



## What is the Model of Sharia Marketing in Islamic Microfinance Institutions?

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### ABSTRACT

Good marketing practices have not matched the rapid growth of BMT in Indonesia in the field. The main problems of BMT are weak funding and tight competition among BMTs. This study aims to analyze the concept, implementation, and strategy of Sharia marketing in BTM Jawa Tengah. This research uses a qualitative descriptive approach using a case study type. The object of this research is BTM Jawa Tengah. Data analysis in this qualitative research uses descriptive analysis. The results of this study conclude that the concept of Sharia marketing in BTM Jawa Tengah is Sharia-driven or is driven by Sharia as a source of law that is oriented towards meeting the needs and desires of BTM Jawa Tengah consumers and creating value for them as long as it does not conflict with the Qur'an and Hadith. The implementation of Sharia marketing at BTM Jawa Tengah uses the characteristics of Sharia marketing that uphold fairness, honesty, and transparency regarding margin setting and profit sharing and uses the nine ethical principles of Islamic marketing, which shows that the marketing strategy at BTM Jawa Tengah is appropriate and meets the sharia marketing perspective. The Sharia marketing strategy carried out by BTM Jawa Tengah is by determining product and service market segmentation. BTM Jawa Tengah carries out marketing activities according to the target market. This is done by looking at the needs of prospective customers. The final strategy is to apply to the position and apply traditional, conventional, and Sharia marketing in combination and simultaneously. The theoretical implications of this research can strengthen existing Sharia marketing theories. Practically, the findings of this study serve as a reference for BMT managers who wish to apply the Sharia marketing model.

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## Introduction

In the current era of globalization, people in developed and developing countries need Islamic microfinance institutions (such as BMT or *Baitul Maal wat Tamwil*) as a place to

carry out various financial transactions that are more accessible to them (Rusydia & Devi, 2013) because BMT is the most flexible Islamic financial institution in conducting financial activities (Saâdaoui & Khalfi, 2022). The financial activities most often carried out by people in developed and developing countries

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are saving and distributing funds (Wanita & Sofyan, 2019). BMT is a very strategic Sharia microfinance institution in Indonesia. It has an important role in economic development. The community's need for BMT is not limited to channelling and saving funds but also to its social services, such as *zakat*, *infaq*, and *shadaqah* (Adinugraha et al., 2023). BMT is one of the Sharia microfinance institutions experiencing rapid progress in Indonesia (Nurohman & Muafiah, 2021). Because almost all of its products are carried out by Islamic law principles (Aji et al., 2020). Through a profit-sharing system, it is felt to have high fairness in financing and funding. This growth is supported by the clarity of legality, namely Law Number 1 of 2013 concerning Microfinance Institutions. The law categorizes BMTs as Microfinance Institutions and stipulates that they must be cooperative legal entities or limited liability companies (Aufa et al., 2021).

The development of BMT, which is very significant in Indonesia, has encouraged the emergence of cooperatives based on the Islamic Sharia system (Muhammad, 2020). BMT is a microfinance institution that operates on the principle of profit sharing, intending to develop dignity and status as well as for the benefit of people with low incomes, intending to channel funds and raise funds for its members, with this feeling of being able to coordinate the interests of the wider community (Ahmad & Harahap, 2020). It is hoped that it will be able to become an institution supporting economic activity in small and medium-sized communities by implementing Sharia principles (Shah et al., 2020). The most essential factor in the success of BMT is the use of Sharia marketing strategies. Although the development and practice of BMT have been rampant in Indonesia, marked by the establishment of

around 4,500 BMT units throughout Indonesia (PBMT, 2018), there are still many problems and challenges faced by this sector, mainly related to the sustainability of institutions, so that they help alleviate poverty and make the community's economy self-sufficient to be not optimal (KNEKS, 2019).

BMT's main problem is weak funding. Thus, the cost of funds or the cost of funds becomes prohibitive (Puspaningtyas & Yolanda, 2019). The problems that arise from external BMTs are tight competition among BMTs, low public trust in BMT performance, low networking and cooperation with other financial institutions, and weak supervision and guidance from the government and MUI (Noviyanti, 2019). Based on these problems, BMT must innovate in marketing, one of which is to use practical Sharia marketing instruments. In general, marketing strategy is a process that can deliver a company or organization to a tremendous market opportunity to increase sales to achieve the company's expected profit (Abdullah, 2015). Marketing strategy is also essential so that BMT can win the competition. Competition is often seen as a company threat, but this competition is an incentive for BMT to improve its performance.

