

THE IMPORTANCE OF ISLAMIC ATMOSPHERE IN THE RETAIL BUSINESS A NEW ALTERNATIVE IN MANAGING RETAIL BUSINESS CASE STUDIES ON SYARIAH MINI MARKET: SYAR'E MART UII

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ABSTRACT

This paper aims to demonstrate a small-scale studies that explore the importance of retail Islamic atmosphere and contributed substantial in the success of the retail business. Especially looking for models or other forms of modern retail management based on syariah or Islamic rule. This paper also explores the relevance of the Islamic atmosphere of retail success. In this paper, we present case studies on UII Syariah Mini Market-Syar'e Mart that can describe the successes and try to draw conclusions by qualitative descriptive analysis of this case study. The findings show that the Islamic model of retail becomes a new alternative in managing the retail business. The concept of retail syariah has the opportunity to grow and succeed. That atmosphere was exciting retail syariah/ important than conventional retail atmosphere. Islamic retail atmosphere be one of the new tool in the retail industry. Islamic studies show that retail in the retail industry has contributed a new alternative in managing, developing and improving the retail industry.

Keyword: Syariah mini market, Syar'e Mart, the retail atmosphere of syariah, marketing

INTRODUCTION

Cox (1970) in the Cataluna (2004), Banerjee (2004) and Bielen (2007) established the concept of retail atmospherics and research into its effects over 40 years ago. Researchers have shown that numerous elements built retailers atmospherics and contributed to improv retail performance. The concept of Islamic retail atmosphere as a new tool in industrial retailing and the concept were the resource persons. Islamic retail used in small market at UII Syar'e mart in Indonesian country in 2010.

We define industrial cans retailing as the sale of goods or business in creating a finished product or service for consumers (Berman, 1995). We watched the Industrial retail pioneer in Indonesia exactly in Yogyakarta town by Matahari department

store, and crowded super market. Since 2006 many foreign retailers have come to Yogyakarta, Indonesia to develop the retail industry franchises like Alfa, Carrefour, Makro, Superindo, etc. Those markets were the resource persons intended to persuade and introduce self-service. That is a game play in the conventional retailing system.

There are number of products and customer types that are suitable for industrial retailing. It makes sense for business customers to conduct transactions through a store nowhere their transactions are relatively low but may include a variety of items that need to be seeing.

As the growing proliferation of modern retail business in Yogyakarta, UII appears as one of the higher education institution in Yogyakarta need to take tactical steps to help

balance the role of local retailers in the market for retail competition. Retail models that carried are not limited to modern retail such as those offered by national and foreign modern retailers. Retail models offered are in the same breath with Vision UII as a university that rahmatan lil'alamin (mercy for the universe) that founded the retail business in the form of syariah mini market.

Innovation establishment of UII Small Market Syariah is also start from a desire to boost the position of local retailers in the face of the entry of large national and foreign retailers. Forms of brainstorming and practices that will be given to the community college of Yogyakarta, carried rahmatan lil'alamin vision and see the potential market UII Yogyakarta, who are mostly Muslim population, so the design of UII Syariah Small Market right to be offered and developed.

Model which is managed a small market syariah, have answered questions or concerns about this program, which is looking for retail models such as what can be an alternative solution to manage the retail business while still holding the Islamic syariah principles, the UII can provide to society. The establishment of this UII Syariah Mini Market Grant Program is funded Science and Technology for Innovation and Creativity Campus of the Directorate in fiscal year 2010-2012.

This paper aims to explore manage retail with Islamic atmosphere has to be introduced to the retail industry as a substitute for the conventional retail system. Namely, manage retail with Islamic atmosphere. The case studies raised in this paper is in the Mini Market Syariah UII "Syar'e mart." This management system is still relatively new in the era of Indonesian retail industry.

Definition of Retail Management of Syariah as a sale of goods or business in creating a finished product or service to the consumer, based on syariah. Meanwhile, no study based on the retail system of syariah been founded, but this model has been applied in a mini mart Syar'e UII Syariah Market.

What's Minimarket Syariah. Minimarket

syariah is the buying and selling activities that run by syariah system. In the Qur'an Surat Al Baqoroh verse 275, God affirms that: "... Allah trading and forbidden usury ...". In this paragraph described the prohibition of usury, which is preceded by suggestion of buying and selling. So the buying and selling is allowed in Islam, but clearly forbidden usury.

Muslims view the concept of buying and selling it as a tool to make it more mature man in patterned thinking and doing various activities, including economic activity. Minimarket as one where buying and selling activity should, serve as a training ground that is right for man as the Caliph on earth. So the actual buying and selling in Islam is a container to produce a formidable caliphs in the earth.

Approach to study the concept of syariah, namely:

1. Zakat Oriented

Unlike most mini-business where the final orientation is the maximum profit, then the orientation of the establishment of mini-syariah is to maximize the charity (zakah-oriented). Thus, the ultimate goal of business activity is not just a mini-Islamic-oriented profit-oriented but also zakah. With the orientation of this charity, business targets are to achieve the "number" optimum zakat payment. Unit Ib-IKK was more focused on optimizing the charity where zakat is collected the greater the mean profit generated by the mini market is also getting bigger. Net income is no longer the only measure of performance (performance) of the company, but instead of zakat to measure performance management of syariah minimarket.

