

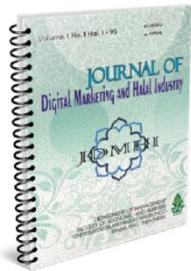


## Islamic Entrepreneur Resilience Model: Retail Business Survives During Crisis

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### ABSTRACT

Covid-19 affects all sectors, including micro, small and medium enterprises. The purpose of this study is to determine the factors that affect the resilience of Muslim retail entrepreneurs and to develop models of entrepreneurial strength in the face of crises due to Covid 19. The research sample used 160 Muslim retail entrepreneurs who are members of the Sampoerna Retail Community (SRC). The analytical techniques used are factor analysis and SEM model testing with AMOS. From the results of the factor analysis, there are six variables, namely resilience capacity entrepreneurship, customer orientation, retailer's attitude, social capacity, Islamic Spirituality and digital marketing that affect the resilience of Muslim retail entrepreneurs. The model developed shows that social capital is not significant in explaining the resilience capacity of Muslim retail entrepreneurs. For that, we need encouragement, support, coaching and support to empower retail business businesses.

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### Introduction

The COVID-19 pandemic outbreak is disrupting the global economy and spreading rapidly, obliging entrepreneurs to be resilient and innovative in developing alternative methods to create new opportunities in times

of crisis (Dijk, 2020). Coronavirus shocks since January 2020, have had a broad impact in almost all sectors of the global economy, including world retail trade. For the United States, retail sales decreased by 9.1% or the equivalent of 321 billion USD. Asia Pacific experienced a decrease of about 10% or the equivalent of 767 billion USD. The decline in

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retail sales in China to minus 2.8 per cent or 192 billion USD. Singapore retail sales fell to minus 13.3%.

Meanwhile, in Indonesia, based on a survey of *Bank Indonesia*, retail sales experienced a decline in sales, especially the clothing sub-group by minus 70.9% and the cultural and recreational goods group by minus 48.5%. Thus, COVID-19 pandemic is this type of event, as (1) the impact remains largely unknown; (2) the crisis is still ongoing with no end in sight; and (3) its impact is increasingly devastating for human health and economic well-being, with an estimated global economic contraction of more than two people (Thorgren & Williams, 2020). In facing the Covid 19 crisis, entrepreneurs must be challenging and innovative in creating new opportunities in facing difficulties such as this pandemic. Resilience is the ability to overcome adversity. It means "the capacity to maintain or regain, psychological well-being in the face of challenges, underlining that the ability to develop, develop and function effectively despite difficult circumstances or events" (Seligman, 2011). Meanwhile, according to Hayward et al. al., (2010) resilience as a positive adaptation to adversity, can be an essential ingredient for entrepreneurial success.

Muslim entrepreneurs always act according to Islamic values. In other words, Muslim entrepreneurs do not only invest for economic, social and environmental purposes but seek Allah's gifts (Machmud & Hidayat, 2020). The behaviour of Muslim entrepreneurs in getting opportunities through optimization of resources based on the Islamic work ethic (Shamsudin et al.,

2010). Islamic work ethic is a personality attitude that gives birth to the belief that working is not only to glorify oneself but also as a form of good deeds. Thus, working based on the principle of faith, not only shows like a Muslim but makes him a trusted and trustworthy figure. In the direction, the doctrine in Islam is related to the ultimate goal of human life (Machmud & Hidayat, 2020). In the last decade, research on entrepreneurial resilience has grown in importance, as people are more aware of the consequences of the crisis (Tukamuhabwa et al., 2015). Due to the speed of change in the economy, society and technology, for this reason, business resilience is significant in business survival (Dijk, 2020). By looking at these conditions, it is interesting to study how the resilience capacity of retailers in facing changing market conditions and consumer preferences. Then, how to reconfigure marketing skills, as well as behaviour in adapting to these changes. The ability to increase sales by playing a role in supporting the capacity for resilience to face the crisis due to Covid 19. Therefore, this study tries to describe the factors that influence the resilience capacity of Muslim retailers and how to model the resilience capacity of Muslim entrepreneurs in facing crises. The resilience model of Muslim entrepreneurs can produce strategies in dealing with an environment full of uncertainty.