Sharia marketing today conveys products and services and how these products can satisfy customers by generating profits. Sharia marketing aims to attract new customers by promising superiority, promoting effectively, and retaining existing customers (Saqib, 2016). Every marketing BMT must plan and carry out marketing strategies to achieve the desired target market. Marketing strategy is the basis of action that can direct an activity or marketing effort to achieve all the desired goals. Many BMTs are running massive financing products, including BTM Jawa

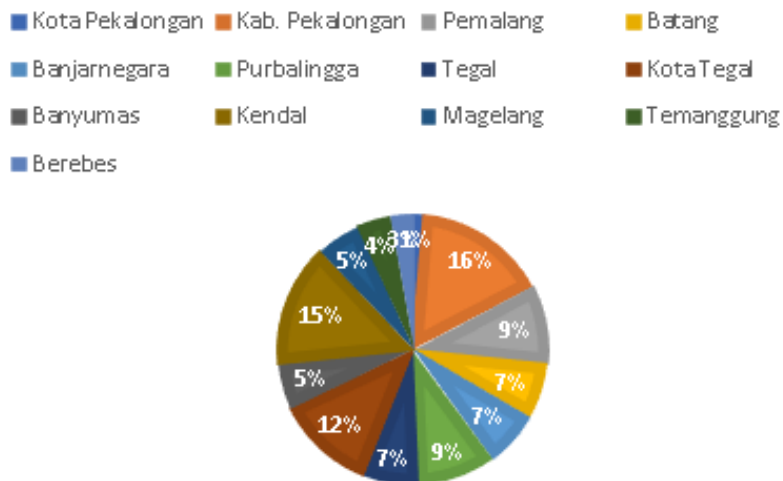
Tengah. KSPPS BTM Jawa Tengah is an Islamic microfinance institution that runs financing and funding products for people who need funds as quickly as possible and does not require a relatively long time. The existence of Baitut Tamwil Muhammadiyah (BTM) automatically serves as best practices for the people of Indonesia, especially for Muhammadiyah and its citizens in running the Islamic financial system with its various products and contracts under Sharia principles.

The marketing strategy between Sharia and conventional is very different regarding the contract and the process (Naeem, 2019). However, they have almost the same goal: increasing the number of customers. The progress and fall of Bait at-Tamwil Muhammadiyah (BTM) Jawa Tengah can be seen from the marketing strategy that they carry out it has an impact on increasing customer interest and can increase the number

of customers using products and services issued by BTM Jawa Tengah, to increase sales volume, good marketing will have a significant impact on income BTM Jawa Tengah. Based on initial observations in the field, the growth of financing and funding products at KSPPS BTM Jawa Tengah has increased very rapidly since it was first established on August 25, 2002, Legal Entity Number: 518/189/BH/III/2003 March 31, 2009, 03 /PAD/KDK.11.11/1/2009, January 12, 2009. The number of primary members is 13 BTM, namely BTM Wiradesa, BTM Kajen, BTM Comal, BTM Surya Mentari Karanganyar, BTM Doro, BTM Ulujami, BTM Kalibening, BTM Batang, BTM Wuled, BTM Talun, and BTM Kedungwuni. BTM Jawa Tengah Center is located at Jl. Major General S. Parman No. 183 Wiradesa Pekalongan.

Figure 1.

Number of BTM Jawa Tengah branch office



Research related to the discussion of marketing sharia has been carried out by

Adinugraha (2017), who concluded that the implementation of the concept of sharia

marketing at Puskopsyah DIY had not been implemented perfectly because not all aspects were following the criteria of sharia marketing. Whereas LKMS, including BMT, must apply the entire management process based on Sharia principles, including the marketing system (Hasanah, 2016). Because marketing also greatly influences customer satisfaction, as the research results by Nisa & Sopingi (2020) show that service quality, spiritual marketing, and emotional marketing each have a positive effect and jointly affect customer satisfaction. Specific empirical studies on Sharia marketing practices in BMT are more limited. Several studies have been conducted on BMT in Indonesia, but most have focused on the availability of financing services.

