

Online Based Marketing Strategy in Sharia Economic Prespective

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Abstract

Background: Online marketing, in the perspective of Islamic economics, is the implementation of marketing strategies that adhere to Sharia principles in selling products or services through digital platforms. Online marketing, from the perspective of Islamic economics, is based on Islamic values, including ethics, justice, honesty, and business transparency.

Research Objective: To understand the application of Islamic economic principles in the context of online marketing and to provide an understanding of online marketing from the perspective of Islamic economics. Research Method: This study employs a literature review method using relevant theories and data related to the researched issues.

Research Findings: A profound understanding of the Islamic economic perspective can assist in developing online marketing strategies that align with Sharia principles. This may involve avoiding prohibited business practices, ensuring that offered products or services are halal and adjusting marketing communication to align with Islamic values.

Conclusion: From the perspective of Islamic economics, online marketing strategies emphasize that technology-related activities should be based on Sharia principles, including the prohibition of riba (interest), the prohibition of Maisir (gambling) practices in the online environment, the prohibition of producing or selling prohibited products, and efforts to avoid gharar (uncertainty).

Keywords: Marketing Strategy, online, Islamic economic perspective

A. Introduction

In the continuously evolving digital era, online marketing has transformed how businesses interact with consumers and reach market segments. The presence of the internet and digital platforms presents new opportunities for promoting products and services. From the perspective of Islamic economics, the approach of online marketing offers unique challenges and opportunities.

Islamic economics is founded on the principles of Islamic law, where justice, sustainability, and business ethics are core elements. Within this framework, conducting online marketing activities while considering Sharia aspects that involve honesty, transparency, fairness, and sincerity is crucial. The combination of digital technology and

Sharia principles opens the door to developing marketing strategies that are more ethical and have a positive impact. Many corporations and industries today are transitioning towards digital marketing and facing an increasing number of Muslim populations in various countries seeking halal products in trade activities (Syafri & Hadziq, 2021).

Online marketing enables businesses to reach a broader market segment and diversify their consumer base. However, the success of online marketing strategies within the context of Islamic economics is not solely measured by financial profits but also by social impact and the long-term sustainability of the business. Therefore, a profound understanding is needed to implement Sharia principles in online marketing, ranging from creating to delivering products or services to consumers.

In today's digital era, many Muslim communities utilize the internet to share information about lifestyles and employ digital trading tools to search for halal products such as food, clothing, and various topics related to Muslims and Islamic teachings. Recently, they have been utilizing various social media platforms like Facebook, Twitter, YouTube, WhatsApp, Instagram, and even several e-commerce platforms to engage in these activities (Syafri & Hadziq, 2021).

B. Literature Review

Marketing Strategy

Marketing Strategy, as stated by Kurniawan (2020), refers to the understanding of marketing mechanisms, and through this understanding, companies are expected to achieve their marketing goals and objectives. Marketing strategy involves decision-making regarding marketing expenses, the marketing mix, and distribution allocation.

From the perspective of Islamic economics, marketing encompasses all business activities involving the creation, offering, and transformation of value, enabling business entities to grow and optimize benefits. This is done based on ethical principles such as honesty, justice, transparency, and sincerity, guided by processes in line with the principles of contractual agreements (muamalah) (Alma & Priansa, 2011).

In essence, marketing strategy outlines how marketing goals are achieved through the implementation of the 7Ps marketing mix concept.

1. *Product*

A product or service is provided to fulfill customers' needs and satisfaction, whether they are basic (primary) needs or additional (secondary) needs. The primary importance is to maintain the quality of the product, where the traded goods must have clarity and an adequate level of quality so that potential buyers can easily assess the product.

2. *Price*

Price can be explained as a manifestation of a value related to the product's benefits and quality, perceptions formed through advertising and promotion, availability of the product through distribution channels, and the accompanying services.

3. *Place*

The place is explained as distribution. Distribution refers to how products can reach the end consumers, the customers, with minimal costs while not compromising customer satisfaction and its impact on the company's stability. Furthermore, the place can also be interpreted as selecting a business location or site. Determining the right location is based on more than just strategic considerations and ease of access to the location.

4. *Promotion*

Promotion is an effort to communicate messages from the seller to consumers or other parties in the context of sales marketing to influence attitudes and actions. In order to direct persuasive messages to target buyers and the public, companies use advertising through various media, including both offline and online.