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## **Literature Review**

### **Entrepreneurial Resilience and Crisis**

According to Youssef & Luthans, (2007; Luthans et al., (2006) resilience as a positive capacity "like state", which is more changeable

than pure traits but remains more stable than psychological states, than personality traits. Besides, resilience can be defined as a protection mechanism that varies, depending on the situation and aspects of life that affect it (Rutter, 1987). Druss & Douglas, (1988) conceptualizes resilience as individuals who face difficulties in optimism and positivity. So Thus, entrepreneurial resilience is the capacity of entrepreneurs who overcome adversity and create new opportunities. There is strong empirical support for entrepreneurial resilience capacity to affect firm performance (Dijk, 2020). Ayala & Manzano, (2014) argue that successful entrepreneurs set business goals and make the right decisions in an uncertain environment. Whereas London, (1993) states that tough entrepreneurs are willing to work hard to achieve their goals, and adapt to changes to take advantage of new situations and can learn from their mistakes. It can be concluded that this definition entrepreneurial resilience can be divided into two components, where the first is the capacity to absorb strain, and the second is the capacity to recover from adversity and adjust positively (Carmeli et al., 2013).

In addition, Linnenluecke, (2017) succeeded in overcoming adverse events as an entrepreneur; resilience is needed. According to Akgün & Keskin, (2014), more strength leads to better use of innovations which increase firm performance and are therefore very important in overcoming environmental upheavals and difficulties. According to Brück et al., (2011), the resilience of entrepreneurs underlies that "extreme events can foster new business", due to disrupted habits and traditional institutions weakening, which can lead to "changes in the balance of power in favour of smaller, more flexible organizations".

When faced with adversity, formidable entrepreneurs have to face the consequences and use their flexibility and innovation to turn discomfort into opportunities by creating new ideas. In the corporate context, the view of organizational resilience is "the ability of companies to effectively absorb, develop situation-specific responses, and ultimately engage in transformative activities to take advantage of shocks that could potentially threaten organizational survival" (Lengnick-Hall et al., 2011). Organizational capacity for resilience is developed through strategic human resource management to create competencies among core employees, which, when aggregated at the corporate level, enables the organization to achieve the ability to respond in a resilient manner when they experience shock difficulties.

### **Islamic Entrepreneur**

Muslim entrepreneurs are defined as entrepreneurs who always act following Islamic principles and values. In other words, he can be considered as a person who not only invests in making economic, social and environmental meanings but more than that in seeking gifts from Allah (Machmud & Hidayat, 2020). The basic framework of entrepreneurship based on Islam or Muslimpreneur is taqwa (faith) and worship of Allah SWT (Machmud et al., 2018). Within this framework, other elements complement Islamic entrepreneurship, including the concept of halal, namely the idea of efficiency, noble values, honesty, welfare, knowledge, and concern for the community and the environment. The developed Islamic entrepreneurship cannot be separated from the foundation of tauhid which consists of the concepts of al-iman (belief), al-Ilm (knowledge)

and al-Amal (pious behaviour and efforts) (S. A. C. Abdullah & Sahad, 2016). The relationship between spiritual and business, according to Islamic teachings. Hoque et al. (2014) stated that "many Muslims still pay little or no attention to Islamic guidelines when developing and managing business enterprises". Overall, Islam encourages its adherents to become innovative and active entrepreneurs. Gümüşay, (2015) considers Islam to be an entrepreneurial religion because investment in knowledge in a society motivates its supporters to carry out entrepreneurial activities. Moreover, Omri et al., (2017) also found moderate Islamic work ethics in a positive relationship between creativity and entrepreneurial behaviour. They concluded that individuals with stronger Islamic beliefs

were more likely to engage in creative skills and thus positively influence entrepreneurial behaviour.

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### **The Method, Data, and Analysis**

The sample used is Muslim entrepreneurs who are members of the Sampoerna Retail Community (SRC) Semarang City, which has approximately 500 members. Distribution of questionnaires through online, by distributing 250 questionnaires, 171 people have responded, 11 questionnaires are incomplete so that 160 questionnaires or 64 per cent of respondents can be further analyzed. The descriptions of respondents are described in Table I.

