



Application of SWOT Analysis in Strategies for Increasing the Competitiveness of Muslim Traders to Face the Asean Economic Community (AEC)

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ABSTRACT

Purpose of the study: This study aims to find out how Islam views free trade, and to find out how Rabbani's strategy formulation is prepared in dealing with MEA by using SWOT analysis.

Methodology: The strategy used by Rabbani in doing business is to establish a Muslim fashion business with a reshare system, because using this system the risks are much smaller than using other systems. Apart from that, in trying, an entrepreneur must always be passionate, tenacious, never give up and be able to read the opportunities that exist, that is what makes Rabbani successful.

Main Findings: The success of Rabbani Muslim clothing in doing business in terms of customer service and the quality of the products offered has caused Rabbani Muslim clothing to continue to increase. However, to gain a larger market share, Rabbani Muslim fashion can increase the variety of Muslim clothing/veil products and open several outlets to other potential areas intensively.

Novelty/Originality of this study: This study analyzes a trade process using swot analysis in dealing with the Asean economy so that a study is carried out on Muslim clothing, namely rabbani.

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1. INTRODUCTION

World trade policies have undergone fundamental changes in many Asian countries, particularly in Southeast Asia, in the last two decades. In Indonesia, foreign trade liberalization has started since 1986, and since 1994 Indonesia has significantly reduced its import tariffs from an unweighted average of around 20% in 1994 to 9.5% in 1998. According to Ir. Sondang Anggraini, countries such as Cambodia, Laos, Vietnam and Myanmar, reduced tariffs on imports from 7.51% to 1.69% in the 2012 period. The same thing also happened for Brunei Darussalam, reducing them from 3.64% to 0.05%. in the same year [1]. Seeing this condition, it seems that challenges are coming to Indonesia. In trade interactions with ASEAN countries, Indonesia showed satisfactory results for five years from 1996 to 2001, with an average of 7.94% annually [2].

In the face of very tight competition, companies must be able to fulfill consumer desires. To be able to compete with existing industries, efforts to improve quality are needed so that they can produce quality products and products that are in demand by consumers[3]. Companies can choose how to compete, namely through the lowest prices or the highest quality products. If a company finds it difficult to compete on price, then the company is better off using product quality or service quality to win the competition[4]. One of the existing economic and development efforts is in Muslim clothing, namely rabanni.

Rabbani is one example of trade in Muslim fashion products in Indonesia. Rabbani has many customers because in general, Rabbani's marketing pattern places more emphasis on the upper middle class. Rabbani expanded its marketing network, and one of them is working with the television world. Rabbani has sponsored many television shows. This made Rabbani increasingly known to the public and received a positive response for new consumers to decide to buy Rabbani products. In relation to the MEA, Rabbani has made many major contributions to the economy, especially in building Islamic fashion trends in a long period of time [5]. Di sisi lain keberadaan Rabbani merupakan suatu alternatif pembelian produk busana muslim yang saat ini are reaping considerable benefits due to the fashion that is mushrooming among Islamic societies.

Along the way, boutiques or Muslim fashion stores have increased both in number and in the services provided. This situation causes competition with other Muslim clothing shops or boutiques. As a result, like it or not, Muslim fashion business entrepreneurs have no other choice but to win the competition [6]. In connection with the consumer-oriented marketing concept, management can provide satisfaction to consumers by meeting the needs and desires of consumers. marketing strategy where one of them is the promotion mix plays an important role carried out by the company and gets serious attention from the company in increasing sales volume [7]. The importance of this research is that through a SWOT analysis, business people can find out what they will do by maximizing their strengths to achieve success. This study aims to find out how Islam views free trade, and to find out how Rabbani's strategy formulation is prepared in dealing with MEA by using SWOT analysis.

2. RESEARCH METHOD

Based on the analysis that has been carried out, it is stated that Islam also recognizes free trade because the principle of trade in Islam is actually freedom, freedom in conducting transactions between sellers and buyers based on pleasure (sincerity) and no coercion [8]. The strategy used by Rabbani in doing business is to establish a Muslim fashion business with a reshare system, because using this system the risks are much smaller than using other systems. Apart from that, in trying, an entrepreneur must always be passionate, tenacious, never give up and be able to read the opportunities that exist, that is what makes Rabbani successful.