2. Buying and Selling Syariah Concept

In the Syariah mini market, selling and buying concepts not only for cash sale and buying (conventional), but are more developed using Islamic concepts, i.e. :

- *Al Mutlaq*, which means general selling dan buying product with money as its device;
- *Al Musawamah*, which means general selling dan buying with given price

- without any information to buyer of how much money or profit made;
- *At Tauliah*, which means selling with primary price instead of gaining profit; in this case, the consumers are the profit/assets (*Tauliah*) itself;
- *Al Murabahah*, which means selling with cumulative primary price that has been agreed by both sides, plus the cooperative profit;
- *Al Muwadhaah*, which means selling using less price than primary price. Basically, *Al Muwadhaah* is the opposite of *Al Murabahah*;
- *Al Muqayadhah*, which means initial transaction using barter system;
- *Ash Sharf*, which means money exchange;
- *Ba'i Bithaman Ajil*, which means selling product using primary price and profit with credit payment;
- *Ba'i As-Salam*, which means selling with advance payment;
- *Ba'i Al-Istishna*, which means contract that has been signed by consumer and producer together, in order to transact specific things.

Has implemented syariah mini market in stages one by one the Islamic concept of sale and purchase this. Alhamdulillah this concept readily accepted and understood by consumers Syar'e Mart

3. Share Concept.

In syariah mini market, cooperation with and among employees, suppliers, investors, and partners can be done by introducing the concept of sharing. So all the elements involved will get the same benefits and costs too.

The concept of profit sharing in the banking world have often heard and practiced, but it seems the retail business is still rare in practice. However, this concept is actually easy and has long been used by some businesspersons in the area of retail. Currently Syar'e mart uses the concept of sharing is when partnering with providers of other retail businesses. This concept is also easy to learn and be received well in

general, although must often be evaluated in order not out of line with syariah.

4. Object

Syariah mini market needs to explain that every product must have the four aspects. First, the validity of product must be clearly lawful. Second, the existence of the products sold is real, meaning that products are available. Third, product deliveries must be in the proper distribution channels. Fourth, the determination of the exact value and product quality should be congruent. In this case, clear that it is prohibited to sell products that are not in accordance with the information.

Syariah mini market has expressly applied the concept of objects such products sold. The response of consumers when they first come in and buy still diverse, but as the learning process of consumers, the concept that the products sold must be clearly lawful, real existence, directed to the right place, shows the real trick is not to be ordinary, and accepted by consumers.

RESULT AND DISCUSSION

Numerous studies have examined the impact of retail environment on consumer behavior (Matilla and Witz, 2001 at Noad, 2008). The majority of research focused on specific areas or aspects of retail atmospherics, and few who take a wider stance. Turley and Milliman (2000) identify the physical element of retail atmospherics and compose with the variable component into five main elements: exterior, interior, layout, point of purchase and human variables.

Consumers interact with these stimuli during this shopping experience and sensory clues that make up an imaginary image-building consumer values about shopping in certain stores. All of these research findings have the effect of retail atmospherics and effects on consumer behavior. But all this is that the conventional retail system, not the retail syariah system. This research is different. Although Islamic retail including a new category in managing retail, has good prospects for development. It can be found in

the Mini market syariah Ull Syar'e Mart.



Figure 1. Mini market syariah Ull Syar'e Mart

Atmosphere Syariah Retailing Mix. Six variables in the mix of retail syariah is used to manage Syar'e mart in Ull Yogyakarta, namely merchandising, pricing, store image, store location, promotions, store facility variables. In February 2010, Syar'e mart open. Syar'e mart located within the campus environment on the Road Ull Yogyakarta Kaliurang Km 14.5.

Merchandising/product. Strategic management of goods or products sold at the Syar'e Mart be kosher. Food products beverages must be contained in packaging with the label "halal". This is one of the differences between Islamic retail with conventional retail. We do not sell non-kosher products.

Price. First time customers come into syar'e mart stores, they usually will be amazed and therefore ask why the products have two prices? We use such a pricing strategy because we want our customers to know that the price of two that the buying price and selling price. Thus, consumers will know and we will benefit from this. Purchase price is the cost of goods sold from the supplier or manufacturer, while selling price is the price given to the customer. We guarantee this price transparency. Thus, customers can control the price at the store are the same as or higher than the price in the market.

Store Image. Store image is usually measured as consumer perception on the performance of the store. This choice is based on the notion of customer perception of value diversity tend to be more satisfied with the

offerings, which give them what they need, want, or desire, with relatively low cost.

Store image is defined as the way consumers see the store that is the impression or perception of consumer to shop.

In other words, when consumers have tried the store brand, their opinion about it will have a potential impact on store image, but it is more likely that the image of the store is affected by the desire of consumers to try brand (Martenson, 2007).

