

The Viewpoint of the Sharia System on Digital Marketing during the Covid 19 Pandemic

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Abstract

Shopping online as a new lifestyle is common in the Covid-19 pandemic. The emergence of various e-commerce platforms in Indonesian society has become a new alternative that facilitates the current pattern of people's shopping behavior. Many companies are experimenting with decentralized decision making and software to make new digital work cultures more effective and productive as working in a physical office. The existence of this pandemic can encourage consumers who do not like online shopping to finally switch to online shopping. With a phenomenon like this, the research was conducted with the aim of obtaining findings regarding the description of the application of digital marketing during the COVID-19 period seen through sharia viewpoint. This type of research uses descriptive analysis method, namely by analyzing independent variables without making comparisons and looking for correlations with other variables. From the research that has been done, it is found that every company or producer should pay attention to the condition of the products being marketed, especially in terms of Islamic law (halal and haram) and for online buying and selling transactions there is no element of usury (interest) and maisir (gambling). With the research that has been done, it is expected to increase the profit of the company or producer.

Keywords

sharia; digital marketing;
MSME



I. Introduction

The COVID-19 pandemic is a global viral disease that affects the conditions of various countries. Covid or Coronavirus Disease 2019 (Covid-19) is caused by Severe Acute Respiratory Syndrome Coronavirus 2 (SARS-CoV-2) (Machhi et al., 2020). Covid-19 is a new disease that causes infection in the human respiratory tract and has a fairly high transmission rate (Machhi et al., 2020). The COVID-19 pandemic has affected all aspects of life. In the business world, social distancing conditions are forcing companies around the world to ask millions of workers to work from home (Choudhury et al., 2020). At least more than 200 million people have been asked to stay at home, and then, the phenomenon is that the business environment is vulnerable to transitioning to virtual work or laying off employees (Kim, 2020). Many employees are adapting quickly to digital transformation, online video conferencing software Zoom reports 78% profit growth, and Google Meet reports a 60% increase in user traffic, with people spending 2 billion minutes on online meetings every day (Kim, 2020). The manager estimates that some of the impacts of covid 19 in the workplace can last a long time, where flexible working hours and digital meetings are expected to increasingly replace traditional corporate culture.

Many companies are experimenting with decentralized decision making and software to make new digital work cultures more effective and productive as working in a physical office. Although businesses need to make this transition as effectively and quickly as possible, several other consequences that are very important for business continuity are often overlooked, namely the impact of COVID-19 on consumer and market behavior. Recently management practitioners and academics conducted research in response to covid 19, especially focusing on the digital transformation of the workplace (Kim, 2020). According to the "Mere Urgency Effect" people tend to allocate most of their resources and time to problems (Zhu et al., 2018). Through a recent survey of 304 businesses, 42% were concerned about revenue; however, most managers take a wait-and-see approach rather than taking action to improve the situation (Kim, 2020). The pandemic is also affecting digital transformation in terms of consumer behavior and how businesses can adapt to digital marketing. Seeing the high enthusiasm of consumers in using digital as a means of purchasing during a pandemic, making business people compete in winning the hearts of potential consumers.

The analysis conducted by the Tokopedia and Shopee marketplaces as seen in Table 1 and Table 2 shows that the pandemic period has not discouraged consumers and businessman from making transactions. Years to be spent testing new products, creating new advertisements, and creating new markets. The data does not describe the complete situation at Shopee and Tokopedia but has a high level of accuracy because it is carried out through an analysis of more than 2 million goods and consumers.

Table 1. Top 10 Best Selling Product Categories of Tokopedia

Product Categories	Number of Products Sold
Household Appliances	99,6 Million
Craft Party Accessories	92,7 Million
Handphone-Tablet	91,3 Million
Kitchen Set	80,9 Million
Beauty Product	71,3 Million
Food & Beverage	58,3 Million
Office-Stationary	57,0 Million
Health Product	56,8 Million
Electronic	53,2 Million
Carpentry	52,2 Million

Table 2. Top 10 Shopee's Best Selling Product Categories

Product Categories	Number of Products Sold
Beauty Product	247,1 Million
Household Appliances	133 Million
Muslim Fashion	107 Million
Ladies Apparel	100 Million
Handphone & Accessories	78,2 Million
Health Product	65,3 Million
Women Bag	54 Million
Moms & baby Product	40 Million
Electronic	35 Million
Man Apparel	28 Million

Consumers as direct partners in business transactions are also changing. Consumers are more focused on value. Marketing activities, especially during a pandemic, can create economic value. This economic value can determine the price of a product. In addition to focusing on value, consumers will also rebuild awareness. During the pandemic, consumers have almost forgotten about brands, so communication through digital advertising will increase brand awareness again.