Table 1. Summary of Respondents Descriptions

Gender	n	%	Length of Business		
Male	64	40%	< 5 years	14	9%
Female	96	60%	3 - 6 years	32	20%
Age			7 -10 years	45	28%
< 30 years	8	5%	> 10 years	69	43%
30 - 39 years	42	26%			
40 - 49 years	54	54%			
> 49 years	23	14%			

Data analysis used: (1) to test the factors that influence Muslim resilience using factor analysis and to test the model of the resilience of Muslim entrepreneurs using structural modelling equations (SEM) through Analysis of Moment Structures (AMOS) software.

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### **Result and Discussion**

#### **Factors Affecting the Resilience of Muslim Entrepreneurs**

From various literary studies (Martinelli et al., 2019; Martinelli & Tagliazucchi, 2019); Härting et al., 2019; Machmud & Hidayat, 2020; Alves et al., 2020; Kuckertz et al., 2020; Branicki et al., 2018; Bhamra et al., 2011; Korber & McNaughton, 2017; Bullough & Renko, 2013; Ayala & Manzano, 2014; Annalakshmi & Abeer, 2011; Bojorges Moctezuma & Rajagopal, 2016; Salleh et al., 2020) obtained the following factors and modified: My business can stand tall and can

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DOI: <http://dx.doi.org/10.21580/jdmhi.2020.2.2.6350>

survive; My business is capable of identifying and solving problems; My company has managed to stay on the market even in crisis conditions; My business is quick to take action and flexible; My efforts are capable of generating opportunities even from a crisis; Generating opportunities even from unfavorable circumstances; Generating opportunities even from unfortunate events; I can quickly respond to changing customer requests; I provide products at affordable prices; I am able to adapt to change; I am able to adapt to change; I can handle whatever happens; I try to find the positive side of things; I was able to achieve my goals despite the obstacles; I stay focused even under pressure; I consider myself a healthy person facing difficulties; Suppliers / sales support my business; Customers are very supportive of my business; The Municipal Government supports my efforts; The merchant / retail association supports my business; Other traders / retailers support my business; Banks and financial institutions support businesses (Mubarok, 2019); Family, friends and

acquaintances support my efforts; Businesses that run part of worship; I try to get blessings; I am always grateful for the gift of creation; I prioritize Spirituality in my place of business; I invest and submit; I use social media to help make business decisions; I use digital marketing to increase marketing and I use digital marketing to increase sales (Al-bantani, 2020). Principal component analysis with varimax rotation was performed on 30 items to determine whether these factors could be empirically verified. Factor analysis yielded six factors that can be interpreted as influencing entrepreneur resilience. The first factor is Social Capital which contains seven items. The second factor is the Resilience Capacity Entrepreneur which contains six items. The third factor is (Islamic spiritual) it has five items. The fourth factor is the Retailer's Individual Attitude, which includes six items. The fifth factor is Digital Marketing which contains three things while the sixth factor is Customer Orientation which includes three items.

Tabel II. Analisis faktor eksplorasi (N = 160)

No.	Item	Factor					
		1	2	3	4	5	6
x1	My business can stand tall and can survive	.075	.882	.047	.083	.093	.081
x2	My business is capable of identifying and solving problems	.013	.870	.048	.106	.093	.138
x3	My business has managed to stay on the market even in crisis conditions	.026	.882	.069	.079	.042	.032
x4	My business is fast taking action and flexible	.079	.786	.176	.117	.155	-.01
x5	My efforts were able to generate opportunities even from a crisis situation	.112	.723	.096	.203	.133	.155
x6	My efforts were able to generate opportunities even from a crisis situation	.191	.686	.008	.131	.074	.417
x7	I often offer new products or services	.217	.122	.033	.085	-.04	.794
x8	I can respond quickly to changing customer requests	.197	.185	.065	.143	-.02	.839

