
ANALYSIS OF STRATEGIC MANAGEMENT FOR COMPETITIVE ADVANTAGE AT BASMALAH STORE**Diah Kartika Rohman, Misbahul Munir, Ahmadiono**

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Email: diahkartikarohman@gmail.com**Abstract:**

This research aims to analyze the competitive advantage strategy management implemented by the Basmalah store. Competitive advantage is the key to maintaining and increasing market share in the competitive retail industry. The research method used was a qualitative approach by conducting in-depth interviews with the owner and manager of the Basmalah shop as well as direct observation at the shop location. The research results show that the Basmalah store has implemented several competitive advantage strategies, including product differentiation, improving customer service, and operational efficiency. By maintaining a stock of unique, high-quality products, Basmalah stores are successful in attracting customers looking for specialty items. Apart from that, improving customer service through friendly and informative service is also an important factor in maintaining customer loyalty. Operational efficiency is also considered crucial in maintaining competitive advantage. Through effective inventory management strategies and the use of technology to monitor store performance, Basmalah can reduce operational costs and increase efficiency. However, this research also identified several challenges faced by Basmalah stores, including price competition from competitors, and fluctuations in market demand. Therefore, it is recommended that Basmalah stores continue to monitor industry trends, innovate competitive advantage strategies, and maintain focus on customer satisfaction.

Keywords: Strategic Management, Competitive Advantage, Retail, Product Differentiation, Customer Service, Operational Efficiency

INTRODUCTION

Islam is a universal religion that regulates humanity on the basis of morality (Al-Qur'an & RI, 2012). This religion unites spiritual and material values in a balanced unity, with the aim of making humans happy in this world and the hereafter (Amin, 2013); (Muvid, 2020). The economy is also an important factor in human life, where the Al-Quran and As-Sunnah are absolute guides (Suripto, 2016).

In Islamic teachings, economic activity cannot be separated from the basic values set out in the Al-Quran, Hadith of the Prophet and other sources of Islamic teachings (Latif, 2014). Islam in particular is considered special compared to other religions, because it encourages humans to build an economy with the recommendations of time discipline, maintaining wealth, the value of work, increasing production, determining consumption, and paying attention to the choice of life goals (Idri, 2010).

Freedom in Islam is not freedom that makes humans act like wild animals, but is freedom that allows individuals to choose their life goals and actions without any coercion (Masduqi, 2013). With this freedom, humans can determine existing opportunities in accordance with the values instilled by the Islamic religion.

As in business, business people have the freedom to improve their business, including physical freedom, freedom of will, and moral freedom. However, business people must be responsible for the freedom they exercise.

As stated in the verse of the Al-Quran An-Nisa: 29, "O you who believe, do not consume each other's wealth in a false way, except by means of commerce that is carried out mutually between you. Do not kill yourselves "Indeed, Allah is Most Merciful to you."

Every human being has an entrepreneurial spirit that contains creativity and certain goals to achieve success in life (Nuraeni, 2022). However, often the entrepreneurial spirit is not fully implemented, even if it is implemented, it may not be able to sell or increase its appeal to society.

The success of a company depends greatly on the success of its marketing. Marketing must be carried out with a good concept, without elements of fraud or dishonesty, and often uses religious concepts or religious elements which make it more careful in marketing the product.

Successful entrepreneurs are those who can adapt to changing consumer conditions and competition (Anwar, 2020). Threats from new competitors must be watched out for, and entrepreneurs must understand competitors' strengths and weaknesses. In a competitive world, winning new customers and beating competitors, both directly and indirectly, is the main task of entrepreneurs (Riski, 2017).

Competitive advantage is the essence of a company's performance in a reasonably competitive market. Islamic boarding schools have an important role in cultivating Islamic character in Indonesia and are responsible for Islamic education in a manner that is in accordance with religious teachings. The students live together and have their own dormitory in the Islamic boarding school. They study under the guidance of a teacher called Kiai or Bu Nyai. Facilities such as mosques for worship, study rooms, delivery halls, and other places are provided. Islamic boarding schools are generally surrounded by walls to monitor the entry and exit of students according to the boarding school's rules. Apart from being an

institution that teaches classical books and general sciences, Islamic boarding schools also uphold the morals of every student.