The impact caused by the Covid-19 pandemic is experienced by MSME actors quite seriously. There are around 37,000 MSMEs who report that they are very seriously affected by this pandemic as indicated by: around 56 percent reported a decline in sales, 22 percent reported problems in the financing aspect, 15 percent reported problems with distribution of goods, and 4 percent reported difficulties in getting raw materials (Pakpahan, 2020). The problems above are also increasingly widespread if they are associated with the Large-Scale Social Restrictions policies that are implemented in several regions in Indonesia. Therefore, the formulation of the problem proposed in this study is how to apply digital marketing strategies during the COVID-19 pandemic which is seen through the viewpoint of Sharia. Sihombing (2020) state that Covid-19 pandemic caused everyone to behave beyond normal limits as usual. The outbreak of this virus has an impact especially on the economy of a nation and Globally (Ningrum, 2020). The problems posed by the Covid-19 pandemic which have become a global problem have the potential to trigger a new social order or reconstruction (Bara, 2021).

II. Review of Literature

The Internet has become a tool for the continued growth of many companies; now, companies must adapt their business models to enable the sale of their products and services 24 hours, seven days a week as well as enable global delivery for the use of e-commerce strategies that have become increasingly ambitious and global (Dumitriu et al., 2019). This new business model is based on how Internet users behave in social networks, which also involves analyzing user-generated content and the tools those users use (Saura et al., 2019). There has been a lot of research on Digital Marketing or online marketing which gave rise to many definitions of Digital Marketing. According to (Kotler, P . Shalowitz, J. Stevens, 2008) digital marketing is a form of direct marketing that connects consumers with sellers electronically using interactive technologies such as email, websites, online forums and newsgroups, interactive television, mobile communications and so on.

This technique identifies that there are many digital marketing techniques that can be linked to a company's sustainability strategy. However, the challenge is to make users feel that the company itself is developing a strategy on an ongoing basis and launching positive messages and generating positive feelings in users browsing the Internet (Rastogi & Khan, 2015). Digital marketing techniques are increasingly being used which are equipped with algorithms that analyze the feelings users have about how companies share their messages over the Internet (Hwangbo & Kim, 2019).

According to (Savira & Suharsono, 2013) digital marketing as conventional marketing projections, tools and strategies, on the Internet. The digital world and its application to marketing have driven the development of channels, formats and languages that lead to marketing tools and strategies. The Digital Marketing Institute (DMI) refers to digital marketing as “The use of digital technology to create integrated, targeted, and measurable communications that help acquire and retain customers while building deeper relationships with customers” (Royle & Laing, 2014). Digital marketing is a traditional branch of marketing and uses modern digital channels for product placement, e.g. downloadable music, and especially to communicate with stakeholders, such as customers and investors about

brands, products and business progress. Technology is changing many aspects of business activity and markets; Technological advances have given birth to a transaction method known as e-commerce (electronic commerce). The Internet has several attractions and advantages for both consumers and organizations. The internet is also the newest electronic medium that supports e-commerce (electronic commerce) and is experiencing rapid growth.

Sharia is the principle and concept of Islam, not only to food and drink, but also operations and all their activities. Muslim buying habits are relatively related to Halal image. Most Muslim consumers are looking for products with a halal logo as well as halal certification. Religious beliefs can be a factor in the awareness of Muslim consumers in buying products or services (Sulaiman et al., 2020). Hadith has clearly said about awareness and right consideration of things that are halal and haram. In this case, they will follow Shariah-compliant religious beliefs wherever they travel with a higher level of awareness of Shariah-compliant attributes and halal services.

In the world here and hereafter (Hasan, 2020) By definition, the core aspects of Islamic marketing are strategy (wisdom), necessity, halal (tayyibat), mutual agreement, and welfare (falah). (1) Strategy (wisdom); the closest word in Islam is wisdom which is emphasized in adapting to certain situations. Islamic marketing can achieve long-term goals in this world and the hereafter by interacting with changing environments, situations and events to purify beliefs, views, morals, customs, social, political, cultural and economic life (Hasan, 2020). (2) mutual agreement; based on the statements of the Qur'an and Sunnah, for example. An-Nisa: 29, Ashura : 38. In Islamic marketing, collective agreement means that the exchange must be operated at the will of the buyer and seller and free from undue pressure, and deception. (3) Needs; one must consume according to his needs and marketing promotion activities should not deceive consumers and only for noble purposes by providing clear information for the benefit of the people. (4) Halal (tayyibat); only goods that are safe, useful, and beneficial to consumers morally and ethically and do not conflict with what is prohibited by Islam are recognized as products (Haque & Yamao, 2011). (5) Welfare (falah); business should not be solely directed at profit but also efforts that must be enforced and improve human welfare (Hasan, 2020).

