



Selling Micro, Small, and Medium Enterprises (MSMEs) Ice Jelly Products: Islamic Marketing Strategies

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Abstract

In the current era of globalization, the food and beverage industry sector is experiencing rapid growth, especially among MSME players, which reached around 66 million in 2023. Prophet Muhammad himself set an example for Muslims on how to conduct business with honesty, trustworthiness, and still achieve profit. In the case of Ice Jelly MSMEs products, the marketed beverages have applied Islamic marketing principles to ensure customer satisfaction. Islamic marketing has its own characteristics that are not found in conventional marketing. These characteristics should serve as the philosophical, theoretical, and practical foundation for a Shariah marketer in carrying out Shariah marketing activities. The goal is to enable MSMEs entrepreneurs, particularly in the beverage sector, to conduct their business or sell their products in accordance with Shariah marketing principles and the application of ethical principles based on Islamic values, providing both worldly and spiritual satisfaction for both sellers and consumers. Thus, the products sold meet the standards and requirements of selling, and consumers also receive quality products.

Keywords: Islamic Marketing, MSMEs, Strategy.

INTRODUCTION

Humans cannot escape from their daily needs throughout their lives. These needs can be categorized into three: primary needs, secondary needs, and tertiary needs (Osman *et al.*, 2024). Primary needs, commonly referred to as basic needs, are crucial for survival. They include food, clothing, and shelter, which must be fulfilled for individuals to survive. Food refers to the sustenance needed to maintain life and bodily health. Clothing encompasses garments necessary to protect the body from weather and environmental conditions. Shelter refers to housing that provides protection and comfort. Without meeting these primary needs, humans would not be able to live their lives properly, making these needs considered obligatory for every individual.

The development of the food and beverage industry in the era of globalization is rapidly advancing (Al-Shami and Abdullah, 2023). The role of the food and beverage industry, especially those operated by Micro, Small, and Medium Enterprises (MSMEs), is one of the main pillars of community economic growth (Lada *et al.*, 2023). The role of MSMEs is significant in Indonesia's economy,

with their number reaching 99% of the total business units. In 2023, the number of MSMEs reached around 66 million. The contribution of MSMEs to Indonesia's Gross Domestic Product (GDP) is substantial, reaching 61%, equivalent to Rp.9.580 trillion. Additionally, MSMEs employ approximately 117 million workers, which is 97% of the total workforce. These figures highlight the importance of the MSME sector in supporting the national economy, not only through its economic contributions but also through providing employment opportunities for the wider population. Thus, the food and beverage industry driven by MSMEs plays a key role in driving economic growth and improving the welfare of the Indonesian people. MSME operators need to understand which strategies are appropriate for running their MSME products (Lwesya and Mwakalobo, 2023).

Marketing is a part of strategic business with the main activity of offering goods and services to the targeted market (Jaiyeoba and Azam, 2023). However, many marketing practices are not in line with Sharia concepts due to a lack of understanding and boundaries of marketing concepts. Yet, trading according to Sharia must uphold Islamic values and avoid unjust actions that harm any party. This is in line with the words of Allah SWT, which means, "O you who have believed, do not consume one another's wealth unjustly but only [in lawful] business by mutual consent. And do not kill yourselves [or one another]. Indeed, Allah is to you ever Merciful." (QS. An-Nisa [4] verse 29).

Islamic marketing strategies for MSMEs, particularly in the food and beverage industry, have several research gaps that need to be further explored. Although Islamic marketing principles have been widely discussed, their concrete application in the context of beverage MSMEs such as Ice Jelly has not been fully explored (Su, Zhang and Wu, 2023). Previous research tends to focus on theoretical and philosophical aspects without considering practical implementation and challenges faced by MSME operators in the field. There is a need for more in-depth studies on how Sharia-based marketing can effectively enhance customer satisfaction while remaining competitive in a market dominated by conventional marketing strategies. Empirical studies on the long-term impact of Islamic marketing strategy implementation on the sustainability and growth of MSMEs are still very limited. Therefore, more research is needed on how digitalization and modern technology can be integrated with Islamic marketing principles, considering the shift in consumer behavior to digital platforms (Al-Malkawi, Rizwan and Sarea, 2023).

