

MARKETING STRATEGY ANALYSIS OF SHARIA MICRO FINANCIAL INSTITUTIONS IN MURABAHAH FINANCING PRODUCTS

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Abstract: This research was conducted with the aim of knowing various kinds of promotion strategies for Sharia micro-Sharia financial institutions with the object of research, namely BMT Samara in promoting financing products and identifying strategies to obtain and increase the number of members (customers). The product that is the focus of this research is the *murabahah* financing product. This research is in the form of field research with descriptive qualitative analytic methods. The research data comes from interviews, observations, and questionnaires. The results showed that BMT Samara implemented a promotional mix strategy, including: 1). Advertising through radio broadcasts, talk shows and banner media; 2). Sales promotion of its financing products; 3). Even and experiences through recitation activities, breaking fast with orphans in the month of Ramadan, and distributing gifts on *Idul Fitri*; 4). Public relations and publicity through the slaughter of sacrificial animals during *Idul Adha*; 5). Personal selling through the activity of reducing employees to the community accompanied by pamphlets; 6). Direct marketing through the internet, namely the website; 7). Interactive online marketing is carried out with social media accounts for Facebook, Instagram, and WhatsApp group; 8). Word of mouth marketing. The most dominant promotional strategy in attracting new members or customers is events and experiences and public relations and publicity. The implication of conducting this research is that a variety of promotional strategies are needed and continue to make marketing innovations for Sharia microfinance institutions in order to increase the number of members (customers) and maintain the existence of their superior products in order to be able to compete and develop in the midst of intense competition in the financial industry.

Keywords: *murabahah* financing, marketing strategy, financial institutions, micro sharia

1. Introduction

The very rapid development of Sharia financial institutions is very important for any Sharia financial institution to increase competitiveness, including by creating the right marketing strategy in winning the competition (Doole & Lowe, 2012). Hermawan Kartajaya and Philip Kotler explained that marketing has an important element consisting of strategy, tactic, and value. The strategy itself includes three aspects, namely segmentation, targeting, and self-positioning. The elements of the tactics that are carried out must also cover three aspects, namely

differentiation, marketing mix, and sales. Meanwhile, brands, services, and processes are included in the scope of values (Hanssens., Rust., & Srivastava, 2009). In the development of Sharia economics as it is today, the term marketing of sharia has also emerged. The meaning of the term is a social and managerial process by which a person or group obtains what they need and want through the creation and exchange of products and values according to the Shari'a. According to him, marketing of sharia is a new thing in Islam. However, Islam has become popular with the term da'wah which means invitation. In the Sharia context, marketing that involves the circulation of goods and services must be carried out based on norms and ethics so as to avoid fraud, carelessness and injustice (Wibisono, 2018); (Rahmawaty., & Rokhman, 2018).

Every company designs a marketing strategy with the aim of attracting its customers, thus the company will find it easy to achieve sales targets and increase market share. This also occurs in the banking industry, including Sharia banking or cooperative-based Sharia financial institutions (Sharia micro-kengan institutions), namely baitul maal wa tamwil (BMT). The strategy of a company is a combination of proactive actions by managers to improve the market position and financial performance of the company as well as the reactions needed to changes and unexpected market conditions and developments (Titman., & Grinblatt, 2002); (Hillier., Grinblatt., & Titman, 2011). Companies or financial institutions that offer products or services that are constantly innovating in marketing can be reflected in their promotional strategies (Budiyono., Muliasari., & Putri, 2021). Among these strategies can be carried out with a combination of promotional activities which include advertising, face-to-face sales (personal selling), publicity (publicity), sales promotion (sales promotion), direct marketing (direct marketing). Kotler, et al introduced the term marketing 4.0. The main rationale is that marketing must adapt to the natural change of customer paths in the digital economy. The role that marketers play is to guide customers along their journey from awareness to advocacy (Tho'in, 2018); (Kotler., Kartajaya., & Setiawan, 2019).

Globalization itself makes an institution or company more competitive if the company can connect with a community of customers and partners to create and innovate, and even with competitors to work together. Now, the flow of innovation that was previously vertical (from company to market) has become horizontal, meaning that the market provides ideas and companies are commercializing their ideas. Likewise, the concept of competition changes from vertical to horizontal. All this happened, the cause of the increasingly sophisticated technological developments (Kotler; Kartajaya; & Setiawan 2019).

In the world of Sharia banking, the *Murabahah* contract represents the main financing instrument. It can be seen, at the implementation level at Bank Syariah Indonesia, the *Murabahah* financing portfolio reaches 70–80% of the total financing. This condition does not only occur in Indonesia, but also affects the financing of Sharia banks in several countries, such as Malaysia, Pakistan, and others. Considering that *Murabahah* financing products are relatively simple schemes, namely cooperation and profit sharing agreements, including consumptive goods (houses, vehicles), far from usury transactions and are carried out in a short term with easier requirements, making this product much in demand by the public. . Therefore, the planned

marketing and promotional strategies must be directed to attract consumer interest in these products.

