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Concept Of Small And Medium Entrepreneurs In Customer Oriented Islam

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ABSTRACT

For a Muslim entrepreneur, building a business is not just about getting profit, but how the business is run to meet the interests of customers. So there is more attention about how to treat customers. This study aims to examine how the interests of customers are met so that loyalty is born in purchasing by paying attention to the factors that influence it, namely the Islamic entrepreneurial spirit, business capital, and location. To answer the purpose of this study, the researchers used a quantitative approach with statistical regression analysis. The place of research was carried out in MSME Production of Typical Souvenir Cakes in Tulungagung. The research data was collected primarily with a questionnaire distribution technique. The results of the study concluded that customer purchase loyalty is strongly influenced by several factors, including the Islamic attitude of business actors. Honest behavior, responsibility, and maintaining the good values of religion in trading can be added values and affect customer ratings. Likewise, capital adequacy and business location can strengthen the business, and give a positive impression to customers.

Keywords: Entrepreneurship, Islamic Values Business, Loyalty, Capital, Location

INTRODUCTION

Entrepreneurs engaged in the community business sector including micro, small and medium enterprises (MSMEs), are often known as "micro, small and medium enterprises". As one of the backbones of a country's economy (Abdi & Febriyanti, 2020). It is undeniable that MSMEs can reduce unemployment, create jobs, alleviate poverty, improve welfare and shape the nation's character through entrepreneurship.

Indonesian MSMEs are generally associated with domestic social economic problems such as high poverty rates, high unemployment, inequality in income distribution, inadequate development processes in urban and rural areas, and difficulties with urbanization. The growth of micro, small and medium enterprises (MSMEs) is expected to have a considerable impact on these initiatives.

MSMEs are companies that are able to adapt and thrive in difficult circumstances. Due to its adaptability and elasticity, investors are more willing to invest their money in MSMEs. Small and medium enterprises often have the desire to expand their business despite limited resources. Tendency to manage all aspects of a project yourself, from start to finish. This is expected to be able to meet and handle all aspects of the company, from raw material procurement to manufacturing and marketing.

Small and medium enterprises (SMEs) make up the majority of the Indonesian economy, and they have proven to be a reliable source of economic stability and development after the global financial crisis. Therefore we must increase public awareness about the need to support the growth of MSMEs in Indonesia to foster social cohesion. According to the Deputy Chairman of the Indonesian Chamber of Commerce and Industry in the last five years, the contribution of MSMEs to Gross Domestic Product (GDP) has always been above 50% and the contribution of MSMEs to employment is above 90% (*Business Review*,2015; Hasanah, et al., 2020).

The ability or strength of a person in creating, running and developing a business is called entrepreneurship or *entrepreneurship*. Which is where these business owners are able to create new things to realize and develop into businesses that can support the economy of the surrounding community. Creating a business requires one's interest, ability and knowledge in one's soul. In addition, various factors such as business capital, business location and good business ethics. In determining a business, of course, the business actor is able to see opportunities, benefits and long-term developments which will continue to grow rapidly in the future.

The creation of a new business, of course, there is an Islamic entrepreneurial spirit that is embedded in a person, the existence of this entrepreneurial spirit is the foundation for a business actor based on the Koran and hadith. The entrepreneurial spirit of Islam gives an influence to an entrepreneur to always try, pray and strive for what he is trying to do. So, it is not only about satisfaction that is sought, but there are many factors that must be developed, namely in entrepreneurship, an entrepreneur must of course be innovative, creative, able to create new things and be able to take advantage of opportunities to be accepted by consumers.

According to the Islamic perspective, business is characterized as a series of activities that take many forms, but there are limits to how assets can be acquired and

used (there are rules of halal and haram) (Ihza, 2020). Business requirements must meet Shariah requirements according to the law in the Qur'an and hadith. In other words, Sharia here is the main value that becomes a strategic and tactical umbrella for entrepreneurs. In the word of Allah SWT in the Qur'an surah al-Nisa verse 29 that: *"O you who believe, do not eat each other's property in a vanity way, except by way of commerce that applies to each other as you like. and do not kill yourselves; Verily Allah is Most Merciful to you."*

The verse explains that in Islamic law regulates and fortifies business activities as a whole. This is in line with what was exemplified by the Prophet Muhammad SAW, through good morals guiding people to think, say and act using the references of the Qur'an and hadith with the aim of expecting the pleasure of Allah.

With the foundation of the Islamic entrepreneurial spirit, it is hoped that an entrepreneur will be able to implement and develop a business according to Islamic law. Someone who has the interest, willingness and knowledge for entrepreneurship must continue to apply an honest, disciplined, friendly, responsible attitude and help each other. So that consumers feel comfortable, satisfied with what has been offered and what has been purchased, if consumers are satisfied with what they get, they will come back again to subscribe to what has been offered by entrepreneurs.