The Sidogiri Islamic Boarding School is a salaf educational institution that focuses on providing aqidah, sharia and Ahlussunnah wal Jamaah style morals (Nasih et al., 2020). As one of the largest Islamic boarding schools in East Java, Sidogiri has several business units, including Toko Basmalah, which is owned by the community who joined the Sidogiri Pasuruan Islamic Boarding School cooperative. Toko Basmalah competes with Indomaret, a large company with 14,000 outlets in 2016 and targeting the addition of around 1,600 outlets by 2017, spread throughout Indonesia. Meanwhile, Basmalah Shop has around 80 outlets spread across East Java.

The decision to shop is influenced by various factors, such as low prices or shopping convenience. The current business era is not only about profit, but also pays attention to humanitarian factors. Even though Indomaret and Toko Basmalah are competitors, business trends in the era of globalization unite business institutions through a single business ethic, information system and formal rules, creating a harmonious business world.

The business logic of conglomerates and cooperatives is almost the same, namely increasing income, innovating and implementing efficient management. The difference lies in the business concept used by conglomerates, which accumulate profits among a few people and then use them for corporate social responsibility (CSR). Individual orientation in this case is a stage towards the public interest, in accordance with the concept put forward by Adam Smith. "The invisible hand" is a term that refers to an economic concept attributed to economist Adam Smith. This concept describes how individual actions oriented towards personal interests in a free market indirectly contribute to the welfare of society as a whole. Meanwhile, in a cooperative system, business profits are distributed to members fairly, reflecting the principle of economic equality.

Conglomerates tend to be associated with rapid economic growth, while cooperative systems are more focused on economic equality among their members. Both systems involve circulating capital, competition, and have individual or group interests on the one hand, and public interests on the other. Both also ultimately contribute to social welfare.

Toko Basmalah, as part of the Sidogiri Islamic Boarding School cooperative, carries out the sharia system, showing an orientation towards religious values in its operations. On the other hand, Indomaret is based more on conventional trading logic. Although the two are competing, these differences in operational principles indicate that businesses may espouse certain values that reflect social or religious interests.

Based on this background, further research with the title "Management Analysis of Competitive Advantage Strategies in Basmalah Stores" will explore the strategies used by

this store to achieve competitive advantage, especially in the context of implementing sharia values in its operations.

METHODOLOGY

The research method used in this research is a qualitative research method with a case study approach. A qualitative approach is used to understand social phenomena based on reality or natural settings in a holistic and detailed manner, using descriptions in the form of words and language in a specific natural context by utilizing various natural methods. Meanwhile, this type of research uses case studies, namely empirical studies that investigate contemporary phenomena in real life contexts, in which this research seeks factual facts about strategic management of competitive advantage at Basmalah stores.

The location of this research is the Basmalah shop, one of the business units owned by the Sidogiri Islamic Boarding School. The reason for choosing the Sidogiri Islamic Boarding School business unit is because Sidogiri Islamic Boarding School is one of the oldest Islamic Boarding Schools in East Java.

Data sources in this research are divided into two, namely primary data sources and secondary data sources. Meanwhile, the data collection techniques used in this research were interviews and observation.

RESULTS AND DISCUSSION

a. Strategy Management

Management comes from the word to manage, which means to arrange, manage or take care of. Management is also often called a science, art and profession. Meanwhile, according to management experts, it is the process of planning, organizing, directing and supervising the efforts of organizational members and users of resources (Arifin, 2017); (Jannah, 2021). Strategy comes from the Greek "Strategos" which consists of two other organizations in order to achieve predetermined goals (Arifudin, 2021).

It can be concluded that strategic management is a series of fundamental decisions and actions made by managers and implemented by all levels of the organization to achieve goals.

According to Michael E. Porter, the definition of strategic management is something that makes the company as a whole add up to more than its parts, thus there is (Wijiharjono, 2021)an element of synergy. H. Igor Ansoff defines strategic management as a logical analysis of how a company can adapt to a good environment, in the form of threats and opportunities in its various activities (Oktamade et al., 2021).