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x9	I provide products at affordable prices	.071	.129	.088	-.02	.158	.776
x10	I can adapt to change	.128	.112	-.03	.938	.013	.046
x11	I am able to handle whatever happens	.113	.125	-.04	.969	-.01	.047
x12	I try to find the positive side of things	.118	.117	-.05	.967	-.02	.049
x13	I was able to achieve my goals despite the obstacles	.129	.091	.031	.940	-.01	.042
x14	I stay focused even under pressure	.158	.484	.060	.586	.148	-.02
x15	I consider myself a strong person facing difficulties	.142	.285	.064	.572	.097	.197
x16	Suppliers / sales support my business	.840	.091	.128	.111	.095	.100
x17	Customers really support my business	.813	.004	.081	.051	.077	.134
x18	The Municipal Government supports my efforts	.822	-.00	.131	.134	.139	.155
x19	The merchant / retail association supports my business	.748	.078	.141	.044	-.02	.051
x20	Other traders / retailers support my business	.857	.108	.060	.149	.104	.073
x21	Banks and financial institutions support the business	.910	.124	.153	.143	.117	.077
x22	Family, friends and acquaintances support my endeavors	.885	.128	.100	.113	.092	.086
x23	Businesses that run part of worship	.143	.136	.928	-.04	.171	.063
x24	I'm trying to get blessings	.126	.106	.941	-.01	.166	.085
x25	I am always grateful for the gift of creation	.114	.081	.932	-.01	.173	.087
x26	I prioritize spirituality in my place of business	.184	.053	.821	.005	.009	.036
x27	I invest and submit	.135	.066	.896	.034	.056	-.02
x28	I use social media to help make business decisions	.140	.165	.188	.026	.941	.046
x29	I use digital marketing to increase marketing	.177	.205	.167	.007	.924	.043
x30	I use digital marketing to increase sales	.161	.139	.164	.045	.921	.026

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**Muslim Retail Entrepreneurship Resilience Model**

From the results of the factor analysis, a

Muslim retail entrepreneurship resilience model is compiled which can be explained in Figure 1

Fitur1 : ISLAMIC ENTREPRENEUR RESILIENCE MODEL (FULL MODEL)