There is an identity philosophy used by Rabbani, namely using the three-letter form raa which is taken from the Arabic letter and has the meaning that small raa is defined as risk, medium raa is interpreted as sustenance, while large raa is defined as a combination of small raa and medium raa, namely how much fortune one gets also depends of the magnitude of the risk [9]. The main colors used in Rabbani's identity are purple, which has a calming and subtle meaning, and pink, which means feminine.

In sales, Rabbani began to focus on market segmentation, Rabbani focused on the market for the upper middle class. As for the development of the marketing aspect, Rabbani developed its marketing strategy, apart from direct marketing to consumers, Rabbani fostered a marketing network, namely opening dealer partners or single distributors per city/district and developing a shop/reshare development network (retail sharia shop) Rabbani [10].

Rabbani scarf products are produced by 180 to 190 tailors owned by the Rabbani factory itself, while the number of fashion designers is handled by 10 people and for the quality of fabrics, local and imported products are used to improve the quality of the products. The production process for Rabbani's clothing and headscarves, which starts with selecting fabrics, threads, ribbons, then measuring the fabric and cutting the fabric, which is then sewn by the tailors at the factory. Prior to tailoring the clothes, the style of clothing that will be produced by Rabbani is first researched whether it is in accordance with the ethics and suitability of the clothing models to be made by looking at references to clothing models from several clothing designs, both foreign and domestic.

3. RESULTS AND DISCUSSION

3.1. The Islamic View of Free Trade

Trading is the activity or activity of buying and selling. Islamic trade, as trade in conventional economics, is divided into two, namely: domestic trade and international trade (foreign trade). Domestic trade is a trading activity that occurs within the country, between fellow citizens and is subject to the power of the country concerned. In Islam, domestic trade does not require direct intervention from the government, and it is enough to apply the buying and selling law that has been stipulated by syara [11]. Here only general supervision is needed so that market participants comply with Islamic laws. International trade is trading activity carried out and taking place between citizens of different countries and nations, not between individuals within the State. In international trade every citizen, both Muslim and non-Muslims are entitled and free to import and export goods from or to any country they like without any ties or mubah conditions, provided that the exported or imported goods do not have a negative impact in accordance with the rules of fiqh (qawaidul fihiyyah) [12].

In relation to export import with non-Muslim countries. Islam allows this, as long as the goods being exported are not strategic and are not used to fight against the Muslims, because the Prophet once asked

Tsunamah to send food to the people of Mecca, even though they were the enemies of the Prophet, and at that time the Muslims and their companions were moving in and out of the country. others (non-Muslims) to trade [13]. Likewise with imports, as long as the goods are needed and for the benefit of the community there are no restrictions. Even though there is freedom, the role of the government in Islam is still needed as a trade director and supervisor of business people in terms of the entry and exit of several commodities, especially strategic ones.

At the time of the Prophet, trade was always based on the principle of freedom, meaning that freedom was exercised by the party concerned, namely between the seller and the buyer. This freedom of trade can be seen from the actions of the Prophet who forbade city people to pick up traders from villages that were still outside the city to buy goods at low prices where these villagers were not given the freedom or opportunity to enter the city to sell their wares at the market. The freedom system is an attempt to shorten the chain between sellers and buyers. Currently, the trading chain is very long, so many people take advantage of the links [14]. We need to compare this with the current free trade system which is full of bonds and regulations. Free trade institutions contain many rules and do not allow sellers and buyers to directly carry out transactions.

The whole activity of free trade according to the modern version is an important part of globalization. While globalization removes all existing authority, except trade authority. Therefore, there are many anti-Globalization movements, because they understand it like that. Especially Muslims, in order to understand the problem of free trade. In this case, we must be able to protect Muslims from the negative impacts caused by free trade according to the modern version which is part of globalization [15]. From the description it can be concluded that basically, Islam also recognizes free trade because the principle of trade in Islam is actually freedom, freedom in conducting transactions between sellers and buyers based on pleasure (sincerity) and no coercion.