The growth of BTM Jawa Tengah has increased so rapidly that researchers are interested in analyzing the concepts, implementation, and marketing strategies of Sharia as used by BTM Jawa Tengah for financing and funding products so that they grow so rapidly and can attract customers' interest in using these products. In attracting a customer's interest, it is influenced by the marketing strategy and an urgent community need that also requires a fast disbursement process. The customer does not want the element of usury in it. The main purpose of this research is to describe the analysis of Sharia's concept, implementation, and marketing strategy in BTM Jawa Tengah.

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## **Literature Review**

The literature review in this study investigates the gaps uncovered and resolved regarding the concept, implementation, and strategy of sharia marketing in BMT. Current and primary sources from trusted national and international references on the topic or focus

of this research study can be explained as follows:

Islam as a way of life has been implemented in Sharia microfinance institutions (Chan et al., 2017), one of which is BTM Jawa Tengah. BMT experienced rapid development, especially in rural areas. Consequently, he is required to implement all marketing processes based on Sharia principles (Hasanah, 2016). BMT applies a sharia system in its marketing operations to optimize organizational performance (Wahyudi & Aini, 2021). Sharia marketing has been overgrown recently due to its practical impact on business (Abdullah, 2015). Currently, Sharia marketing is used as a strategy in BMT marketing (Fard, 2018). Sharia marketing focuses on the principles of fairness and honesty. It was important in raising the bar for BMT success (Abbas, 2020). Sharia marketing has become a BMT marketing trend as the latest Islamic scientific progress (Kadirov, 2021). The Sharia marketing strategy for BMT is needed by BMT itself (Musobih & Mukarromah, 2019). Rahmawaty's research (2018) proves that Sharia marketing positively and significantly affects customer satisfaction and loyalty. The characteristics of Sharia marketing also have positive implications for customer loyalty (Priantoro & Yudiana, 2021).

### **Marketing Concept in Islamic Micro Finance Institution**

Marketing in Islam is a form of *mu'amalah* that is justified in Islam, as long as in all the transaction processes, it is maintained from things prohibited by sharia provisions (Jalaludin, 2018). Sharia marketing is a strategic business discipline that directs the process of creating, offering, and changing the value from an initiator to its stakeholders, which follows the contracts and principles of *mu'amalah* (business) in Islam (Amron, 2018).

This definition is based on one of the provisions in Islamic business contained in the rules of *fiqh*, which says, "Muslims are bound by the business agreements they make, except for agreements that forbid what is lawful or justify what is unlawful". Another *fiqh* rule says, "Basically all forms of *mu'amalah* or business may be carried out unless there is evidence that forbids it" (Sartika & Adinugraha, 2016).

The entire process of Sharia marketing, including; creating, offering, and changing value, must not have things that conflict with the Islamic contract and principles of *mu'amalah*. As long as this can be guaranteed and deviations from the principles of Islamic *mu'amalah* do not occur in any transaction in marketing, it can be permissible. Allah reminds us to avoid wrongdoing in business (Abbas, 2020). According to Sharia principles, marketing activities must be based on the spirit of worshipping Allah, trying as much as possible for the common good, not for the benefit of the group or even for their interests (Çavdar, 2016). In addition, Islam also views marketing as buying and selling that must be displayed and show the features and weaknesses of the item so that other parties are interested in buying it. Marketing has a very important position and role in meeting consumer needs, as well as achieving company goals to make efforts to achieve the goals that have been planned (Riaz, 2017). Muslim marketers should carry out marketing activities from all aspects, such as when planning goods and services, prices and distribution strategies, and promotional techniques. This is done with the existence of rules or laws originating from the Qur'an and as-Sunnah. Based on the explanation above, if it is associated with a Sharia marketing strategy, it can be implemented using Sharia principles that

originate from the basic concepts of *fiqh* rules. According to Kartajaya & Sula (2006) in applying the concept of Islamic marketing, four characteristics of Sharia marketing can serve as guidelines or instructions for those who do marketing. These can be explained as follows:

*First*, theistic (*Rabbâniyah*). The application of Sharia marketing must comply with all applicable rules or laws for use in all its activities. This also applies to the marketing concept offered through the marketing mix. Implementing product design, setting prices, and promotions are always based on Sharia under the provisions stipulated in Islamic values. *Second*, ethical (*Akhlâqiyyah*). Marketing parties who carry out marketing using Sharia principles must prioritize or prioritize moral aspects (moral, ethical) in all their activities. *Third*, realistic (*Alwaqi'iyah*). Islamic marketing is a concept that is not exclusive, passionate, anti-modern, or rigid, but the Islamic marketing concept is a marketing model with high flexibility to Islamic values. *Fourth*, humanistic (*Insâniyyah*). The humanist concept provides an understanding that life in which the concept of Sharia is applied guides in certain matters, such as maintaining human and non-human nature and being elevated by the side of the almighty with the existence of upheld Sharia principles.

