, method, purpose, goal and policy as well as important plans to achieve that goal, which is expressed in a way such as determining the business adopted by the company, and what type of company this company is (Siti Khotijah, 2004: 6)

Business or business competition is a rivalry between business people who independently try to get consumers by offering good prices with good quality goods or services as well (Mujahidin, 2007: 27). While business competition in Islam is a permissible competition, as long as the business competition is carried out in a healthy manner, but if the business competition carried out is monopolistic in order to take profits, then the Islamic economy prohibits it (Susanto et.al, 2019: 100). Healthy business competition is one of the indicators of national economic growth. Indonesia's current economic condition can be seen from the development of the business world. The progress of a country lies in the business sector, so that business competition law is present to provide structuring, and guarantees for the business world to continue to run (Asmah & Melantik, 2021).

Islamic Business Ethics, Business is an activity carried out by a person or group of people to provide goods and services with the aim of obtaining profits. While ethics is a supporting component of business people or businesses, especially in terms of personality, actions and behavior (Zamzan and Havis Aravik, 2020: 1). Basically, business ethics is no different from the concept of ethics in general. Business ethics is the application of general ethical principles to the actions and decisions of organizations and the behavior of their members (Thompson et al., 2018). Business ethics seeks to prohibit deviant business behavior that can be carried out by managers and employees of organizations (Salvatore, 2001).

Sharia marketing management is marketing that follows Islamic sharia principles with the application of Islamic values in the marketing process, including in planning, implementing, and controlling marketing activities based on Islamic sharia principles, which include justice, transparency, honesty, and the pursuit of the common good. In planning, consider the conformity of the product or service with sharia principles, including fairness in price and transparency in product information. In the process of market segmentation, it may consider the preferences and values of Muslim consumers, such as a preference for halal products or sharia-compliant investments. Products and services developed in the context must comply with sharia principles, such as not containing ingredients that are prohibited or do not involve practices that are contrary to Islamic teachings.

In promotion, emphasize messages that are in accordance with Islamic values, and ensure that the promotion does not violate sharia principles, for example by using inappropriate images or messages. The distribution of products and services must be in accordance with sharia principles, such as maintaining integrity and honesty in every transaction. Control includes monitoring compliance with sharia principles at every stage of the marketing process.

Research that has been carried out is examining minimarket marketing strategies that are in accordance with Islamic business ethics because they sell products with the halal logo from the Indonesian Ulema Council (MUI), do not hoard goods when ordering or purchasing for inventory in warehouses, standard prices, locations are in accordance with target consumers, promotions carried out every Friday and Saturday by providing discounts for certain products, And the right time strategy because it sells useful goods and does not oppose Islamic law.

Previous research only focused on one place, namely minimarkets that sell household goods such as groceries, school supplies, office equipment, electronic devices while for this research from 5 places grocery stores The perspective of Islamic business ethics is an approach to doing business based on Islamic principles which includes several aspects that guide Muslim business people, which includes morality, justice, transparency, prohibition of usury, morality and social responsibility.

Usually between neighbors will shirk because of the distance of adjacent locations such as next to each other or facing in one alley selling the same goods, but this does not apply in Bojong Wetan Village, Bojong District, Pekalongan Regency, precisely in the alley of Sekar Bakti RT. 4 RW.8 because the shops studied are still selling. The harmony of the residents of gang sekar bakti RT. 4 RW. 8 Bojong Wetan Village, Bojong District, Pekalongan Regency Although selling the same goods with adjacent locations such as adjacent and facing each other, researchers want to examine what factors affect business competition.