5. *People*

People are individuals working in the service industry, especially employees who exhibit excellent performance. Consumer demand for employees with high performance will impact customer satisfaction and loyalty. Solid knowledge and skills will form the core competencies within the company's organizational structure and also create a positive image externally.

6. *Process*

The process is a series of steps necessary to provide products or services with

optimal service quality to consumers. A process may involve methods or procedures to fulfill consumers' needs for a specific product. Swift, easy, and friendly service provides added value to consumers for that product.

7. *Physical evidence*

The physical appearance of a company significantly impacts customers' decisions to purchase or use the offered products or services.

Online Based Marketing

According to Kotler and Armstrong (2018), online marketing is a business effort undertaken by a company to promote products and services and build interactions between the company and consumers through Internet platforms. Internet marketing is one form of marketing strategy that involves the use of websites as a means to promote products and services, as well as to engage with customers through the Internet network (Setyaningrum, 2015).

The global proliferation of internet usage has facilitated business entities in expanding or targeting their markets for the products or services they offer. For consumers, internet access provides convenience in searching for and obtaining the products or services they need. Hence, marketers need to have a profound understanding of the positive emotional experiences felt by individuals when actively engaging in online activities.

Marketing in the Perspective of Islamic Economics

According to Islamic principles, marketing is a form of permissible muamalah (business transaction) in Islam as long as all transaction stages are free from elements prohibited by Sharia law. Shariah marketing is a strategic business discipline in the business world that guides the process of creation, offering, and value transformation from an organizer to its stakeholders, which aligns with the principles of contracts (Akad) and the principles of muamalah (business transactions) in Islam (Kertajaya & Sula, 2008).

The main objective of Shariah marketing can be categorized into two forms:

1. Marketing Shariah

Marketing Shariah is an activity that involves the promotion of products or services that adhere to Shariah principles. Companies that manage their business based on Shariah principles must work and behave professionally in the business world. Moreover, public awareness of the uniqueness offered by Shariah-based companies still needs to be improved. Therefore, a holistic marketing program is needed, including emphasizing the values of Shariah products and ensuring that consumers positively accept these products.

Enacting Shariah Principles in Marketing An accurate understanding of the role of marketing is required, including the importance of ethical and moral values. Islamic Shariah, which encompasses ethical and moral principles, serves as a comprehensive foundation that is expected to strengthen the role of marketing in maintaining the integrity, identity, and image of the company. Furthermore, by applying Shariah principles in marketing, a company will not solely focus on individual profits, as marketers will also strive to create, offer, and even transform values for their primary stakeholders.

The implementation of Shariah in marketing variables can be observed in various aspects. For instance, in the product aspect, goods and services must have good quality and adhere to consumer promises. In the pricing variable, customers will be offered competitive and fair prices. In the distribution channel, Shariah-oriented businesspeople will avoid unfair behavior towards competitors. In terms of promotion, businesspeople who follow Shariah principles will distance themselves from advertisements that involve pornography, defamation, and promotions that justify any means.

Rasulullah SAW has taught his people the importance of trading by adhering to Islamic ethical values. In the context of economic activity, Muslims are given directions to avoid improper behavior. On the contrary, they are directed to carry out economic activities in a spirit of mutual blessing, as stated in the word of Allah Ta'ala: (Sura An-Nisaa: 29).

يَا أَيُّهَا الَّذِينَ ءَامَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبُطْلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ
تَرَاضٍ مِّنْكُمْ ۚ وَلَا تَقْتُلُوا أَنْفُسَكُمْ ۚ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

It means:

You who believe, save for trade that is carried out with mutual consent, do not waste each other's money. Moreover, remember that Allah is Most Merciful to you; avoid killing yourself. (QS. An-Nisa: 29).

C. Research Method

This study applies the literature study method, which uses theory and data relevant to the researched issues. The theoretical basis and data are obtained through reading materials such as books, scientific journals, statistical data, and other sources. The approach used in this study is descriptive, where explanations are given regularly regarding the facts collected by the researcher. The discussion presented is based on references examined through verses of the Qur'an, hadith, and fiqh literature. From these references, the opinions and arguments of the experts are reproduced along with the basic arguments they use. Next, the experts' opinions are cited along with the arguments they base them on, and their opinions are drawn to conclusions.