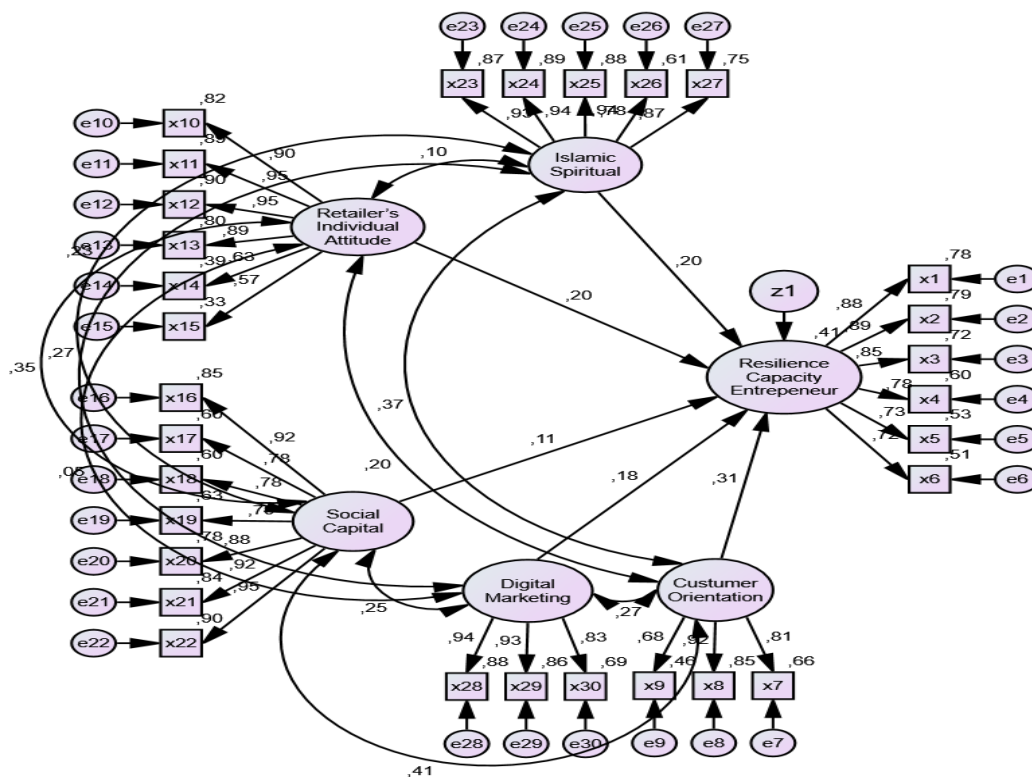


Table V the Result SEM

		Est	C.R.	P
Resilience_Capacity_Entrepreneur	Social_Capital	,1079	1,4518	,1465
Resilience_Capacity_Entrepreneur	Digital_Marketing	,1564	2,4610	,0138
Resilience_Capacity_Entrepreneur	Islamic_Spiritual	,1934	2,6310	,0085
Resilience_Capacity_Entrepreneur	Retailer's_Individual_Attitude	,2581	2,5950	,0094
Resilience_Capacity_Entrepreneur	Customer_Orientation	,3126	3,6565	***
<b>Goodness of Fit</b>		<b>Critical Value</b>		
$\chi^2$	-	216,34624	-	
p	$\geq 0,05$	,12984	Good	
CMIN/df	$\leq 2,00$	1,11519	Good	
RMSEA	$\leq 0,05$	,02692	Good	
CFI	$\geq 0,95$	,99295	Good	
NFI	$\geq 0,90$	,93636	Good	

		Est	C.R.	P
TLI	≥0,95	,99160	Good	
GFI	≥0,90	,89112	Marginal	
AGFI	≥0,90	,85801	Marginal	

Catatan:  $\chi^2$ =chi square, p = probability, CMIN/df=the minimum sample discrepancy function/degree of freedom, RMSEA = Root Mean Square Error of Approximation; NFI=Normed Fit Index; CFI=Comparative Fit Index; TLI=Tucker Lewis Index , GFI = Goodness of Fit Index; AGFI = Adjusted Goodness of Fit Index.

Figure I shows that the estimated model and standardized path coefficient estimates show good bias for testing the hypothesized paths. Statistically it shows an adequate fit with the data. The statistical results showed adequate compatibility with data  $\chi^2 = 216.34624$ ,  $p = , 12984$ ,  $CMIN / df = 1.11519$ ,  $NFI = , 93636$ ,  $TLI = , 99160$ ,  $CFI = 0.9931$ ,  $GFI = , 89112$ ,  $AGFI = , 85801$ ,  $RMSEA = , 02692$ . The results for the structural path estimates show: (1) Customer Orientation can significantly increase the entrepreneur's resilience capacity ( $\beta = , 31150$ ,  $t = 3.6565$ ,  $p < 0.001$ ); (2) Islamic spiritual can significantly increase the entrepreneur's resilience capacity ( $\beta = , 19583$ ,  $t = 2.6310$ ,  $p < 0.001$ ); (3) Retailer's Individual Attitude can significantly increase the entrepreneur's resilience capacity ( $\beta = , 19522$ ,  $t = 2.5950$ ,  $p < 0.001$ ); (4) Digital Marketing can significantly increase Entrepreneur Resilience Capacity ( $\beta = , 18068$ ,  $t = 2.4610$ ,  $p < 0.001$ ) and (5) Social Capital can not significantly increase Entrepreneur Resilience Capacity ( $\beta = , 11470$ ,  $t = 1, 4518$ ,  $p > 0.05$ ).

**Relationship between Customer Orientation and Resilience Capacity Entrepreneurs**

Customers are constituents for whom the product is produced, or services are provided by the entrepreneur. No business firm can

survive, ignoring customer interests. In this case, Allah says "And O my people! Give only size and weight, or hold off the things people should. Do not commit evil on the ground with the intention of doing damage" (Quran, 11:85). Given the importance of customers, sharia entrepreneurs must develop business processes (core processes and supporting processes) in such a way that sufficient value is conveyed to customers, because; customers feel satisfied when their expectations regarding a service or product have been met or exceeded (Hoque et al., 2014). For this reason, Islam permits generating only reasonable profits (Mohammad Ather et al., 2011). Indeed, profit is a gift from the entrepreneur for taking the initiative and risk to set up a business enterprise. Undoubtedly, one must benefit through customer satisfaction; on the contrary; business firms will not be able to survive.

