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<http://dx.doi.org/10.12928/ijefb.v3i2.2542>

An Investigation of the Antecedents to Marketing Mix Strategy Implementation

**Syah Amelia Manggala Putri^{1*}, Safaah Restuning Hayati²,
Eka Jati Rahayu Firmansyah³**

^{1,2}Faculty of Islamic Studies, Universitas Muhammadiyah Yogyakarta (UMY),
Yogyakarta, Indonesia

³Branch Manager Office of Kendari, PT. Bank BRI Syariah, Tbk.,
Kendari, Indonesia

*manggalaputri89@gmail.com

Journal of
Islamic Economics,
Finance,
and Banking

Vol. 3, No. 2, December 2020,
pp. 125-142, ISSN p:2622-4755
e:2622-4798

Article History

Received : 2020-07-19

Revised : 2020-11-29

Accepted : 2020-12-06

Abstract

Introduction to The Problem: Been established for 282 years (2019), Pondok Pesantren Sidogiri was one of the oldest Islamic educational institutions in Indonesia. With its approximately 11,000 students, the institution was potentially economic to develop. The development effort was started in 1961 by establishing Koperasi Pondok Pesantren which focused on how to fulfill its students' needs. Kopontren Sidogiri was currently the main actor in a minimarket business competition in East Java. With its trading activities earning IDR 1 trillion per year, Kopontren Sidogiri could give a welfare impact to the community and Pondok Pesantren Sidogiri.

Purpose/Objective Study: The research aims to examine Kopontren Sidogiri's operational description and marketing-mix implementation in retail business in the 4.0 era.

Design/Methodology/Approach: The research was conducted using a qualitative method. According to the theme of the discussion, this research was field research. The research was a descriptive case study performed at Koperasi Pondok Pesantren Sidogiri. Sampling was conducted using a purposive sampling technique. The research sample consisted of a steering committee, managers, staff, and experts. The secondary data were collected from several findings relevant to this study. Data validity was tested using a triangulation technique.



Kampus 4
Universitas Ahmad Dahlan
Jl. Ringroad Selatan, Tamanan
Banguntapan, Bantul
Yogyakarta 55191
e-mail : ihtifaz@uad.ac.id

Findings: Strategies implemented included marketing mix (4Ps) i.e. product, place, price, and promotion. The achievement gave an inclusive and modern image to Koperasi Pesantren. Meanwhile, place strengthening was by building Toko Basmalah in the areas where alumni of Pondok Pesantren Sidogiri lived, creating loyal market targets. Moreover, price strengthening was by using a retail price in a product sale, encouraging the sale, and making effective profits. The promotion was by branding Pondok Pesantren Sidogiri, creating customers' trust, and spreading positive information about Minimarket Basmallah to people (word of mouth).

Paper Type: Research Article

Keywords: Implementation; Kopontren Sidogiri; Marketing Mix; Retail.

INTRODUCTION

The current retail businesses are run by various parties i.e. individual, legal entities, and corporation one. The evidence proves that businesses are profitable. Amounting to 200 million, the Indonesian citizens are a large market share. Unfortunately, the current retail business phenomena say that many business actors, either at the individual or cooperation level, have fallen. The fall mostly impacts several large retail corporates; such as HERO and PT. Matahari Putra Prima (MPPA). HERO operates several reputable booths which are Giant Express, Giant Ekstra, Giant Mart, Hero, Guardian, and IKEA; whereas MPPA manages Hypermart, Foodmart, Boston, Foodmart Express, and Smart Club. The condition is depicted in Figure 1.



Figure 1. The Number of HERO and MPPA Booths

It contrasts with some small retail businesses, such as Indomaret and Alfamart whose the number of booths is increasing. In 2018, Indomaret added 1,001 booths which then amounted to 16,336 in 2018; while in the same year, Alfamart added 1,283 and thus had 13,745 booths in 2018 (Tamara, 2019)

The condition impacts several retail corporates' performances which have been suffering from a decline in the last years. (Tamara, 2019)

argues that the decline is due to some factors i.e. a change in lifestyle and expenditure pattern, mushrooming online retail business, or change in each corporate's business strategy. It is illustrated in Table 1.