First, a journal research conducted by Muhamad Rizki Sudrajat, Zulfahmi Hanifa, Jacobus Jopie Gilalo, R. Yuniar Anisa Ilyanawati from the Faculty of Law, Djuanda University Bogor with the title "Healthy Business Competition Can Build a Sustainable Business Ecosystem" discusses the positive effects and examples of healthy business competition as well as policies and practices that promote good competition

Second, journal research conducted by Zaidatul Riskiyah, Bahtiar Effendi, Farida Rohmah from the Faculty of Economics and Islamic Business IAIN Pekalongan with the title "Business Competition of Vegetable Traders in Jeruksari Village, Tirto District, Pekalongan Regency in the Perspective of Islamic Business Ethics" discusses vegetable trader business competition (competition for products, prices, places, services) and Islamic business ethics on vegetable trader business competition practices (tawhid, balance, free will, responsibility, truth) in Jeruksari Village, Tirto District, Pekalongan Regency

Third, thesis research conducted by Nur Miladiyah Sani from the Faculty of Economics and Islamic Business IAIN Kudus with the title "Implementation of the 6R Strategy in the Retail Business to Face Business Competition in the Perspective of Islamic Business Ethics (Case Study of Minimarket Pura Tanjung Mas Kudus)" discusses the analysis of the implementation of the 6R strategy in the retail business, analysis of supporting and inhibiting factors of the retail business in facing business competition, and analysis of Islamic business ethics views on the implementation of the 6R strategy in retail business at the Pura Tanjung Mas Kudus minimarket.

Fourth, thesis research conducted by Khoirun Nisa from the Faculty of Economics and Islamic Business IAIN Kudus with the title "Analysis of Islamic Retail Business Strategies Facing the Rapid Franchise Minimarket (Business Competition Study at Gribig Kudus) discusses the analysis of Islamic retail business strategies facing the rapid franchise minimarket and analysis of the factors that support and hinder Islamic retailers in facing the rapid franchise minimarket in Gribig Kudus

Fifth, a journal research conducted by Siti Hofifah from the Faculty of Islamic Economics and Business, State Islamic Institute of Ponorogo with the title "Analysis of Business Competition of Seasonal Traders in Ngebel Ponorogo Viewed from the Perspective of Islamic Business Ethics" discusses that some traders do not use Islamic business ethics because of the large amount of competition and also for the purpose of obtaining as much profit as possible for their economic needs.

## **2. METHOD**

The research method used is a qualitative approach is a research approach that aims to understand complex phenomena in their original context. This is different from

quantitative research methods that focus more on statistical measurement and analysis, the source of data used is primary data, referring to information collected directly from the original source for research purposes or analysis sourced from interviews and observations for close distances or surveys by distributing questionnaires for long distances. Data were collected by survey, observation and interview methods. Observation is a method used in scientific research to collect data by observing and recording phenomena that occur directly. This method involves observing an object, event, or behavior observed with the aim of understanding or gathering information about it. An interview is a process of face-to-face communication between two or more individuals, in which one party asks questions and the other party gives answers directly. The main purpose is to obtain information, explore deeper understanding, or evaluate a person.

### **3. RESULT AND DISCUSSION**

#### **3.1 Overview of Bojong Wetan Village, Bojong District, Pekalongan Regency**

Bojongwetan is a village in Bojong sub-district, Pekalongan, Central Java, Indonesia. Bojongwetan village has a population of 2,441 people, consisting of 681 families, 1,247 males and 1,184 females.

#### **3.2 Observations**

In the observations made, it was found that the role of indicators as advantages and disadvantages is a factor in the competition of basic food stores in RT. 4 RW. 8 Bojong Wetan Village, Bojong District, Pekalongan Regency.

Kedai Zidan has advantages, namely in terms of low prices, strategic location because it is on the side of the road, friendly service and disadvantages, namely incomplete products and old service.

The blessing shop has the advantages of low prices than other stores around it, strategic location because it is on the side of the road, complete products, polite service using krama language and disadvantages only old service.

Love store has the advantage of strategic location because it is on the side of the road, fast service, complete products but the disadvantage is that the price is expensive than other stores around and the store is less clean.

Fatoni stores have the advantages that standard prices are not cheap or expensive, fast service, complete products including selling stationery and sandals and disadvantages that are less strategic locations because they enter the alley.

Slamet stores have the advantages that standard prices are not cheap or expensive and polite service but has disadvantages that are less strategic locations because they enter the alley, old service and incomplete products

Harti stores have the advantages that standard prices are not cheap or expensive, fast service, complete products and disadvantages that are less strategic locations because they enter the alley.