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### Method, Data, and Analysis

This research uses a qualitative descriptive approach using a case study type. Case studies are the most appropriate method used to answer why and how questions, positioning researchers as data collectors from contemporary phenomena in real-life contexts without having to control the events. This research uses case studies to answer how BTM

Jawa Tengah uses Sharia's concept, implementation, and marketing strategy. The object or location of this research is BTM Jawa Tengah, which is scattered in Pekalongan City, Pekalongan Regency, Pemalang, Batang, Banjarnegara, Purbalingga, Tegal, Tegal City, Banyumas, Kendal, Magelang, Temanggung, and Berebes.

The source of data in this study uses two sources, namely primary and secondary data sources. Primary data is directly obtained by the first data source at the research location or object (Valunaite Oleskeviciene & Sliogeriene, 2020). The primary data for this study is information from interviews with employees at BTM Jawa Tengah, namely the chairman, marketing department, and cashier. Secondary data is data that is enabled to provide information that can later strengthen the main data, either in the form of humans or objects such as magazines, books, newspapers, and others (Kartono, 1983). The secondary data of this research are in the form of official documents, books, scriptures, research results, and other data closely related to Sharia's concept, implementation, and marketing strategy in BTM Jawa Tengah. Data collection procedures are done through observation, interviews, and documentation. Participant observation is used in this study. Namely, the researcher participates in being part of the BMT Jawa Tengah by becoming a customer. As observers and participants, researchers learn through direct experience in BTM Jawa Tengah. Semi-structured interviews were used in this study, namely interviews referring to a series of open questions. The aim is that new questions can arise because of the answers given by the BMT Jawa Tengah manager so that information-digging can be carried out more naturally and in-depth during the session.

Data analysis tools are the process of finding and compiling, done systematically, from the results of interviews, field notes, and documentation, then grouping them into categories, compiling them into patterns, and choosing which ones are important to support the main data to be studied, making withdrawals conclusions so that the existing data is easy to understand. The findings can be informed to others. Data analysis in this qualitative study used descriptive analysis, beginning with grouping the same data. The interpretation was carried out to give the meaning of each sub-aspect and the relationship between one and another related to the concept, implementation, and marketing strategy of Sharia in BTM Jawa Tengah. This study's data analysis process also tries to combine with SWOT analysis in BTM Jawa Tengah.

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## **Result and Discussion**

### **Implementation of Sharia Marketing at BTM Jawa Tengah**

According to Islam, issues related to *mu'amalah* activities must follow the principles of Islamic rules based on the Al-Qur'an and Hadith. Marketing is a person's business activities, buying and selling activities, and *mu'amalah* (Hanzaee, 2019). The management process is planning everything steadily to create confidence that impacts doing things according to the rules and has the benefits of planning functions, including strategy, which is an integral part of a business or company (Handa, 2020). Likewise, in marketing, a strategy is needed, especially in a business world full of competition, so a strategy is very important, which is then called a marketing strategy.

The level of competition in the business world requires every marketer to be able to carry out their marketing activities more effectively and efficiently. These activities require a fundamental marketing concept following the interests of marketers and the needs and desires of customers. In this case, Islamic marketing has a very strategic position because Islamic marketing is a marketing system based on the Qur'an and the Sunnah of the Prophet Muhammad. Islamic marketing is a strategic business discipline that directs the process of creating, offering, and changing the value from an initiator to its stakeholders, which in the whole process is following Islamic contracts and principles and *mu'amalah* in Islam (Pamukcu & Sariisik, 2020). According to Sharia principles, marketing activities must be based on the spirit of worshipping Allah, trying as much as possible for the common good, not for the benefit of the group or even for their interests. The Prophet Muhammad had taught his people to trade by upholding Islamic ethics. In economic activity, Muslims are prohibited from committing falsehoods (Nurhayati & Hendar, 2020). However, they must carry out economic activities that are mutually acceptable.