Sharia Marketing Theory Sharia marketing is marketing activities conducted in accordance with Islamic principles, which include honesty, justice, and trustworthiness. The basis of this theory comes from the Quran and Hadith, which teach good, fair, and beneficial trading practices for all parties involved. The characteristics of Sharia marketing include: (1) Theistic (Rabbaniyyah),

where Sharia marketing must align with divine principles that are sacred and just; (2) Ethical (Akhlaqiyyah), which prioritizes morality and ethics in all business aspects; (3) Observant (Al-Waqiyyah), which emphasizes cleanliness, tidiness, and simplicity; and (4) Humanistic (Insaniyyah), which respects all individuals regardless of race, skin color, nationality, or status. Marketers in the Sharia context should possess FAST qualities (Fathonah - intelligent, Amanah - trustworthy, Siddiq - honest, and Tabligh - communicative).

This reflects the virtues that a marketer should have according to Islamic teachings (Setyawati *et al.*, 2024). Principles and strategies of Sharia marketing include disciplined, honest, and trustworthy management; the use of IRMA Principles encompassing Islamic (based on Islamic values), Friendly (no price discrimination), Affordable (affordable prices), and Safe (safe for all parties); as well as internal 5S strategies (Smile, Salam, Sapa, Sopan, and Santun) and external strategies such as promotion through social media, zakat management, and collaboration with zakat institutions such as Lazismu. In terms of segmenting, targeting, and positioning (STP) in Sharia marketing, segmentation can adopt geographic, demographic, psychographic, and behavioral segmentation as exemplified by the segmentation done by the Prophet Muhammad SAW.

Targeting involves determining specific markets that are compatible with the available resources, while positioning focuses on creating a unique and memorable image in the minds of consumers, as exemplified by Prophet Muhammad SAW. The implementation of Sharia marketing in Ice Jelly MSME products involves honesty in promoting products, ensuring product quality as advertised, using safe and halal ingredients, and conducting promotions through social media and relevant events. Research on the marketing of MSME products, especially Ice Jelly products, through the Islamic marketing strategy, is an area of study that requires in-depth exploration.

The Islamic marketing principles applied in this context aim to provide satisfaction not only materially but also spiritually to all parties involved, namely producers, consumers, and the wider community. In literature, Islamic marketing is described as a system that not only prioritizes profit but also considers Islamic values such as honesty, justice, and trustworthiness. This is in line with the teachings of the Prophet Muhammad SAW, which emphasize ethics and morals in every business activity. Previous research such as that by (Utama *et al.*, 2024), suggests that marketing is not only about strategies to sell products but also about how the products can meet consumer needs in an ethical and responsible manner. In the context of Islamic marketing, this theory is strengthened by an emphasis on Sharia values that prioritize collective welfare and avoid practices that harm any party. Some studies also indicate that

the application of Sharia principles in marketing has a positive impact on consumer trust and loyalty.

Islamic marketing can build a strong relationship between producers and consumers because of the trust built through principles of honesty and justice. Additionally, according to (Izza and Rusydiana, 2023), Sharia-based marketing strategies can also enhance product competitiveness in the market as consumers feel safer and more satisfied with products marketed in accordance with Islamic values. Although Islamic marketing principles have been widely discussed, their application in the context of MSMEs, especially beverage products such as Ice Jelly, still requires further research.

Most literature tends to discuss theory and philosophy without considering practical implementation and challenges in the field. Research by (Anggara, Wijaya and Faradisi, 2023), emphasizes the importance of technology adaptation in Islamic marketing, but there is still minimal discussion on how MSMEs can integrate digital technology with Sharia principles in practice. Empirical studies on the long-term impact of implementing Islamic marketing strategies on MSME sustainability and growth are also limited. With changes in consumer behavior shifting towards digital platforms, more research is needed on how digitalization and modern technology can be integrated with Islamic marketing principles. This is important to ensure that MSMEs can remain competitive in a market dominated by conventional marketing strategies while upholding Islamic values. Through the identification and bridging of these research gaps, it is hoped that significant contributions can be made to the development of effective and sustainable Islamic marketing strategies for MSMEs. It is expected that the marketed products not only meet quality and ethical standards but also provide widespread benefits to society and support more inclusive and equitable economic growth.

RESEARCH METHODS

The research method used in this study is a qualitative descriptive method with a case study approach. This method aims to explore in-depth and detail the implementation of Islamic marketing strategies on Ice Jelly products run by MSMEs. This research involves data collection through in-depth interviews with the owners and employees of Ice Jelly MSMEs, direct observation of the marketing and sales process of the products, as well as analysis of documents and literature related to Islamic marketing principles. The sampling technique used is purposive sampling, where respondents are selected based on specific criteria relevant to the research topic. The data obtained are then analyzed qualitatively using thematic analysis techniques, which allow researchers to identify main themes and patterns emerging from the data. The results of this research are expected to provide a deeper understanding of the effectiveness and challenges of implementing Islamic marketing strategies in the context of

MSMEs, as well as their contribution to customer satisfaction and business sustainability.