Customer satisfaction depends not only on product quality and performance but also on how customers are treated and how services are provided. Entrepreneurs must not promise any features or value in a product or service that they will not be able to provide to customers. Allah says "O you who believe! Fulfill the obligations "(Al-Quran, 5: 1). The Prophet (SAW) declared "Muslims are bound by their provisions" (Abu Da'ud). The Prophet



(PBUH) condemned the breaking of promises as a mark or trait of a hypocrite. If he promises, he breaks it, and if he makes a pact, he is cheating (Bukhari). Customer orientation is defined as the capacity to understand and adapt proactively to changes in the needs and desires of demand in terms of the variety and level of services offered and sales capability defined as the ability of retailers to generate sales is considered the key to coping with the impact of the crisis (Pearson et al., 2011). Martinelli et al., (2019) argue that retail businesses exhibit resilience capacities capable of detecting and responding to changing consumer needs, and consequently adapting commercial offerings to the demands of communities affected by devastating natural disasters. While it may seem intuitive, it emphasizes the closeness of small businesses to their customer base. Hence, a more significant commitment to changing the needs and wants of customer demand takes a significant role.

Liu et al., (2012) study prove that retailers position themselves to serve crisis-hit communities, guarantee continuity in service at the expense of profits, are supported by clients and their increased loyalty. The role played by small retail business behaviour after the crisis and its ability to respond to change emerged as a vital tool in long-term recovery. This proves that customer orientation can increase the resilience capacity of retail entrepreneurs in times of crisis.

### **Relationship between Islamic Spiritual and Resilience Capacity Entrepreneurs**

Islam views Spirituality as an act for the fundamental purpose of life. For example, the purpose of a Muslim's life is to worship Allah (Qur'an, 51:56). Nasr (1987) defines Islamic Spirituality as the presence of a relationship

with Allah that affects an individual's self-esteem, sense of meaning and relationship with others and nature. The quality of Spirituality is based on Islamic teachings which consist of beliefs, rituals, daily behaviour and knowledge of obedience to a set of Islamic rituals and becoming closer to Allah and finding personal value (Khodayarifard et al., 2013). Mohsen (2007) defines Islamic Spirituality as taqwa. According to taqwa, it means avoiding Allah's punishment by doing what He commands and abstaining from doing what is forbidden. Islam, as a religion, encourages people to become entrepreneurs (Faizal et al., 2013). The Qur'an and the Hadith of the Prophet Muhammad SAW are the primary sources of the principles and rules of entrepreneurship and business. Entrepreneurship and company have a special place in Islam as a religion. Entrepreneurship and business in Islam are usually based on the following principles: entrepreneurship and business are an integral part of this religion; success is measured not only by the end result but also by the way in which it is achieved; Islam encourages people to get into business; business activities are part of worship or 'good deeds'; The guiding principles of entrepreneurship and business are based strictly on the Koran and Hadith, and ethics and social responsibility are based on the example of Muhammad SAW (Gümüşay, 2015; Ullah et al., 2013).

Successful entrepreneurs believe in their abilities and skills, and based on this, they firmly believe that they will succeed in their business initiatives and activities. Allah S.W.T promises that such people will be under His protection - "Allah is the protector of those who believes: from the depths of darkness He leads them out into the light" (Qur'an, 2: 257).

Hassan & Hippler, (2014) noted that in Islamic entrepreneurship and business, "success is measured not only by personal financial success but also by how well religious goals are achieved, which can reward entrepreneurs in the hereafter". In this regard, Allah S.W.T said: "There are people who say: 'O our Lord! Give us (Your gifts) in this world! 'but they will have no share in the afterlife. And some people say: 'Oh my God! Give us goodness in this world and goodness in the hereafter and protect us from the torment on fire! "They will be given what they have obtained, and God is fast in calculating" (Al-Qur'an, 2: 200-202). The results of the study (Mubarak et al., 2014) show that the characteristics of spiritual practice affect the motivation of natural entrepreneurs to build self-confidence and self-determination, uphold the principles of morality and help responsible management that will lead to success in their business.

Meanwhile, the study of Grine et al., (2015) found that the main source of Islamic Spirituality is the elements that entrepreneurs will personally practice including their basic knowledge, namely the knowledge they are pursuing, the basic knowledge they hold from the Qur'an, prayer (*do'a*), trusting God, paying zakat, and giving thanks (*shukr*) to God and people, God's dhikr (*dhikr*) and forgiveness lead effectively to the truth. Achour et al., (2014) noted that reciting the Qur'an and understanding its meaning supports and at the same time motivates Muslims to tackle life's problems effectively and further improve their quality of decision making. The study of Rehan et al., (2019) found that there is a stronger attitude towards entrepreneurship who regularly participates in religious

practices.