D. Results and Discussion

Marketing strategy

A marketing strategy is a plan and a series of steps devised to achieve the marketing objectives of specific products or services. This plan encompasses various actions aimed at efficiently distributing, promoting, and selling products and services to the target market. The primary goal of a marketing strategy is to enhance consumer awareness, build a positive brand image, increase sales volume, and achieve a competitive advantage within the market. Several critical elements in a marketing strategy include:

1. Market Segmentation

We are identifying specific target groups within the market based on demographic, behavioral, or psychographic characteristics.

2. Brand Positioning

It determines how a product or service will be positioned in the minds of consumers compared to its competitors, emphasizing the unique value offered.

3. Marketing Mix (Marketing Mix)

A combination of marketing elements such as product, price, promotion, distribution, employees, processes, and physical evidence is strategically organized to achieve marketing objectives.

4. Promotion and Advertising

We design effective promotional campaigns to enhance consumer awareness and interest in products or services.

5. Distribution

We are establishing appropriate distribution channels to deliver consumer products or services efficiently.

6. Pricing

It is determining the right price based on market analysis, production costs, and the desired value for consumers.

7. Innovation and Differentiation

We are creating added value or distinctive features in products or services to differentiate them from competitors.

8. Customer Service

Building positive connections with customers through service that meets expectations and prompt responses to inquiries and issues.

9. Evaluation and Analysis

We are evaluating by monitoring the performance of marketing strategies, collecting data, analyzing results, and making adjustments when necessary.

Online Based Marketing

Online marketing is an approach that utilizes digital platforms and the internet to carry out the promotion, sale, and distribution of products or services to the targeted market segments. Digital marketing encompasses various methods tailored to the type of

product, service, and target audience. Some online marketing strategies that can be employed include:

1. Search Engine Optimization (SEO)

SEO as an online marketing strategy aims to ensure that your website appears on the first page of Google search results. However, this is achieved without relying on Google Ads. The main factors here are the quality and relevance of the content on the company's website.

2. Pay Per Click (PPC)

PPC is a marketing strategy that involves paid advertisements for products or services, where costs are associated with the number of clicks received from consumers. Its benefits include: a. Managing the budget for ads with reasonable control b. Targeting specific consumers as intended c. Freedom to choose platforms for displaying ads according to business needs d. Controlling the duration of ad visibility as desired

3. Content Marketing

One of the most common approaches in online marketing is content marketing, where various types of content, such as articles, infographics, e-magazines, or videos, can be created and published on the company's website and social media platforms.

4. Affiliate Marketing

A strategy in online marketing involves partnering with fellow entrepreneurs to promote each other's products mutually. This strategy has the potential to increase sales volume and expand the business network, making it more widely recognized. Online marketing offers consumers many benefits, such as comparing brands, checking prices, and placing orders for goods from various locations. There are no limitations for consumers to obtain information about the products or services they desire (Bertha Silvia Suteja, 2006).

Development of Online-Based Marketing in Indonesia

Since the emergence of the Covid-19 pandemic, digital transactions have experienced rapid growth. This is evident from the increase in the value of product

purchases through e-commerce websites and applications in Indonesia by 67%, from Rp 671 trillion to Rp 1,001 trillion (trenAsia, 2021). This projection also indicates that this growth is expected to surge by over 100% in 2025.

From the description above, the future of online marketing shows very positive potential. Therefore, business actors must adjust their market orientation strategies by using online marketing approaches. The online marketing approach can provide several advantages, including growth potential, cost reduction, more elegant communication, better control, improved customer service, and the creation of a competitive advantage. Businesses need to ensure that their processes align with economic developments. If businesses fail to recognize the potential benefits of online marketing, the consequences could include decreased productivity, revenue, and effective communication.

Therefore, to maintain competitive advantage, increase revenue, and strengthen communication, businesses must design innovations to meet customer needs and ensure the implementation of technology strategies (Chen and Liu, 2017). Based on research conducted by the Institute for Economic and Social Research (LPEM) at the Faculty of Economics and Business, University of Indonesia, it is revealed that there are five main reasons why merchants choose to engage in online buying and selling through e-commerce. The primary reason is business time flexibility, reaching 63% of respondents. Furthermore, 58.69% of sellers state that there is ease in conducting and managing online businesses. The third factor attracting sellers to choose online selling is lower costs than opening physical stores, with a percentage of 49.52%. Sellers also note that online selling provides the potential to reach a broader market, which reaches 48.69% of respondents. Lastly, 44% of sellers claim online selling only requires small capital.