BMT Samara is a growing Sharia financial institution in the Sukoharjo area. One of the advantages is a pick-up and/or delivery service, which means that members have the facility to ask BMT officers to come over and deliver the selected product services. This BMT implements a marketing or promotion strategy in attracting new members and maintaining business continuity. To ensure the success of the implementation of the promotion strategy towards the achievement of marketing objectives, the promotion strategy also needs to be evaluated to determine the effectiveness of the strategy applied and the cost efficiency incurred, because the results are very useful for determining further policies and planning.

2. Literature Review

2.1. *Murabahah*

Murabahah is a *muamalah* contract in the form of a sale and purchase agreement between two parties who make transactions with mutual approval, where the buyer and seller agree on the selling price of the goods, which consists of the purchase price plus the purchase cost and the profit from the seller of the goods (Afrida, 2016).); (Ali & Miftahurrohman, 2016); (Hakim, & Anwar, 2017). In this case, banks or Islamic micro-institutions (BMT) become sellers and customers become buyers. In daily practice, the *Murabahah* contract is preferred by both Islamic banks and Islamic microfinance institutions because of certainty regarding the installments and margins of the transaction, where on the way after the contract there will be no changes to the margin as long as the member or customer does not experience a financing problem. or even bad financing (Fadhila, 2015); (Haryoso, 2017). It cannot be denied that most Islamic micro institutions, including in this case the Islamic banks in our country, are still profit / income oriented or in other words market-oriented.

Murabahah financing procedure features, namely the provision of funds or invoices which can also be interpreted as being equated with that for buying and selling transactions of an item at the cost of the cost or acquisition plus the agreed profit margin between the bank and the customer which obliges the customer to pay off the debt or pay the debt.

Murabahah is a sale and purchase contract for certain goods, in which the seller clearly states the goods being traded, including the purchase price of merchandise to the buyer, then he requires a certain amount of profit or gain. (Herry & Khaerul, 2013). *Murabahah* can also be interpreted as a sale and purchase agreement between the bank as the provider of the goods, and the customer who orders to buy merchandise. The bank receives mutually agreed benefits.

2.2. Marketing Strategy

In general, marketing strategy is a method or process used to achieve a marketing goal (Churchill, 2017); (Kerin, Hartley & Rudelius, 2014). Baehaqi & Suyanto explained that the starting point of the marketing strategy is justice, compassion, prosperity, and perfect wisdom (Baehaqi & Suyanto, 2019). The focus is on material, social and spiritual needs. The ingredients are noble morals. The end goal is blessed gain. According to the Indonesian Bankers Association (2018) marketing strategy is a derivative of the company's business strategy. In general, the

bank's business is oriented towards profit, growth (growth) and sustainability, which is reflected in the acquisition of profits, increasing quality assets, and improving service quality on an ongoing basis.

Marketing can be defined as a process of activity that is influenced by various factors, such as social, cultural, political, economic, and managerial. These factors ultimately influence each individual or group to get their needs and desires by creating, offering, and exchanging products that have commodity values (Abdilah & Rangkuti, 2019). According to Suyanto, marketing of sharia is a social and managerial process in which a person or group obtains what they need through the creation and exchange of products and values in accordance with sharia (Salma, 2018); (Baehaqi & Suyanto, 2019).

According to Kotler, promotion is a form of marketing communication. Marketing communication is a marketing activity that seeks to spread information, influence or persuade and or remember the target market or company (Sholihat & Rummyeni, 2018). Based on this explanation, it can be concluded that promotion is something that can make consumers willing to accept, buy, and be loyal to the company's products. In financial institutions, promotion makes people want to join as members to take available financing products. Promotional tools in sales are carried out in order to obtain a decision to purchase goods or services from consumers. Every day consumers are faced with various choices of goods or services, and require consumers to decide what goods or services they will buy or consume.

Robiah (2019) explains, in promoting a product or selling, the Prophet Muhammad SAW. set an example not to exaggerate a product with a view to luring buyers. Apart from that, he ordered not to take an oath with the intention of selling his wares. Even if there is, the Prophet. advises against taking such oath excessively, let alone perjury. As stated in the hadith history. In this context, brands should not simply view customers as targets. In the past it was common practice for companies to broadcast their message through various advertising media. Some companies even create subtle distinctions in order to stand out from the crowd and support their brand image. As a result, their branding is often treated as an outer shell package, allowing for a false representation of its true value. This approach is no longer effective, because with the help of their community, customers protect themselves from bad brands that target them.

3. Research Method

The type of research that has been carried out is field research with the object of research at BMT Samara in Sukoharjo. Based on the type and purpose, this research is a qualitative one. Qualitative research is an unstructured and explanatory research methodology based on a small sample that provides insight and understanding of the problem setting (Malhotra, Nunan, & Birks, 2017); (Malhotra, Schaller & Patil, 2017); (Silverman, 2020).

Sources of research data are using primary data and secondary data. Primary data obtained by directly visiting the object of research by determining the source of information sought in the form of questionnaires, observations and interviews. Secondary data is in the form of documentation data, available report data, articles, journals and books that support theoretical development. The data analysis technique in this study used descriptive research techniques.