Strategic management is a management process to realize the vision and mission of an organization. The objectives of strategic management are:

1. Implement and evaluate the chosen strategy effectively and efficiently.
2. Evaluate performance, review and review the situation and make various adjustments and corrections if there are deviations in strategy implementation.
3. Updating the formulated strategy to suit developments in the external environment.
4. Review existing business strengths, weaknesses, opportunities and threats.
5. Innovate products so that they always suit consumer tastes.

The benefits that an organization will obtain if it implements strategic management are:

- a) Provides a long-term direction to go.
- b) Helping organizations adapt to changes
- c) happen.
- d) Organizations will be more effective.
- e) Identifying the comparative advantage of an organization within
- f) risky environment.
- g) Will heighten the company to prevent the emergence
- h) problem.
- i) If employees are involved in making the strategy, it will be more motivating at the implementation stage.
- j) Reduced overlap.
- k) Can reduce reluctance among old employees.

There are nine strategic management processes according to Pearce and Robinson:

1. Formulate the mission of the business entity, including a general formulation of the purpose of existence, philosophy and objectives.
2. Develop a business entity profile that reflects its internal conditions and capabilities.
3. Assess the business entity's external environment, including competitors and general contextual factors.
4. Analyze the business entity's options by matching its resources to the external environment.
5. Identify the desired options by evaluating each available option based on the business entity's mission.

6. Select a set of annual goals and a chosen general strategy.
7. Implementing strategic choices by allocating budget resources that emphasizes the suitability between tasks, human resources, structure, technology and reward systems.
8. Evaluate the success of the process as input for future decision making.

Strategic management can help business entities see threats and opportunities in the future and enable business entities to anticipate ever-changing conditions in the future. Strategic management is a continuous process. The organizational environment changes so the organization must be continuously modified to ensure that what is desired is achieved.

b. Competitive Advantage Based on Michael E. Porter's Theory

Competition is the meaning of the success or failure of a company which determines the appropriateness of company activities that can support its performance such as innovation, cohesive culture and good implementation. Competitive strategy is the search for a profitable competitive position in an industry, the fundamental arena where competition occurs. Basically, competitive advantage develops from the value that a company is able to create for its buyers which exceeds the company's costs in creating it. Two types of competitive advantage are cost advantage and differentiation advantage.

The ultimate goal is to overcome and ideally change the rules in the interests of the company. The five forces in competition include:

1. Entry of new competitors
2. Threat of substitute products (substitutes)
3. Buyer's bargaining power
4. Supplier offering power
5. Competition among existing competition

The collective strength of these five forces determines the ability of companies in an industry to obtain an average level of return on investment that exceeds the cost of capital. And determines the profitability of the industry because it affects prices, costs and requires company investment in an industry to make investment profit elements. Cost advantages and differentiation in turn stem from industry structure. These two types are combined with the scope of activities that a company is trying to achieve, resulting in three generic strategies for achieving above average performance in an industry, including:

a. Cost Advantage

Cost leadership is the most obvious of the three generic strategies. A company must be ready to become a low-cost producer in its industry and have broad coverage and serve many industrial segments, as well as operating in industries related to the company's breadth. A company will be a company performing above average if it can achieve and maintain all cost advantages on the grounds that the company can control prices around the industry average either at the same or lower prices than competitors.

b. Differentiation

Differentiation strategy is the second generic strategy, where the company tries to be more unique by choosing special characteristics that are much in demand and needed by buyers and the company must have characteristics that are different from competitors.

c. Focus

The focus strategy is very different from other strategies, because followers of the focus strategy select a group in the relevant industry and adapt their strategy to serve it to the exclusion of others. There are two focus strategies, including cost focus and differentiation focus.

CONCLUSION

Islam is considered a universal religion that provides guidelines for morality and regulates human life as a whole. In an economic context, Islamic values, such as time discipline, preservation of wealth, and responsible economic freedom, are considered important. Marketing in Islamic business must be carried out with a good and honest concept, often including religious elements.

Toko Basmalah, as part of the Sidogiri Islamic Boarding School cooperative, competes with Indomaret by promoting sharia principles, showing that businesses can adopt certain values that reflect social or religious interests.

There are differences between conglomerates and cooperative systems in the context of economic growth and economic equality. This difference reflects different operational principles, where cooperatives, including Toko Basmalah, place more emphasis on economic equality and religious values.

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