Online Marketing in a Sharia Economic Perspective

Like conventional buying and selling transactions, the online buying and selling system through E-commerce is a modern form of transaction. While conventional buying and selling is conducted in person and involves physical goods, this principle does not apply to online buying and selling. In the online system, sellers and buyers do not interact directly but meet in a digital environment where the offered goods are usually

displayed in an online catalog. However, despite this, this type of transaction has advantages for both parties (sellers and buyers). Buyers can quickly obtain desired goods through their smartphones, make transactions, and then receive the delivery of the goods. On the seller's side, this approach is also beneficial because sellers can open online stores and await buyer orders, manage the product processing process, and receive sales proceeds.

Nevertheless, in the context of muamalah or Islamic commercial law, the standard buying and selling process, as regulated in Islam, requires a physical meeting between the seller and the buyer involving physical touchable goods. Such a transaction system does not apply to online trade. Online marketing, from the perspective of Islamic economics, is the implementation of marketing strategies that follow Sharia principles in selling products or services through digital platforms.

Online marketing in Islamic economics is based on Islamic values encompassing ethics, justice, honesty, transparency, and openness in every aspect of business. In online marketing based on Islamic economics, companies must ensure that the products or services offered are halal and comply with Sharia principles. This involves not only the financial aspects but also the social and moral impacts of the products or services in society.

Online marketing, from the perspective of Islamic economics, also prioritizes fairness in pricing and transactions while minimizing *riba* (interest) and *gharar* (uncertainty) in transactions. Online marketing based on Islamic economics aims to achieve blessings and prosperity in this world and the Hereafter and to maintain a balance between business goals and religious principles. As Allah SWT says, "*And give full measure when you measure, and weigh with an even balance. That is the best [way] and best in the result.*" (Quran, Surah Al-Isra, 17:35).

الَّذِينَ يَأْكُلُونَ الرِّبَا لَا يَقُومُونَ إِلَّا كَمَا يَقُومُ الَّذِي يَتَخَبَّطُهُ الشَّيْطَانُ مِنَ الْمَسِّ ذَلِكَ بِأَنَّهُمْ قَالُوا
إِنَّمَا الْبَيْعُ مِثْلُ الرِّبَا وَأَحَلَّ اللَّهُ الْبَيْعَ وَحَرَّمَ الرِّبَا فَمَنْ جَاءَهُ مَوْعِظَةٌ مِنْ رَبِّهِ فَانْتَهَى فَلَهُ مَا
سَلَفَ وَأَمْرُهُ إِلَى اللَّهِ وَمَنْ عَادَ فَأُولَئِكَ أَصْحَابُ النَّارِ هُمْ فِيهَا خَالِدُونَ

It means: "Those who consume interest cannot stand [on the Day of Resurrection] except as one stands whom Satan is beating into insanity. That is because they say, 'Trade is [just] like interest.' But Allah has permitted trade and has forbidden interest. So whoever has received an admonition from his Lord and desists may have what is past, and his affair rests with Allah. But whoever returns to [dealing in interest or usury] - those are the companions of the Fire; they will abide eternally therein." (Quran, Surah Al-Baqarah, 2:275)

E. Conclusion

Online marketing results from technological advancements to promote products or services to efficiently reach the company's target by meeting consumer needs. The media used in online marketing include online advertisements, emails, social media, text messages, websites, and similar platforms.

From the perspective of Islamic economics, online marketing strategies emphasize that technology-related activities should be based on the principles of Sharia law. Therefore, business actors engaged in online marketing must understand the challenges that may arise when they aim to conduct online marketing by Islamic values. Some of these challenges include issues related to branding, determining the halal or haram status of a product, and addressing legal matters.

In addition to these three challenges, businesses operating through Sharia-compliant marketing have distinct characteristics based on Sharia law, including the prohibition of *riba* (interest), the prohibition of *maisir* (gambling) practices in the online environment, the prohibition of producing or selling prohibited (*haram*) products, and efforts to avoid elements of *gharar* (uncertainty). The ultimate goal of online marketing strategies from the perspective of Islamic economics is to achieve well-being and prosperity, both in worldly life and the Hereafter. This goal is the primary differentiator between Islamic-based marketing and other marketing models.

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