The results of Abdullah's study (2013) show that the conditions of absolute values are configured based on *mu'amalah* needs which are focused on Islam and the reality of human needs today. Islam rewards business people for appearing alive by maximizing all the resources given within the scope justified to bring benefit to humanity. Besides that, it also serves to activate the potential that exists in entrepreneurs to continue to be tough and competitive. It can be concluded that spiritual Islamic can increase the resilience capacity of Muslim entrepreneurs.

#### **Relationship between the Retailer's Individual Attitude and Resilience Capacity Entrepreneur**

The resilience of a business is closely related to the strength of individual entrepreneurs (Teece, 2012). While personal resilience is related to abilities that are directly related to the company and professional profile of the entrepreneur, so it is essential the role played by the individual entrepreneur's resilience / himself and by his / her abilities and personal attitude when responding to unexpected events. Likewise, other research shows how it is possible to adapt to changing environments and unforeseen circumstances through self-control and self-efficacy is an individual's belief in his ability to succeed in doing something. Moreover, individual resilience is enhanced by integrating previous experiences with knowledge, skills and skills to help them face an uncertain future with a positive attitude, creativity and optimism, and by relying on their resources (Ayala & Manzano, 2014). Refers to the capacity of the entrepreneur to maintain a positive attitude in difficult

circumstances, situations where there is significant uncertainty about the outcome. The ability of entrepreneurs to learn from mistakes and see them as opportunities rather than failures (Schneider, 2001). Also, difficulties and uncertainties are overcome by developing resilience. Therefore, entrepreneurs need a resilient attitude and effective behaviour to deal with uncertainty (Bullough & Renko, 2013). Successful entrepreneurs have a well-established survival instinct because they have a positive attitude towards risk (Hedner et al., 2011) who remain positive in the face of setbacks and sometimes view failure as an opportunity to renew or start over (Hayward et al., 2010). There are two categories of successful Islamic entrepreneurial attitudes, namely attitudes toward oneself and attitudes toward customers. Attitude towards oneself is honest, sincere, disciplined, systematic, willing to work overtime, naturally gifted, likes the business world, is not selfish and is in accordance with Allah's commands. Whereas the attitude towards customers is - generous with a smile, willing to listen to customer criticism, not nagging, using kind words, compromising with customers, knowing regularly and the main customer, giving choices to clients, not practising favoritism, choosing love, always say thank you, be patient with customers (Yazilmiwati Yaacob & Ilhaamie Abdul Ghani Azmi, 2010). It can be concluded that the Retailer's Individual Attitude can increase the resilience capacity of Muslim entrepreneurs.

#### **Digital Marketing Relationship with Resilience Capacity Entrepreneurs**

The state of crisis caused by the COVID-19 pandemic has had a dramatic effect on all global economic activities in every region of

the world (Bofinger et al., 2020). To flatten the Covid 19 infection rate curve, several countries around the world have imposed widespread restrictions (for example, lockdowns, quarantines and closings of physical shops and businesses) to protect the functioning of health care systems (Michie, 2020). This closure had a substantial direct impact on economic activity in almost every sector. For example, activities that involve direct contact between consumers and service providers have been affected by restrictions on movement and social distance (Giritli Nygren & Olofsson, 2020). Today, to survive and thrive, companies must include digital channels as part of their marketing strategies and learn how to connect with their customers across various digital platforms to engage them through unique experiences and to create lasting, profitable relationships (Edmiston, 2015). This condition causes companies, including retail businesses, to review their marketing strategies by using digital marketing to maintain effective communication with consumers. According to Oklander et al., (2018) to develop an effective marketing strategy at this time, it is necessary to develop technological innovations related to digital marketing, especially managing relationships with consumers. Digital marketing is a practical and innovative marketing approach during a pandemic. Referring to creation, Gümüşay, (2015) argues that Islam encourages innovation utilizing consensus and analogy, which are essential pillars of Islamic teachings.

Regarding the dynamism and innovation of entrepreneurs, Allah says which means to say, "We do not change people's conditions until they do not change conditions within themselves" (Al-Qur'an 13:11). The fact is there is no room for the lazy and idle brains of

Islam. According to the teachings of Islam, man can have nothing but what he stands for (Al-Qur'an 53:39). It can be concluded that digital marketing can increase the resilience capacity of Muslim entrepreneurs.