Definitively, the marketing concept is a business philosophy that states that satisfying consumer needs is an economic and social requirement for a company's survival (Hoque, 2018). Apart from that, in Sharia, business marketing is accompanied by sincerity solely to seek the pleasure of Allah, and then all forms of transactions become worship before Allah. This will be the seed and basic capital for him to grow into a big business with a spiritual brand, charisma, excellence, and unmatched uniqueness. In Sharia marketing, companies are profit-oriented and oriented towards other goals, namely blessings. The combination of

the concepts of profit and blessing gives rise to the concept of *mashlahah*. An Islamic company will be oriented toward achieving optimal *mashlahah* (Adinugraha & Mashudi, 2018). The concept of blessing for some parties is abstract because the data is not scientifically proven. However, this is one of the core concepts in Sharia marketing sharia, which forms the basis of a Sharia-oriented company. In managing a business, business management ethics must be based on the general norms and morality that apply in society. Assessment of business success is not only determined by increasing economic and financial achievements, but success must also be measured through standards of morality and ethical values based on social values in religion (Sakti, 2021).

In the Islamic context, there are at least four normative foundations that can be represented in ethical axioms, namely: a. The foundation of monotheism meaning of monotheism in the context of Islamic ethics is a full and pure belief in the oneness of God, where the foundation of monotheism is a philosophical foundation that is used as the foundation for every Muslim in moving forward and carrying out his life's functions, including the function of economic activity; b. The foundation of justice and balance the foundation of justice in the economy is related to the distribution of benefits to all components and parties involved in economic endeavours. The basis of equality is related to the obligation to circulate wealth among all members of society and prevent economic concentration in only a few people; c. The foundation of free will has free will, namely the potential to make various choices. Human freedom is not limited, so humans also have the freedom to make wrong or right choices. Therefore, human freedom to carry out

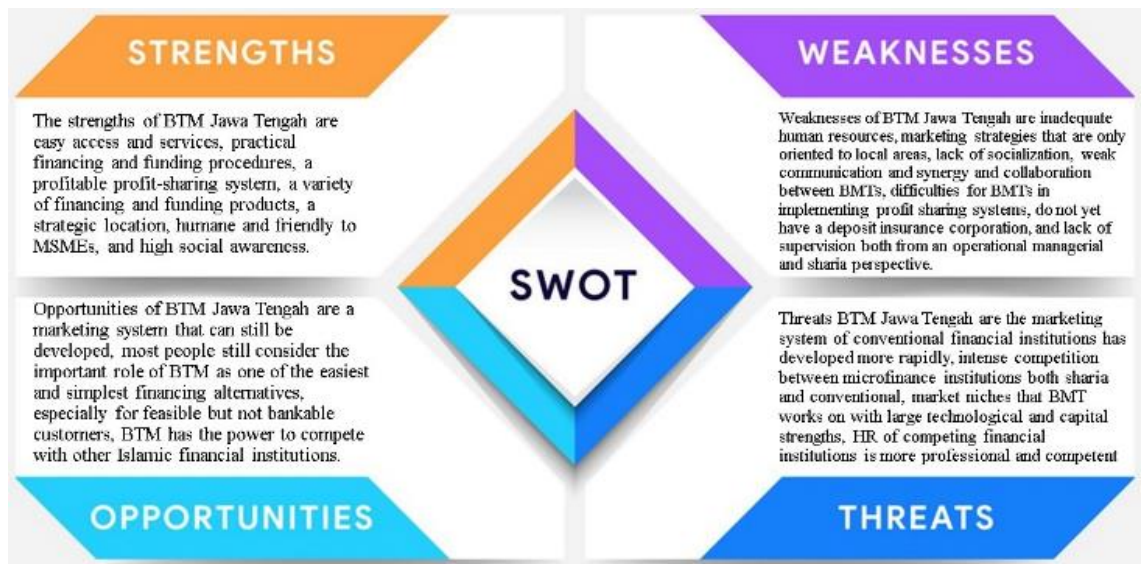
economic activities must be carried out in right, fairways, and bring benefits to the wider community according to the Al-Qur'an and Sunnah of the Prophet; d. The basis of accountability and responsibility is closely related to freedom because the two are a natural pair. The granting of all freedom of effort that humans carry out is inseparable from accountability for what has been done to God, oneself, society, and the surrounding environment (Aydin, 2020).