3.2. Strategies for Increasing the Competitiveness of Rabbani Muslim Fashion Stores in Facing the Islamic Economic Community (AEC)

In order to move towards the Islamic Economic Community (AEC), there are great opportunities for Muslim traders to seize market potential and investment opportunities must be utilized properly. In order to take advantage of these opportunities, the biggest challenge for Muslim traders facing the MEA is how to be able to determine the right strategy to win the competition [16]. It is predicted that there will be changes in market behavior with the following characteristics: (1) dynamic market characteristics, global competition, and organizational forms that tend to form networks, (2) industrial level with flexible production organization with growth driven by innovation /knowledge, supported by digital technology, a source of competition in innovation, quality, time and cost, prioritizing research and development and developing alliances and collaboration with other businesses [17].

In a Muslim fashion company, quality, convenience, comfort and service are the most important things to increase market share. Each company has a different marketing strategy in increasing its market competitiveness, for this reason Rabbani has formulated a strategy that can be used as the forerunner of success in marketing its products [18]. Data analysis from this research is descriptive qualitative analysis which aims to provide descriptive (description) regarding research subjects based on data from variables obtained from the group of subjects studied [19].

While the analysis used by the Rabbani Muslim fashion shop today is to use a SWOT analysis of internal and external factors. After classifying the various possibilities of internal and external factors and in order to easily find the results of the analysis, the SWOT matrix is used [20]. This matrix can clearly describe how the external opportunities and threats faced by a company can be adjusted to the strengths and weaknesses it has. This matrix can produce four possible strategic alternatives, namely as follows:

SWOT matrix diagram.		
	STRENGTHS(S)	WEAKNESS(W)
Internal factors	<ul style="list-style-type: none"> • Having a strong brandname • Good management • Product innovation according to current trends 	<ul style="list-style-type: none"> • The selling price of the product is quite expensive compared to similar businesses • Competitors who already have an image • Requires large capital
External Factors	<ul style="list-style-type: none"> • Fostering a marketing network • The quality of fabrics using local and imported goods as well as materials that absorb sweat 	<ul style="list-style-type: none"> • Not accessible to all groups, namely the lower middle class
OPPORTUNITIES (O)	STRATEGI SO	STRATEGI WO
<ul style="list-style-type: none"> • Strategic business location • The majority of people who are Muslim • Purchasing power of people who tend to be consumptive • He is familiar with Rabbani's Muslim fashion products in almost all regions in Indonesia • Growth in the level of the community's economy so that it affects lifestyle 	<ul style="list-style-type: none"> • Maintain product quality and materials used • Increase reshapes that are close to strategic locations, namely close to settlements and highways • Improving the ability and quality of human resources • Expand market share 	<ul style="list-style-type: none"> • Strive for products that can be enjoyed by all groups with cost efficiency • Incessant advertising is able to strengthen the brand name • Product quality improvement • Increase customer loyalty
THREATS (T)	STRATEGI ST	STRATEGI WT
<ul style="list-style-type: none"> • Many emergence of similar entrepreneurs and similar systems as well • Emergence of similar business competitors with product innovation • Easy to imitate business strategy • Changes in people's tastes • There are substitutes/replacements 	<ul style="list-style-type: none"> • Improving or maintaining the quality of business quality, both product and service quality • Setting a pricing strategy • Setting marketing targets 	<ul style="list-style-type: none"> • Improving business strategy in a better direction • Pay attention to the quality of service quality to consumers • Establish an effective and efficient marketing strategy

The strategy used by Rabbani in doing business is to establish a Muslim fashion business with a reshare system, because using this system the risks are much smaller than using other systems. Apart from that, in trying, an entrepreneur must always be passionate, tenacious, never give up and be able to read the opportunities that exist, that is what makes Rabbani successful. The success of Rabbani Muslim clothing in doing business in terms of customer service and the quality of the products offered has caused Rabbani Muslim clothing to continue to increase.

4. CONCLUSION

Basically, Islam also recognizes free trade because the principle of trading in Islam is actually freedom, freedom in conducting transactions between sellers and buyers based on their pleasure (sincerity) and there is no coercion. is carried out by the parties concerned, namely between the seller and the buyer. This freedom of trade can be seen from the actions of the Prophet who forbade city people to pick up traders from villages that were still outside the city to buy goods at low prices where these villagers were not given the freedom or opportunity to enter the city to sell their wares at the market. Rabbani has a strategic plan, namely a short-term strategic plan and a long-term strategic plan. So it is advisable to carry out more lively promotions not only in big cities but from house to house in rural areas. Recommendations for further research can be done SWOT analysis on other Islamic brands.

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