RESULT AND DISCUSSION

In business, there is a growing awareness of ethics, honesty, and other Islamic principles. The Prophet himself set an example for Muslims on how to conduct business with integrity, fairness, trustworthiness, and still make a profit. These values are the foundation or law used in business. The Islamic economic market differs from the conventional economic market. Because the goal to be achieved in market movements is the happiness of all parties involved, in this case, consumers and producers without harming anyone. Marketing in Islam is a form of muamalah (economic transaction) permitted in Islam, as long as in all transaction processes it is preserved from forbidden matters by Sharia provisions.

Characteristics of Islamic Marketing

In the teachings of Islam, the characteristics of the soul in marketing must be based on the principle of *Habluminallah* and the rules established in the religion (Younis, Dimitratos and Elbanna, 2022). This is aimed at providing satisfaction to consumers and other stakeholders involved in the business process, both in worldly and hereafter dimensions, to achieve the pleasure of Allah SWT. Four main characteristics in Sharia marketing that can serve as a guide for marketers are as follows: first, theistic (*rabbaniyyah*), which indicates belief in the sacred Sharia principles as a fair and ideal foundation to prevent all forms of wrongdoing. Second, ethical (*akhlaqiyyah*), which prioritizes moral and ethical issues in every aspect of business. Third, observational (*al-waqiyyah*), which reflects a clean, neat, and simple attitude in conducting business. And fourth, humanistic (*insaniyyah*), which grants privileges to everyone regardless of race, skin color, nationality, or status. The qualities that a marketer must possess are manifested in the acronym FAST: *Fathonah* (smart), *Amanah* (trustworthy), *Siddiq* (honest), and *Tabligh* (preaching). Marketers are also expected to emulate the qualities or ethics of Prophet Muhammad SAW in business, such as honesty, nobility, and trustworthiness. According to Sutoyo (2016), in Islam, there are nine kinds of ethics (*akhlak*) that must be possessed by a marketing personnel, such as having spiritual personality (*taqwa*), having a good and sympathetic personality (*shiddiq*), acting fairly in business (*al-'adl*), serving customers humbly (*khitmah*), always keeping promises and not cheating (*tahfif*), being honest and trustworthy (*amanah*), and rejecting all forms of negative behavior such as suspicion, slander, and bribery (*risywah*).

Principles of Islamic Marketing

Muslim entrepreneurs are required to pay attention to ethics in every aspect of their business activities, including marketing and promoting their business digitally, to align with the values and principles of business ethics in Islam. In

conducting marketing, the application of strategies in accordance with Sharia principles is necessary. Management must be carried out with discipline, honesty, and trustworthiness, prioritizing integrity and trust. Marketing strategies should adhere to the IRMA Principle, which stands for Islamic, Friendly, Affordable, and Safe, emphasizing Islamic values in every aspect of business activities. Internal strategies can adopt the concept of 5S or investment in the hereafter, which includes smiling, greeting, conversing, politeness, and courtesy, as a form of implementing Islamic values in human relations. In external strategies, the use of social media for promotion, zakat management, and collaboration with Lazismu can be part of efforts to expand marketing reach while still adhering to Sharia principles. All of these are integral parts of Muslim entrepreneurs' efforts to run their businesses in accordance with religious guidance and provide benefits to society at large (Anggara, Wijaya and Faradisi, 2023).

Segmenting, Targeting, and Positioning in Sharia Marketing

In the context of Sharia marketing, segmentation strategies can be adopted by referring to the segmentation examples set by Prophet Muhammad (peace be upon him). This segmentation consists of four segments: Geographic Segmentation, Demographic Segmentation, Psychographic Segmentation, and Behavioral Segmentation. Then, in the targeting process, efforts are made to target the intended market more specifically due to resource limitations. By determining the target to be served, business efforts become more focused. In Sharia positioning strategies, the goal is to create offerings and develop the brand image or company to secure a unique place in the minds of consumers. The positioning approach becomes the key to success as a businessperson. Prophet Muhammad (peace be upon him) sold original goods that were authentic and in line with the demands and desires of consumers. There have never been complaints or accusations from customers that the services and products offered were disappointing. All of this is done to ensure that society remembers his products as high-quality products and develops a positive image of the brand or company he represents.