Sharia marketing management is the science of choosing target markets, getting, keeping, and growing customers by creating, delivering, and communicating superior value to customers with an orientation toward Sharia provisions (Kartika et al., 2020). Management in a business organization (company) is a process of determining and achieving business

goals by implementing four basic functions: planning, organizing, actuating, and controlling the use of organizational resources (Risdiana & Ramadhan, 2019). The company's organization management application is essentially the charity of the HR of the company organization concerned. Islam outlines the nature of human deeds must be oriented towards achieving the pleasure of Allah. If human actions fulfil these two conditions at once, then the deed is classified as good (*ahsanul 'amal*), namely the best deed in the sight of Allah. Organizational management must also be seen as a means to facilitate the implementation of Islam in the organization's activities. Based on the research findings that the researcher has carried out, a detailed and in-depth figure of the results of the SWOT analysis was obtained as follows:

Figure 2.

SWOT analysis of BTM Jawa Tengah





The term marketing is very well-known among business people. Marketing has an important role in the business map of a company and contributes to product strategy. Nationally and internationally, companies need a reliable marketer to market their products or services to easily attract people's interest in using them (Bhat & Gaur, 2012). The success of a product the target market accepts is determined by the low cost or quality offered and the marketing strategy undertaken. Marketing is a social process by which individuals and groups obtain what they need and want through creating, offering, and freely exchanging products of value with others. While the implementation of sharia marketing and its relationship with the BTM Jawa Tengah marketing method is as follows:

Shia marketing was implemented at BTM Jawa Tengah by looking at each aspect implemented at BTM Jawa Tengah with several aspects that have been used as a reference for what is happening in the field. The Sharia marketing system continues to develop along with the development of the Sharia economy. Some BMTs that exist today continue to develop a Sharia marketing system, but this system has not been fully implemented in various supermarkets, especially those that still use conventional systems. In comparison, sharia-based ones have implemented this concept and have obtained favourable results. Marketing activities are one of the critical aspects of carrying out business activities. However, several marketing practices still deviate from the demands of Islamic values to get as much profit as possible. BTM Jawa Tengah always increases people's economic income through various business and business activities, including the development of BMT in Indonesia. The continued growth of BTM Jawa Tengah will affect regional original income

through income tax. Because Indonesia is a trading country, Indonesia expects a source of income from taxes and fees, which are considered very important and will continuously increase regional revenues.

While the methods of marketing a financing product and raising funds offered by BTM Jawa Tengah are, in principle, all branches of BTM Jawa Tengah have the same marketing operations, in general, the determination of margins and ratios set at BTM Jawa Tengah is the same, moreover financing products as superior products of BTM Jawa Tengah that serve the primary daily needs of the community. Meanwhile, what is most different is the social orientation service from charity funds. Determination of margins and ratios set at BTM Jawa Tengah following Islamic rules. Because in Islam, the price issue is prohibited from exceeding half of the basic price. The highest is not to exceed 1/3 of the price.

Financing products and fundraising are also halal. Its halalness can be seen from an operational perspective and the implementation process (Adinugraha et al., 2021). Everything must follow the fatwa of the BTM Jawa Tengah Sharia Council. Based on the interviews above, BTM Jawa Tengah has completed various financing and fundraising products offered for the community's financial and business capital needs, because what is being sold is its intermediary services. In implementing Sharia marketing in the field, BTM Jawa Tengah has implemented a Sharia marketing system. There are nine marketers' ethics (morals), which will become the principles for Sharia marketers in carrying out marketing functions: a. Have a spiritual personality (*taqwa*), b. Good and sympathetic behaviour (*shidq*), c. Behaving fairly in business (*al'adl*), d. Be of service and humble (*khidmah*),

e. Keep promises and not cheat, f. Honest and trustworthy (*al-amanah*), g. Don't like prejudice (*su'udzan*), h. Do not like to vilify (*ghibah*), i. They are not committing bribes (*risywah*) (Khavarinezhad et al., 2021).