### **The relationship between Social Capital and Resilience Capacity Entrepreneur**

Social capital is broadly defined as "the networks and resources available to people through their connections with others" (Aldrich & Meyer, 2015) which connections offer information, enable the trust to emerge, and provide access to resources. In the entrepreneurial literature, social capital is considered as a contextual complement and a key asset for small companies (Lee & Jones, 2015). Through social capital, entrepreneurs can identify opportunities and mobilize resources (Adler & Kwon, 2002). Social capital is considered as a personal network of entrepreneurs, based on family members, friends, and business contacts who have direct contact with connected entrepreneurs and indirect relationships between them (Dubini & Aldrich, 1991). Social capital has been considered an essential part of organizational resilience (Lengnick-Hall et al., 2011). In this regard, Powley, (2009) argues that relational redundancy plays an essential role in supporting the activation of the disruptive relational network of events. Therefore, direct and inexpensive access to network-wide resources can be considered as a contextual resilience capability (Lengnick-Hall et al., 2011). This is a critical element in creating contextual conditions that support the development of entrepreneurial resilience to adverse events and positively affect the recovery time and process, especially for the small number of independent entrepreneurs

(Asgary et al., 2012). Resources and capabilities secured by socially linked networks expand the range of possible actions, thereby stimulating entrepreneurial innovation and resilience (Lengnick-Hall & Beck, 2005).

Sarif's study (2015) explores the effect of *ta'awun*-based social capital (the concept of cooperation) in the resilience of small business enterprises. *Ta'awun* uses universal solidarity (*ukhuwwah*) through mutual cooperation between stakeholders in providing financial and non-financial capital in building business resilience for sustainable performance. In general, *ta'awun* is defined as mutual cooperation or mutual cooperation for good. From a sharia perspective, *ta'awun* is prohibited from being used for illegal, criminal and dangerous activities. This is in line with the primary goal of Islam, which emphasizes the implementation of duties as servants of Allah. The results of a study by Sarif, (2015) show that social capital based on *ta'awun* allows business resilience for small businesses. It can be concluded that social capital can increase the resilience capacity of Muslim entrepreneurs. However, in this study, social capital affects the resilience capacity of Muslim entrepreneurs, but it is not significant. Thus, social capital can increase the resilience capacity of Muslim entrepreneurs. However, this study shows that social capital affects the resilience capacity of Muslim entrepreneurs, but not significantly. This shows that Muslim entrepreneurs need to increase their ability to build networks, both through sales and distributors, government, banks and financial institutions, merchant associations, and other retail traders. Because, in theory, social capital can increase the capacity of entrepreneurial resilience.

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## Conclusion

From the results of the discussion, it can be concluded that resilience capacity entrepreneurship, customer orientation, retailer's attitude, social capital, Islamic spiritual and digital marketing are the factors that cause Muslim retail entrepreneurs to have the ability to survive in a crisis. The model test shows that customer orientation, retailer's attitude, Islamic spiritual and digital marketing have a significant effect on the resilience capacity of retail Muslim entrepreneurs. In contrast, social capital has an impact on but not substantial. Therefore, it is proven that Muslim entrepreneurs have the capability of customer orientation, personal attitude towards resilience, Islamic Spirituality, digital marketing is the driving forces for the recovery of Muslim retail entrepreneurs. However, the role of social capital, such as the role of institutions and society, the role of government, and the role of associations or other entrepreneurs, has not been able to demonstrate the resilience capacity of retail entrepreneurs. For that, we need encouragement, support, coaching and support to empower retail business businesses.

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## Recommendation

For future research, it is necessary to re-examine the relationship between social capital and resilience capacity of Muslim entrepreneurs, because, in theory, social capital affects the resilience capacity of entrepreneurs (Aldrich & Meyer, 2015; Lee & Jones, 2015; Lengnick-Hall et al., 2011). In Islam, the meaning of social capital to achieve prosperity is part of the Islamic social welfare system. In other words, Islamic social capital is a network or networking that helps create

linkages which in turn motivate entrepreneurs to play a role in the development process. Therefore, the concept of *ta'awun*-based social capital has added a new dimension to the dialogue on developing successful entrepreneurship from an Islamic perspective.

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