Concept and Implementation of Islamic Marketing Strategies

The concept of marketing in Islam is directed towards achieving the welfare of stakeholders, especially the general public, with reference to the guidelines found in the Qur'an and Sunnah. Sharia marketing is based on the theory of Maqāṣid Syarī'ah sourced from the Qur'an and Sunnah, where the exchange relationship in the business process emphasizes the aspect of maṣlaḥah (well-being) of human life, both in this world and the hereafter. The implementation of Islamic marketing strategies has become a very important and relevant topic in the era of globalization and increasingly fierce market competition. This strategy focuses on applying Sharia principles in various aspects of marketing, such as product, price, place, and promotion, with the aim of improving the

quality and diversity of products and enhancing customer satisfaction. In implementing Islamic marketing strategies, some businesses have shown awareness of the importance of integrating Sharia principles into various aspects of marketing (Arjang *et al.*, 2023). For example, in the MSMEs ice jelly product business, awareness of the importance of selling halal products free from prohibited elements and maintaining affordable prices for consumers has become a top priority.

Implementation of Islamic Marketing

Islamic marketing carries unique characteristics not found in conventional marketing. These elements form the philosophical, theoretical, and practical foundation for a Sharia marketer in conducting their marketing activities. In the context of product sales, ethical and religious aspects are the main focus of marketing strategies taught by the Prophet Muhammad (peace be upon him). Honesty is the primary identity, followed by a loving attitude towards buyers, keeping promises, and guaranteeing product quality. Specifically, in the case of beverage products like ice jelly, this honesty is demonstrated by selling products that match what is promoted or advertised. Sellers maintain product quality to avoid disappointing consumers, using safe, high-quality, and nutritious ingredients. Before being marketed, products are checked to prevent any possible negligence. Over time, MSMEs Ice Jelly products have adopted Islamic marketing strategies, ensuring that the products sold are in line with promotions and safe for consumers. Promotion is done extensively through advertising and social media promotion as well as through public relations activities and product exhibitions. Sales are conducted personally, both through direct sales and orders for private events. Digital marketing strategies are also utilized by leveraging social media and messaging apps to promote products while still adhering to Islamic marketing principles in disseminating information (Zainuddin, 2023).

Advantages of MSMEs

Home-based MSMEs ice jelly products offer flexibility and ease of innovation in line with the development of the times. With this characteristic, business owners can easily adapt to market changes and trends, thus able to improve the quality and diversity of the products offered. This condition also provides opportunities for entrepreneurs to delve into fields of business that align with their interests and abilities. This makes the process of their work more voluntary and enthusiastic. The ease of starting a business without large capital is also a distinct advantage. They can start a business with relatively small capital, thus avoiding major obstacles in starting a business. MSMEs also have the freedom to determine the prices of their products without having to go through complicated processes. This provides flexibility in adjusting prices to market conditions and consumer needs. The MSMEs sector has a unique business market segment, allowing them to offer different and more specific

products, thus attracting the attention of consumers with specific preferences (Al-Shaikh and Hanaysha, 2023).

Weaknesses of MSMEs

Competitive competition is a challenge faced by small and medium enterprises. When a business is trending upward in the market, there are usually many similar small businesses trying to imitate it (Islam, Ab Talib and Muhamad, 2024). This can lead to intense competition and demand innovative strategies from business owners to remain relevant and competitive in the market (Younis, Dimitratos and Elbanna, 2022). Limited capital is also a constraint often faced by MSMEs Small entrepreneurs rely on their own savings or loans from informal sources for working capital needs. This limited capital can restrict the ability of entrepreneurs to develop their businesses optimally (Mujiatun *et al.*, 2023). Limited market access is also a serious problem, as MSMEs often struggle to market their products or services widely due to resource constraints or lack of market information. This limits their ability to increase sales and expand market reach, posing a challenge that needs to be addressed for their businesses to grow and develop sustainably.

CONCLUSION

Islamic marketing is significantly different from conventional marketing, particularly in terms of its epistemological and axiological aspects. While conventional marketing is primarily driven by market demands, focusing on fulfilling market needs and desires even through various halal or non-halal means, Islamic marketing is oriented towards fulfilling these needs and desires based on noble principles and ethics derived from the economic principles of the Qur'an and Hadith. Rabbaniyyah, Akhlakiyyah, Al-wakiyyah, and Insaniyyah are the four characteristics of Islamic marketing based on the principles set forth in Islam, seeking the pleasure of Allah. Honesty, keeping promises, and ensuring product quality are contexts used in selling MSMEs Es Jelly products, as taught by the Prophet Muhammad SAW to benefit both sellers and consumers. Therefore, it is expected that this Es Jelly beverage product will continue to adhere to the concept of Sharia marketing.

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