In addition to the Islamic entrepreneurial spirit that must be embedded, in creating a business or business, the necessary factor is venture capital. Capital is one of the factors that need to be owned in creating, producing, and developing a business. Broadly speaking, capital is a driving force in creating a business, the size of the capital also affects the productivity of the business to achieve something maximum in exploring the business.

In entrepreneurship, other components are needed that are no less important (Nursyamsiah & Nopianti, 2021). Funds used to set up or create a business can be considered as business capital. The term “business capital” can refer to a variety of things including: 1) startup money, 2) cash for company expansion, and 3) capital for day-to-day operations. When setting up and running a business, financial capital is very important, but not the most important. With this business capital, an entrepreneur can start pioneering and create a business, meeting the needs of production, marketing and other needs in running a business in the future. MSME cakes, of course, early in

creating this business require capital. Capital in terms of production equipment, raw materials, marketing and for its employees. With capital, the business being run is able to produce quality or attractive goods or services so that consumers are interested in buying them (Suryati, 2021).

Placing the company's headquarters in the most profitable areas is important (Putri, et, al., 2021). It is not uncommon for a company to choose its site without doing thorough due diligence before making a final decision. For some company owners, finding an empty site is the deciding factor in their decision to open a shop. Note that the location issue is an important item that should not be reached randomly. When starting a business, it is important to think about where you want to put it, because good ones will attract customers in the long run. Therefore, choosing a location to open a business requires careful thought.

THEORY

Entrepreneurship in English, in Japanese *ondernemen* Dutch, the word *from* French, namely *entreprende* which means adventurer, risk taker, contractor, entrepreneur (people who do a certain job) and creators who sell his creations (Nursyamsiah & Nopianti, 2021).

The Islamic entrepreneurial spirit is described as a character, psychological trait, morality, or personality that distinguishes one individual from another. Having the capacity to be creative and inventive, an entrepreneur or entrepreneur is someone who is able to produce something new and unique and is able to find opportunities, dare to take risks and is able to develop ideas and obtain resources. As a form of devotion, through business is something that is blessed by Allah SWT. The command of the Prophet Muhammad SAW in conducting transactions requires that information be conveyed honestly, consumer trust is maintained, strong communication skills are carried out, fairness is used, and customers are not disappointed.

Entrepreneurship for Muslims is based on the teachings of Allah SWT, namely entrepreneurship for Allah, with the understanding of vertical and horizontal spirituality. Everything that consists of worship, piety, belief and dhikr is included. The horizontal philosophy is to maintain healthy interactions with other people, clients, and community

members. The nature, goals and benefits of entrepreneurship consist of the nature, goals, and benefits (Abdi & Febriyanti, 2020).

The business aspect that must be owned before carrying out business activities is capital. When it comes to doing or growing a business and making money, the amount of cash or capital is important. Many individuals are prevented from starting a company due to lack of capital in the form of money due to lack of capital in the form of determination, experience, courage, knowledge, network, and capital in the form of money.

Business location is a mechanism for company activities that allow products to be accessed by their target customers (Maulidya, et al., 2019). Optimal positioning facilitates customer access while ensuring security. As a result, there is a link between a strategic location and the desirability of a product to customers. Location theory is defined as a science that investigates the spatial order of economic activity, or a science that investigates the geographical allocation of potential resources, as well as their relationship with or influence on the existence of other types of business or economic and social activities. Theoretical explanations related to geographic planning of economic operations are another definition of location theory. This is usually related to the geographical strategic allocation of limited resources, which affect and have an impact on the location of different economic and social activities (Sustiyatik & Setiono, 2019).

Loyalty is a strong desire to buy a favorite product or service in the future (Putra & Mulazid, 2019). In other words, customers will be loyal enough to make repeat purchases on a regular basis. Purchase loyalty refers to buying behavior that is loyal to one brand and does not switch to another brand. According to Griffin, loyalty can be defined based on buying behavior, loyal customers are making repeat purchases on a regular basis, buying products between product lines and services, and referring to others (Kumalasari, et al., 2021).

METHOD

The following research methods are used, including:

1. This study uses a quantitative design
2. The discussion is carried out descriptively

3. Technical data analysis uses multiple linear regression
4. Data is obtained through questionnaires
5. The number of samples is 100
6. The research subject is the general public
7. The sampling technique used is random
8. The data analysis technique used is multiple linear regression analysis.