Mini market's shop image Ull Syar'e is using syariah system to manage retail business. Consumer perception of store performance will be formed based on consumer perceptions about syariah and religious aspects of the store. Good customer perception of syariah will be attached to the store to give a positive contribution to developing and managing the retail business.

Store Locations. Selection of shops affected by the location very much. In a study of store choice behavior on the buyer's audio equipment, it was found that the level of pre-purchase information about the specified type of store brands selected. Buyers who have higher levels of pre-purchase information generally shop at special stores, whereas buyers with pre-purchase information low purchased at department stores. This is mainly caused by the customer implement risk reduction policies relating to the purchase of which will come to them. A store was chosen based on the confidence of customers about the store, about the nature and quality of products and services, which will be accepted. Level of importance due to the level of customer familiarity with the store and the importance of product category for the shopper (Banerjee, 2004).

Store choice is found depends on the socio-economic background of consumers, their personalities and experiences of the last purchase (Dodge and Summer, 1969 in 2004 Banerjee). Lumpkin et al. (1985) found that compared with younger buyers, older buyers are less conscious of price and proximity of residence to save is not an important factor for them. They regard shopping as a recreational

activity and thus selecting the store that are considered high value on "entertainment".

Hutcheson and Mutinho (1998, in Banerjee, 2004) found that the buyer uses a combination of quality staff and "the low price and promotion frequency" in choosing a store.

Syariah mini market located within the campus environment UII. The goal is to target a captive market in the UII campus environment as a whole. This location is very strategic, because adjacent to the cafeteria and parking areas together, making it easier for consumers to come to Syar'e mart. The proximity of this location contributes significantly to the number of consumers who come.

Promotion. Promotion is an important variable in the retail strategy. Promotions that are used in the mini mart syariah, Syar'e mart UII including the use of word of mouth (WOM), and banners one of the major promotional programs in shar'e main is a must have Corporate Social Responsibility (CSR). CSR related to the integration of environmental considerations, social and economic into the business strategy and practice.

Commission of European Communities (2001) defines as "a concept whereby companies integrate social and environmental concerns in business operations and their interaction with their stakeholders voluntarily". According to Wood (1991), "the basic idea of CSR is a business and society intertwined rather than as a distinct entity".

According to McDonald (2008), "CSR is about how companies manage business processes to produce a positive impact on society as a whole." In general, the difference has drawn between CSR seen as philanthropy and as a core business activity (Jones, 2007).

CSR market mini Mart Syar'e UII Syariah is the foundation's charitable orphans in the campus environment UII. Praise from month to month value can be given in this program has increased its magnitude. This is in line with the increase in profits or profits derived Syar'e Mart in sales operations.

Facilities. According to Sullivan (2002), he found that retailers and service organizations

have long appreciated the positive benefits of well-designed environment. Indeed, many organizations have a significant budget available to spend on the design but few can accurately predict the effect of design changes in customer behavior. Dimensions ambient environment design includes elements of the background relating to the senses (aural, visual, olfactory, etc.); this is one of the three dimensions of Baker. Three-dimensional environment of Baker's shop (1986) in Sullivan (2002), namely dimension of the design (size, architecture, lying out and the screen), social (the buyer and the store employees), and the dimension of the ambient (atmospherics).

Although music is generally considered as media entertainment, music can also be used to achieve other goals. In particular, music that works in the background of production facilities, offices and retail stores useful to produce certain attitudes and behaviors desired between employees and/or customers (Milliman, 1982). Indoor environment Syar'e mart, customers usually sung Murotal or religious studies are more representative of religious dimensions. That is one unique aspect of the atmosphere retail syariah; distinguish from the mini market is with the conventional. Other facilities provided by mart Syar'e indoor hot / cold to make a cup of coffee or tea also provided several sets of tables and chairs to sit around student.

CONCLUSION

This paper shows that in the implementation of grant programs found the differences between conventional ambience and atmosphere of sharia. The atmosphere is more important than the element of Syariah conventional atmosphere. Elements of Islamic atmosphere that is identified as an important Syar'e mart is 1) the merchandise: product availability and products must be halal/allowed, 2) transparency price: transparent purchase price and sale price, 3) religious image syar'e mart. 4) the location of the store 5) promotion (CSR, WOM, and banners Street), and 6) facilities (music, free water for

drinking, furniture, etc). Everything is packaged in a package that religious nuances. while the main Islamic concept applied is a business-oriented charity, *infaq* and *shodaqoh*, (sale and purchase) islamic concept, the concept of profit sharing and the object product or merchandise must lawfulness/*halal*, precise delivery, and real existence.

God willing, by applying the syariah concept of buying and selling in retail business management and presents the syariah atmosphere in the store environment will help develop and successful retail business. On the other hand, consumers will be protected her rights to obtain and consume *halal* products, safe, clear, no cheating, no escorted into the shopping habits of consumption and still be within the existing rules in the religion of Islam.

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