#### **3.3 Interview Results**

In the interview conducted, it was found that the strategy of each store to face the competition of the basic food store business in RT. 4 RW. 8 Bojong Wetan Village, Bojong District, Pekalongan Regency.

The researcher asked the food shop owners a question, *"What is your strategy in dealing with business competition when selling the same goods as neighbors?"*

*"Price is the most important element of buying so I choose to sell at a low price"* answered the answer from the Zidan shop which prioritizes price because for the lower middle class or mending people or people who like to save money really prioritize price in any purchase.

"By completing the product and providing a cheaper selling price even though the profit is a little" the answer from the blessing store prioritizes complete products and low prices. It does not emphasize too much to get large profits so that it prefers a little profit which is important not to harm.

"The store is not always crowded every day, but the need definitely makes us need to take more so as not to lose money and the needs are still met" the answer from Toko Cinta Kasih which prioritizes profits because the store is not always crowded every day to minimize losses and maximize profits for the needs of the family.

"Creating a self-service concept store like in a minimarket with a cheaper price than a minimarket so that buyers are satisfied in choosing the goods they want to buy" the answer from the Fatoni store that prioritizes store services for the convenience of buyers to be free to choose the products they want to buy like the minimarket concept but at a cheaper basic food store price.

"Actually, I also want to complete the products in my store, but the location of my stall is far from the store, so my shop sells potluck and as much as I can," replied the slamet shop who chose Lillahī Ta Alā to Allāh Almighty because he believed that sustenance had been divided according to the needs of His people.

"By completing the product even though selling in a place far from the highway but if the store is complete, buyers will definitely arrive" the answer from the harti store that prioritizes complete products even though the location of the store is far from a strategic location or far from the crowd and remains confident with the complete products sold, buyers will definitely come because they know the completeness of the store's products by word of mouth.

### **3.4 Factors of influence**

Here are the factors of competition for the basic food shop business in RT. 4 RW. 8 Bojong Wetan Village, Bojong District, Pekalongan Regency.

#### **3.4.1 Price**

The price of each price will result in a different level of demand for the marketing objectives of a company. In order to be successful in marketing a good or service, every company must set its price appropriately. The concept of production according to Philip Kotler "consumers will choose products that are available everywhere and cheap. In pricing activities in a company there are known several forms of price adjustments made, according to Lingga Purnama, namely discounts and discounts, promotional pricing, and discrimination pricing.

#### **3.4.2 Location**

Strategic location is one of the important factors and greatly determines the success of a business. According to Heizer & Render Strategic locations are drivers of cost and revenue, hence location often has the power to create a company's business strategy. A strategic location aims to maximize the benefits of the location for the company. Location is the place for every business and is an important decision, as a wrong decision can result in failure before the business starts. Choosing a business location must be carefully considered because the ease of reaching a place of business greatly affects the arrival of consumers. Meanwhile, according to Tjiptono, the factors of strategic location determination are accessibility, visibility, traffic, parking lots, expansion, environment, competition, government regulations. Site selection is very important because it is related to the size of operating costs, prices and competitive capabilities. The purpose of the strategy for retail and service professionals is to maximize revenue. The selection of retail locations and professional services that are easily accessible to consumers allows large quantities of sales to occur, thereby increasing company revenue. Business location selection is one of the business decisions that must be made carefully.

#### **3.4.3 Service**

Service quality is an important thing that must be considered and maximized in order to survive and remain an option by customers. According to Lubis, service quality is the expected level of excellence and control over that level of excellence to meet customer desires. Service quality is one measure of success in providing satisfaction guarantees for consumers. Consumers can objectively assess a service in an effort to create satisfaction. According to Kotler, there are five benchmark aspects in service quality, including

#### **3.4.4 Product Fittings**

A product is anything that can be offered to the market to satisfy a want or need. Kotler states a product is anything that can be offered to a market to satisfy a need or want. Consumers will see a product based on the characteristics or characteristics, or product attributes of the product. Indicators of product completeness, namely: Diversity of products sold, Variety of products sold, Availability of products sold, Kinds of brands available. Gilbert suggests The factors considered by a store in choosing the products it sells are:

From observations and interviews that have been carried out, the reason is that there are many basic food shops in RT. 4 RW. 8 Bojong Wetan Village, Bojong District, Pekalongan Regency still sells because buyers apply the principle of fair in buying equally because fellow neighbors feel bad if they don't buy it may be the same as the concept of buying alternately, for example yesterday bought at the Zidan shop then today buy at the blessing shop and then the next day buy at the Fatoni shop and the day after tomorrow buy at the Love Kasih shop as well as the following days.