RESULTS

The results of the regression analysis obtained an explanation of the research findings as follows:

1. The constant value (a) is 4.296, meaning that it shows that if the variables of Islamic entrepreneurial spirit, business capital and location are considered constant or equal to zero (0) on buyer loyalty is 4.296 .
2. The regression coefficient of Islamic entrepreneurial spirit is 0.166, meaning that the variable of Islamic entrepreneurial spirit has a positive effect on loyalty, or in other words, if the Islamic entrepreneurial spirit is increased by one unit, it will increase buyer loyalty by 0.166.
3. Capital regression coefficient is 0.380. This states that the variable of working capital has a positive effect on loyalty or in other words, if the business capital is increased by one unit, it will increase buyer loyalty by 0.380.
4. The location regression coefficient is 0.286. This states that the location variable has a positive effect on loyalty or in other words, if the business location is increased by one unit, it will increase buyer loyalty by 0.286.

The results of simultaneous data management show that the Islamic entrepreneurial spirit, business capital and business location together have a significant effect on loyalty because the significant value generated is 0.000 which is smaller than the level of significance of 0.05. because $f_{count} > ft_{abel}$, this means that the variables of Islamic entrepreneurial spirit, business capital and business location simultaneously or simultaneously affect loyalty to the Tulungagung souvenir cake SMEs.

Significance Test

From the results of data processing, the Islamic entrepreneurial spirit has a significant effect on loyalty because the significant value generated is 0.003 <0.05, this

means that the Islamic entrepreneurial spirit variable can significantly affect the increase in loyalty.

From the results of data processing, venture capital has a significant effect on loyalty because the resulting significance value is 0.000 <0.05. This explains that customer loyalty will strengthen linearly if the business is built with sufficient capital. This means that sufficient capital can provide the completeness of the services/products sold, the feasibility of the facilities, the convenience of the service, and so on, which then has an impact on strengthening customer loyalty.

From the results of data processing, business location has a significant effect on loyalty because the significant value generated is 0.006 > 0 0.05, this means that the business location variable has a significant effect on loyalty. In other words, the more strategic and convenient the business location, the more customer loyalty it can be.

Individual / Partial Test

1. The results of the simple regression test resulted in a $T_{count} > T_{table}$, namely 2.286> 1.984 with a significant value of 0.001 <0.05, so it can be concluded that the T test for the variable of Islamic entrepreneurial spirit has a significant effect on loyalty if tested one by one.
2. The results of the simple regression test resulted in a $T_{count} > T_{table}$, namely 5.491> 1.984 with a significant value of 0.000 <0.05, so it can be concluded that the T test for the venture capital variable has a significant effect on loyalty if tested individually.
3. The results of the simple regression test resulted in a $T_{arithmetic} > T_{table}$, namely 2.342> 1.984 with a significant value of 0.040 <0.05, it can be concluded that the T test for the business location variable has a significant effect on loyalty if tested individually.

Discussion of Multiple Regression

1. The results of the study show that the variable of Islamic entrepreneurship has a significant effect on buyer loyalty in Tulungagung souvenir cakes. Even in a one-on-one test, the variable of Islamic entrepreneurship has a significant effect on buyer loyalty in Tulungagung souvenir cakes. that way that buyer loyalty to the Tulungagung souvenir cake has an effect on the Islamic entrepreneurial spirit and this is supported by previous research.

2. The results of the study show that the variable of venture capital has a significant effect on buyer loyalty in Tulungagung souvenir cakes. That way, one of the buyers' loyalty to Tulungagung souvenir cakes is from business capital
3. The results of the research show that the business location variable has a significant effect on buyer loyalty in Tulungagung souvenir cakes. Likewise, in one-on-one testing, the business location variable has a significant effect on buyer loyalty in Tulungagung souvenir cakes. That way, buyer loyalty to the Tulungagung souvenir cake has a significant effect on business location and this is supported by previous research.

CONCLUSION

The results of the T-test test (partial test) for the two variables of Islamic entrepreneurial spirit and business location on buyer loyalty in Tulungagung souvenir cakes. it can be concluded that the variables of Islamic entrepreneurship spirit and business location affect buyer loyalty in Tulungagung souvenir cakes. The results of the T-Test test (partial test) for one variable of venture capital on buyer loyalty in Tulungagung souvenir cakes. it can be concluded that the variable of venture capital has an effect on buyer loyalty in Tulungagung souvenir cakes.

Based on the results of the F test (simultaneous test) it can be concluded that together the spirit of Islamic entrepreneurship, business capital and business location on buyer loyalty in SMEs cakes by Tulungagung. It has a significant effect on buyer loyalty in Tulungagung souvenir cakes because the significant value produced is 0.000 which is smaller than the significant level of 0.05. This means that the variables of the Islamic entrepreneurial spirit, business capital and business location simultaneously or simultaneously affect buyer loyalty in Tulungagung souvenir cakes. The most dominant variable on buyer loyalty in Tulungagung souvenir cakes is the business capital variable. Judging from the coefficient of determination, it can be seen that the Islamic entrepreneurial spirit and business location affect loyalty by 37.9%. While the remaining 60.8%. Loyalty value is influenced by other variables not examined in this study.

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