III. Research Methods

The methodology used in this research is thought-provoking, or conceptual based on intellectualization and reflects the prospects and impacts of digital marketing. This study uses a critical approach to analytically review the literature on digital marketing and relate it to the research results. The data analysis technique used is descriptive. Descriptive method is a research conducted to determine the existence of independent variables, either only on one or more variables (stand-alone variables) without making comparisons and looking for relationships between these variables and other variables (Sugiyono, 2017).

IV. Discussion

4.1 Study of Research Objects and Subjects

Based on the data, online trade transactions in Indonesia are growing rapidly; the annual figure increases in 2020, the number of e-commerce transactions reaches Rp. 55.1 trillion and will continue to increase in 2023, the number of e-commerce transactions reaches Rp. 144.1 trillion. Even according to the British research institute, Merchant Machine, released a list of the ten countries with the fastest growing e-commerce in the world. Indonesia leads the ranks of these countries with 78% growth in 2018. The number of internet users in Indonesia, which is more than 100 million users, is one of the driving forces for the

growth of e-commerce. The average money spent by Indonesians on online shopping sites is US\$328 per person or around Rp. 4.19 million per person (<https://databoks.katadata.co.id/>).

From this data, it can be seen that in the future online marketing has very good prospects, so business people must adjust their market orientation strategy by using an online marketing approach. According to (Sulaiman et al., 2020), online marketing enhances content and changes the way individuals and organizations interact. Online marketing, commonly known as Internet marketing and digital marketing, can also be defined as the process of promoting a brand, product or service over the Internet (Tan et al., 2013). Digital marketing can provide benefits such as potential growth, reduce costs, provide elegant communication, better control, improve customer service and provide a competitive advantage. Businesses need to ensure their processes are in sync with advances in technology. Failure to recognize the potential benefits of online marketing can result in lost productivity, revenue and communication (Cheng & Liu, 2017). To maintain product excellence, increase revenue and communications, businesses must plan to meet customer needs and ensure innovative technology strategies are implemented (Cheng & Liu, 2017).

In terms of building customer loyalty, digital marketing is an effective way to attract loyal consumers. In addition, with social media that has two-way communication in it, marketers can also see and understand more about online consumers.

In online buying and selling transactions, online shopping offers greater flexibility in terms of time, location, and product variety. The existence of this pandemic can encourage consumers who do not like online shopping to finally switch to online shopping (Kim, 2020). Although in online shopping there are late adopters who tend to be more skeptical in evaluating new experiences, their online shopping experience tends to be positive, because it provides a relatively safe way of shopping during the pandemic. Thus, they are likely to continue shopping online even after the pandemic has passed (Lin & Lekhawipat, 2014).

4.2 Problem Solving Solution

Sharia marketing can be defined as a process and strategy (Wisdom) of fulfilling needs through Halal products and services (Tayyibat) with mutual agreement and welfare (Falah) from both parties, namely buyers and sellers for the purpose of achieving material and spiritual welfare (Hasan, 2020).

In e-commerce systems, sellers and buyers do not meet in person but meet in cyberspace with the goods to be traded usually displayed in catalogs. This kind of transaction is actually quite profitable for buyers and sellers. A buyer can get the goods of his dreams just by using a smartphone and then the goods are sent. On the profitable side of the seller, the seller simply opens an online store and waits for orders from buyers, processes products, and receives the proceeds from the sale of goods. However, in muamalah (Islamic trade law), the process of buying and selling transactions is regulated. General buying and selling transactions regulated in Islam must involve a physical meeting between the seller and the buyer, the goods to be transacted are also concrete, while e-commerce transactions do not apply that way. Therefore, for the successful implementation of Online Marketing with e-commerce, online business people must know the strategic issues in sharia marketing, namely halal issues, legal issues, and branding issues, which have an impact on the successful implementation of Islamic marketing. It should also be noted that these three issues are also the main challenges facing Islamic marketing in the world today (Tahir Jan & Lai Wan, 2018).

The first, Branding Issues. (Ahmed & Jan, 2015b) defines Islamic branding as branding that is Islamic friendly and follows Shariah guidelines. However, this Islamic brand definition can be refined further depending on the interpretation of the brand. That is why (Ahmed & Jan, 2015a) proposed many new dimensions of Brand Islam. Apart from the above, the issue

of halal will always be a mystery. Because, in the end, Allah SWT determines what is considered halal or not.