In addition to the three basic concepts in Sharia marketing and Islamic business above, Islamic marketing has several characteristics, including a. Loving consumers are a king who must be respected. Based on the concept of Sharia, a marketer must love consumers as he loves himself. They were serving prospective customers and customers wholeheartedly. b. Make honesty and transparency a brand. When marketing an item, reveal the weaknesses and advantages of the product. c. Segmentation of the Prophet's way of giving good value to goods sold. Rasulullah taught segmentation: good goods are sold at good (high) prices, and lower-quality goods are sold at lower prices. d. fulfil promises, the value of a product must be adjusted to what is promised. This will guarantee customer satisfaction. e. Maintaining natural balance (Wiyono, 2020). Business people must maintain the continuity of nature and not damage the environment. Doing business is also aimed at helping poor people and not making profits for just a few people. Identification of transactions prohibited in worship, the applicable legal rules are that all things are prohibited unless there are provisions based on the Al-Qur'an and Al-Hadith (Jailani & Adinugraha, 2022). Whereas in matters of *mu'amalah*, everything is permissible unless there is an argument against it.

Based on several criteria and the methods used in Sharia marketing, it can be emphasized that activities and business processes with Sharia marketing, the entire process should not conflict with Islamic principles. As long as this business process can be guaranteed or does not

occur deviation from Sharia principles, any transaction in marketing can be allowed. For example, the Prophet Muhammad in his life did business trading. By emphasizing the character and nature of the Prophet Muhammad in conducting business processes. The Prophet Muhammad has shown how to do business that adheres to truth, honesty, and trustworthiness while at the same time getting optimal profits. We conduct business professionally by adhering to the values found in the Al-Qur'an and Hadith. These values become a foundation for staying in a just and right corridor. These foundations or rules become Sharia or law in marketing and business activities. It can be emphasized that the implementation of Sharia Marketing carried out by BTM Jawa Tengah is quite comprehensive in implementing the Sharia system. Starting from implementing Sharia marketing methods, be it margins and profit-sharing set by BTM Jawa Tengah, financing products and fundraising offered, and implementing charity products. Most BTM Jawa Tengah customers are Muslim, so they are likelier to pay attention to the most important Sharia label and not carelessly buy BTM Jawa Tengah products.

### **Sharia Marketing Strategy at BTM Jawa Tengah**

All life activities need to be carried out based on good planning. Islam is a religion that provides synthesis and plans that can be realized through stimulation and guidance. Planning is utilizing God's gifts systematically to achieve certain goals by considering society's needs and changing life values. In a broader sense, planning involves preparing a plan for each economic activity. The modern planning concept must be understood in a limited sense and recognized in Islam. This planning includes the best use of the resources provided

by God for human life and pleasure (Hamdani & Maulani, 2018). The organization's marketing strategy, namely in business, must formulate a management strategy to identify internal strengths and weaknesses and compare them with external opportunities and challenges so that the organization can make and choose the appropriate strategy. The first strategy that must be carried out is exploring the market, namely looking at the market size, market growth, competitive advantages, and competitive situation (Rahayu, 2019).

The implementation of this strategy at BTM Jawa Tengah is: First of all, after having a clear positioning in the public's minds, BTM Jawa Tengah differentiates itself from similar companies. This requires differentiation as a core tactic in terms of content (what is offered), context (how to offer it), and infrastructure (which includes employees, facilities, and technology). Creative differentiation in Sharia marketing must also be applied because it is a creation tactic. Even so, sales play an important role as a capture tactic that must be considered because it is an important element related to transaction activities and can directly generate income. Sharia marketing value, namely that some strategies and tactics have been designed with full calculation, will not work well if they are not accompanied by the value of the products or services offered by BTM Jawa Tengah. Customers usually care about what benefits or value they get if they have to sacrifice a certain amount of rupiah for it. Building a value proposition for BTM Jawa Tengah products or services is crucial.

Based on the SWOT analysis described above, the BTM Jawa Tengah strategy is obtained in marketing its products in general. Managers must pay attention to several important things: Marketers must straighten their intentions

because they inspire and motivate someone to take action. If the intention is good, then the deeds are also of good value, and vice versa. BTM Jawa Tengah managers need to pay attention to marketing their products to set a routine schedule for friendly visits to the clergy. For this reason, it is necessary to consider strategic steps that will enable BTM Jawa Tengah to strengthen this partnership more closely with socio-religious institutions or organizations that are under the influence (under the auspices) of the clergy; Marketers expand their network of cooperation with more and more parties involved, so there will be more opportunities to accelerate the development of the Institute, and this means that marketing targets will be more easily achieved. Likewise, the existence of BTM Jawa Tengah is getting stronger in the community because of the flow of a lot of support from parties with whom the cooperation is established; One of the effective ways that can be done to achieve marketing targets for BTM Jawa Tengah products at the start of operations is to take a "pick up the ball" approach. From a Sharia perspective, picking up balls can also be interpreted as an effort by BTM Jawa Tengah to develop a friendly tradition that, according to the description of the Prophet, can increase fortune, extend life, and keep people away from grudges and hatred. From here, good brotherhood was developed between BTM Jawa Tengah and customers and between one Muslim and another.