4. Result

The results of research in the field show that BMT Samara has carried out a promotional mix model in its marketing with different intensities and quantities, which are fully varied and innovative in order to obtain and increase the number of members. The promotional or marketing mix includes:

1. Advertising/advertising. This promotional strategy can be seen in the advertising activities of BMT Samara through radio broadcasts, talk shows, and banner media during holidays, Ramadan, and BMT milad.
2. Sales promotion. This activity is carried out on time deposit products (mudharabah deposits). Promos are made by offering a 50:50 profit sharing ratio within a certain time, namely the beginning of the month of Ramadan up to ten days before Eid. A special promo is also given to members who carry out financing transactions with a minimum of 50 million and above in mid-November to mid-December, that is, they will get 0.5% more profit sharing. In the field, there were no special promotions related to *Murabahah* products. In fact, based on interviews, *Murabahah* products are superior among the others. However, for *Murabahah* products, the prices offered by BMT are negotiable and changeable. This is in accordance with Islamic law as exemplified by the Prophet Muhammad. Where the Prophet never took excessive advantage of every consumer he served, in fact, he set different ways according to the character of the consumer. Consumers who are happy to bargain, he rarely fix prices and prices are set based on the agreement he got. When faced with buyers who do not like to bid, he fixes prices that are appropriate and tend to be affordable for buyers. When there is a buyer who needs the same item (at the same time), he tends to auction off the item not looking for excessive profit, but enough.
3. Even and experiences that are reflected in the main family development program (MKU). The MKU strategy is carried out by determining the target community in certain areas based on suggestions from the members to hold a recitation with the theme of Islamic economics. In addition, activities are also held, such as breaking fast with orphans in the month of Ramadan, and distributing holiday gifts. From these activities, the researcher also identified the existence of a marketing strategy in the form of segmentation of the religious environment. This activity which was fully sponsored by BMT Samara became an interaction with the community so that it impressed. In the end, it is more convenient to offer BMT products based on sharia to people who tend to be religious. The author finds from the questionnaire and interview data, that the aspect of affection is the reason for choosing *Murabaha* products, on the other hand because of the need so that members feel interested, safe, and comfortable.
4. Public relations and publicity in the MKU program (Fostering the Main Family). MKU's strategy as a public relations and publicity strategy can be seen from the activities of slaughtering sacrificial animals in neighborhoods that have a majority of BMT members. This shows the strategy of public relations and publicity because with this *MKU-qurbani* activity it becomes a medium for building relationships between BMTs and the public (in these case, members). In this public relations and publicity strategy model, researchers also met the

scholarship program conducted by BMT. Various scholarships are given to parties with certain criteria, such as orphans and underprivileged children. Apart from scholarships, there is also training in writing articles and entrepreneurship for them. The management of BMT Samara sets the standard of customer service with greetings, smiles, and friendliness. These activities certainly provide a positive image of BMT.

5. Personal selling, personal selling is carried out by BMT with the *Gebyar program*. During the *Gebyar* activity, the employees were dispatched directly to the community area to meet in person. In addition to explaining BMT products directly, employees are provided with a set of leaflets as a means of connecting in communicating. On the other hand, employees are given SOPs to always greet, smile, and be friendly to candidates and members. In determining the target areas for this program, a segmentation strategy is carried out by determining criteria, such as the religious environment viewed from the routine of mosque congregations; qualified economic level based on indicators of businesses and residents' homes; recommendations from members who have transacted and have a history of smooth and good financing. Thus, the *Gebyar Program* is one of the personal selling strategies that is very effective for BMT Samara because this strategy is a combination of all promotional activities.
6. Direct marketing strategy, direct marketing carried out through the internet, namely the website. According to Sulistyono, the manager of BMT Samara, Kartasura Branch, said that internet media is not considered effective. In fact, this is homework for BMTs to also pay attention to online internet strategies. Ramadani (2018) also concluded that BMTs need to implement a more sophisticated promotional strategy using websites and mobile BMT applications that can facilitate inter-regional transactions in a time and cost efficient manner.
7. Interactive marketing strategy, interactive online marketing is carried out with social media accounts for Facebook, Instagram, and Whatsapp group. The formulation of a promotional strategy using social media that is carried out has several stages that can make it easier to achieve its goals. The steps taken are content creation, platform determination, program planning, program implementation, monitoring and evaluation. This strategy is intended to increase awareness, improve image, or create sales of products and services.
8. Marketing strategy of word of mouth, word of mouth marketing. Marketing by word of mouth is oral, written, and electronic communication between communities related to the advantages or experiences of buying or using products or services owned by BMT.

5. Conclusion

Based on the description of the research results, it can be concluded that BMT Samara is implementing a promotional mix strategy, including: 1). Advertising through radio broadcasts, talk shows and banner media; 2). Sales promotion of its financing products; 3). Even and experiences through recitation activities, breaking fast with orphans in the month of Ramadan, and distributing gifts on *Idul Fitri*; 4). Public relations and publicity through the slaughter of sacrificial animals during *Idul Adha*; 5). Personal selling through activities to reduce employees to the community accompanied by pamphlets; 6). Direct marketing through the internet, namely the website; 7). Interactive online marketing is carried out with social media accounts for

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