The second, Halal Issues. In online marketing, every product offered by the company to consumers, especially Muslim consumers must be completely halal or permissible in Islam. Therefore, all processes, inputs, and everything involved from manufacturing to product delivery must be environmentally friendly. Islam strictly prohibits, causing harm to the Islamic environment or anything created by Allah (SWT). It must also be free from unlawful elements, which are prohibited in Islam (Arham, 2010). (Tahir Jan & Lai Wan, 2018) argued that reduced products such as Makrooh or Mushtabeh would be very difficult to sell to Muslim consumers. The same idea applies to organizations that manufacture products that contain some unlawful elements that are prohibited in Sharia. Therefore, according to Islamic law, it doesn't matter if they produce Islamic products that are allowed to enter Sharia, as long as they produce products that are not Islamic, their business as a whole is considered illegal (Tahir Jan & Lai Wan, 2018).

Therefore, food marketers and other producers need to understand the true meaning of halal. The essence of all marketing practices whether Islamic or conventional, is to deal honestly and morally (Ahmed & Jan, 2015b), which is consistent with the Islamic ethical guidelines that design the Islamic ethical marketing framework. When Islamic ethical principles within an Islamic framework are integrated into modern law, an environment of ethical behavior is likely to develop. Moreover, because human nature is relatively the same, the ethical principles adopted by Muslims globally will still apply to all beliefs. Therefore, the adoption and use of ethical Islamic business practices will help multinational companies to take advantage of the huge Muslim market. Operating a business from an Islamic perspective in such a market is a guarantee of success. Moreover, following these principles also helps in the creation of a global ethical marketing model for all multinational companies (Tahir Jan & Lai Wan, 2018).

The third, Legality (Absorbing Islamic teachings in Modern Law). Theoretically, some contemporary marketing practices are considered legitimate and legitimate according to Islamic ethical principles (Arham, 2010). Therefore, if marketers can seize this opportunity, they can do so successfully incorporating Islamic principles into contemporary marketing practice. The Indonesian government, for example, follows conventional marketing practices but has strict rules and regulations regarding market monopoly and food quality from a hygienic and Islamic perspective (Ahmed & Jan, 2015b).

In addition to the three things above, businesses that are run through online marketing have characteristics based on Sharia law, including:

1. Online operations do not contain usury (interest): "Allah blights usury but blesses charitable deeds with multiple increase: Allah does not love the ungrateful sinner." (Q.S Al Baqarah: 276),
2. Online operations do not contain maisir (gambling):" They ask you [Prophet] about intoxicants and gambling: say, 'There is great sin in both, and some benefit for people: this sin is greater than the benefit.' 'They ask you what they should give: say, 'Give what you can spare.' In this way, God makes His messages clear to you, so that you may reflect." (Q.S Al Baqarah: 219).

V. Conclusion

Digital marketing has grown rapidly. Advances in information technology have changed many aspects of business, marketing activities, and gave birth to online transaction methods. During the covid 19 pandemic, businesses have transformed transactions through digital marketing. The pandemic has accelerated the growth of digital marketing which has an

impact on changing consumer behavior towards online transactions. However, the development of digital marketing must obey and be guided by Islamic values. Therefore, the conceptual model of digital marketing development in an Islamic perspective can be explained in the following figure:

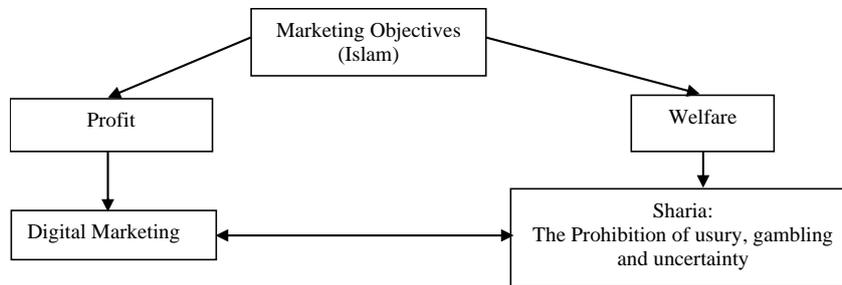


Figure 1. Conceptual Model of Digital Marketing Development in Islamic Perspective

The characterization of digital marketing from an Islamic perspective will open new avenues for future research and will make researchers more theoretically sensitive to the ontological and epistemological assumptions underlying Islamic marketing research. However, the limitations of digital marketing studies in an Islamic context are very rare. The practical implication is that practitioners must realize that technological advances have given birth to a transaction method known as digital marketing so that it becomes an opportunity for business people to evaluate data and use digital marketing to improve their marketing. In theory, practitioners and academics will find a better platform to develop digital marketing in an Islamic perspective.

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