BTM Jawa Tengah is not the only cooperative in Central Java. Many other cooperatives are either Sharia-based or conventional. With so many cooperatives operating in Indonesia, policies are needed to raise funds from the community. This policy is needed so that if one day there is a problem that occurs in the BMT, it does not reduce the health level of the BMT. The most important thing to strive for is how a

member and prospective members can survive or even experience an increase in their quantity. To improve the performance of BTM Jawa Tengah, a marketing strategy for Sharia funding and lending products is needed so that the products offered by BTM Jawa Tengah can be accepted by the people around the Central Java area in particular. So those strategies have to hit the community. However, not a few of the strategies carried out experienced obstacles in implementation and could not work as expected, resulting in the community's lack of respect for the products offered. The Sharia marketing strategy for funding and lending products used by BTM Jawa Tengah combines traditional, modern, and Sharia marketing.

The Sharia funding product marketing strategy carried out by BTM Jawa Tengah is carefulness in creating product innovations needed by the community, such as student savings, holiday savings, prize savings, creating promotional programs for prize draws. Door prize new savings and actively using social media, friendly relations and establishing collaboration with schools and Islamic boarding schools, The Ta'lim Assembly and SMEs, government agencies, etc., choosing the right location, polite and humane service, easy process, and hard work and smart work, Providing excellent service or professional and polite service, students have equipped a polite and humanist attitude, a sense of belonging or a strong sense of belonging to each student. The development of BTM Jawa Tengah capital generally shows a very good trend. This can be seen from the very significant development of BTM Jawa Tengah. The implementation of the Sharia marketing strategy regarding funding products can trigger an increase in the number of deposits. Meanwhile, applying a Sharia marketing strategy regarding lending products can trigger an increase in financing at BTM Jawa Tengah.

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## **Conclusion**

The results of this study conclude that, in general, the concept of Sharia marketing in BTM Jawa Tengah is Sharia-driven or is driven by Sharia as a source of law that is oriented towards meeting the needs and desires of BTM Jawa Tengah consumers and creating value for them as long as it does not conflict with the Qur'an and Hadith. The implementation of Sharia marketing at BTM Jawa Tengah uses the characteristics of Sharia marketing that uphold fairness, honesty, and transparency regarding margin setting and profit sharing and uses the nine ethical principles of Islamic marketing, which shows that the marketing strategy at BTM Jawa Tengah is appropriate and meets the sharia marketing perspective. The practice of the sharia marketing implementation model in BTM Jawa Tengah can be seen from the implementation of its characteristics, namely theistic (*rabbaniyah*), ethical (*akhlaqiyah*), realistic (*al-waqi'iyah*), and humanistic (*al-insaniyyah*). BTM Jawa Tengah has adjusted contracts according to customer needs which have been reviewed and approved by the Sharia Supervisory Board. BTM has implemented moral and ethical values and marketing based on Islamic Sharia principles. In implementing the marketing concept, BTM Jawa Tengah does it flexibly as the flexibility of Islamic Sharia is following reality and is not making it up. In doing marketing, is very well-behaved and sympathetic to customers. This follows the characteristics of humanistic marketing where BTM is very concerned about humanity in dealing with customers, trying to do justice and not harming one party. The Sharia marketing strategy carried out by BTM Jawa Tengah is by determining product and service market segmentation. BTM Jawa Tengah carries out marketing activities according to the target market. This is done by looking at the needs of

prospective customers. The final strategy is to apply for the position and apply traditional, conventional, and Sharia marketing in combination and simultaneously.

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### Suggestion

Applying the marketing model for Islamic microfinance institutions (BTM Jawa Tengah) using the four characteristics of marketing sharia will be much better if combined with the latest conventional marketing models, for example, digital marketing. The findings of this study suggest that BTM Jawa Tengah managers increase their employees' Sharia marketing skills by delegating them to relevant training and workshops. BTM Jawa Tengah managers should evaluate the marketing performance of marketers. Suggestions for future researchers who wish to research the topic of Sharia marketing should add research objects to all Sharia financial institutions, both micro and large.

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