### **3.5 Islamic Business Ethics on the Business Competition Practices of Food Traders in Bojong Wetan Village, Bojong District, Pekalongan Regency**

The results of interviews from 6 food traders in Bojong Wetan Village, Bojong District, Pekalongan Regency all answered that they are accustomed to carrying out Islamic business ethics every day because they do not want to add to sins and will fear the torture of Allah swt. And here is the description:

#### **3.5.1 Guardian (Kesatuan/Unity)**

Tawhid in Islamic business ethics is a very important and fundamental concept. Tawhid literally means "belief in the oneness of God" and is the basis of Islamic teachings. In a business context, monotheism teaches traders to realize that Allah is the only source of success and sustenance, and that all their actions in business should reflect obedience and devotion to Allah.

#### **3.5.2 Balance (Justice/Equilibrium)**

Balance Between Profit and Compliance: Food traders need to seek profit in their business, but must not forget their obligation to operate by Islamic principles. They must maintain a balance between achieving profitability and adhering to the moral and ethical values taught by the Islamic religion

#### **3.5.3 Free Will**

In Islamic business ethics, the concept of free will has an important role in determining the behavior of grocers. Free will refers to the ability of individuals to make choices and take responsibility for their own actions. In the context of business, free will demands that grocers act with moral awareness and responsibility, and respect the will of Allah Almighty in all aspects of their business.

#### **3.5.4 Responsibility**

Responsibility in Islamic business ethics is a concept that emphasizes the importance of grocers to be morally and socially responsible in every aspect of their business. This concept is based on Islamic teachings that require its people to assume responsibility for their actions before Allah Almighty and society. In the context of the staple food business, these responsibilities cover various aspects, ranging from product quality to relationships with customers and the community.

### **3.5.5 Truth (Benevolence)**

In Islamic business ethics, the concept of truth has a very important role in determining the behavior of grocers. Truth in this context includes honesty, integrity, and transparency in every aspect of business, as well as adherence to moral values taught in Islamic teachings. Food traders are expected to cling to the truth in their actions and behavior, both in trade transactions and in relationships with customers, suppliers, and the public.

Consider a situation where two clothing stores are across the street from each other. Healthy competition between these two stores might encourage them to improve product quality, offer more competitive prices, and provide better service to customers. This can create a dynamic environment where consumers have more choices and the possibility of getting better value. In addition, healthy business competition can also encourage innovation. For example, if one store starts offering a customer loyalty program or holds a special promotional event, other stores might respond in a similar way or find new ways to lure customers. As a result, consumers can benefit from increased product variety, more affordable prices, and a more engaging shopping experience. And supported by previous research by Zaidatul Meliputi penyajian data/informasi yang diperoleh dan menganalisis data/informasi sesuai dengan tujuan penulisan artikel.

## **4. CONCLUSION**

From the results of research and analysis of discussions that have been carried out, it can be concluded that food traders in Bojong Wetan Village, Bojong District, Pekalongan Regency in carrying out their business activities to face a healthy business competition between neighbors with four indicators, namely price, location, service, and completeness of products still reflect and prioritize the principles of Islamic business ethics that have been taught by the Prophet of Allah, namely the first principle monotheism in the sense of complete belief in the unity (oneness) of God, which means Allah as God Almighty, the second there is the principle of balance or doing justice, then the principle of free will, the principle of having a sense of responsibility in carrying out every activity carried out, and finally the principle of truth or doing good so that with the understanding of business competition from the perspective of Islamic business ethics, it is hoped that no other party will feel aggrieved.

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