Table 1. HERO and MPPA's Financial Performances IDR million

Description	2010	2011	2012	2013	2014	2015	2016	2017	2018
Hero									
Income	7,667	8,952	10,510	11,900	12,769	14,352	13,677	13,033	12,970
Profit	221	273	302	671	43	(144)	120	(314)	(1,248)
MPPA									
Income	8,544	8,908	10,868	11,912	13,590	13,802	13,527	1,252	10,692
Profit	344	308	365	788	886	600	511	(1,213)	(669)

Pesantren is an Islamic educational institution operated long before Indonesia's independence. It contributes to promote and educate the Indonesian people. Numerous national and international public figures are pesantren graduates. Even in the colonialization era, pesantren's role was significant. However, the operation of pesantren meets challenges which are mostly financial ones. Overwhelming activities in pesantren demand for a great number of funds. The condition is unequal to the income of education fee payment. Even the majority of pesantren target their educational facilities to poorly financial students.

The challenges are responded by pesantren. They successfully established a business unit to support its operational expense. One of the responses was a pesantren's cooperation (Kopontren, Koperasi Pondok Pesantren). From students, by students, and for students, Kopontren can strategically support a pesantren's financial condition.

Pondok Pesantren Sidogiri is one of the largest pesantren in Indonesia. There are approximately 11,000 students registered there. Established 282 years ago, Pondok Pesantren Sidogiri is established and experienced in its operational management. Expensive operational expense is funded by Koperasi Pondok Pesantren Sidogiri with its business units. Kopontren Sidogiri not only provides its students' primary needs but also fulfills the needs of people living nearby. Several innovations were made; such as a bottled water factory and a technology-information-based payment service called E-Maal.

Among tight competitions, online sale, and declining purchasing power, Koperasi Pesantren Sidogiri Pasuruan (Kopontren Sidogiri) shows its increasing performance in a retail business. While running its main business, Kopontren also manages a retail business unit called Toko Basmalah in East Java and other provinces in Indonesia. Toko Basmalah supervises 123 booths and is about to open 200 others in

2020. 2018 sale profit amounts to IDR 1 trillion and should increase in 2019 and 2020. Toko Basmalah hires 1,331 staffs mostly alumni of Pondok Pesantren Sidogiri. (Kopontren Sidogiri, 2018)

The condition is the evidence that a retail business institution, under the supervision of a pesantren, can survive and even compete with other large retail business institution. How Kopontren Sidogiri made innovations and marketing strategies to increase its business amidst the tight retail business competition is challenging to study. Therefore, we have conducted research analyzing how Kopontren Sidogiri implemented marketing mix to compete in the retail business 4.0. The research aims to examine Kopontren Sidogiri's operational description and marketing-mix implementation in retail business in the 4.0 era.

The research is significant, as retail business is an easy and applicable business for everyone, including *pesantren*. With *pesantren's* economic potential, a retail business might sustain its operational activities and contributes to its students' empowerment and entrepreneurship.

There have been many studies on the marketing mix in various aspects including Wongleedee performed research on marketing mix and purchasing behavior for community products at a traditional market. The research was to identify the marketing mix which determined consumers' purchasing behavior at Bangkok Traditional Market. The sample, 400 participants, was selected among consumers visited and shopped at Bangkok Traditional Market. The research revealed a significant correlation between consumers' behaviors to the determinant factors i.e. price marketing mix, seller, place, and purchasing behavior in terms of purchasing frequency. Besides, a high purchasing frequency determined the possibility of revisiting a traditional market, a positive recommendation, and more shopping while earning more income (Wongleedee, 2015).

Astuti et al., (2015) conducted research on marketing strategy based on marketing mix influence on purchasing decisions of Malang apples consumers at Giant Olympic Garden Mall (MOG) Malang City East Java Province Indonesia. The research was to investigate the impacts of the variable marketing mix (7Ps: product, price, promotion, place, people, physical evidence, and process on purchasing) on consumers' purchasing decisions. The finding argued that the most influential marketing mix variable was the price. A unique price strategy was implemented to promote consumers' purchasing decisions at MOG.

Karwur et al., (2016) investigated the effects of the retail marketing mix on the consumers' purchase decision at Indomaret Paniki. The research population included customers who visited Indomaret Paniki Manado. Sampling was conducted using Solving formulae and resulted in 100 respondents. Data were analyzed using a classical assumption test and double-linear regression analysis with two hypothesis testing f-test and t-test. The finding inclined that retail marketing mix consisting of

product, promotion price, service, store design, store location, and store atmosphere simultaneously significantly affected consumers' purchase decisions. Furthermore, the variables of retail marketing partially positively affected consumers' purchase satisfaction at Indomaret Paniki Manado.

Meanwhile, Işoraitè (2016) performed marketing-mix research with a theoretical perspective. The research was focused on a deep marketing-mix theory discussion. The marketing mix was intended to realize the corporate's goal to meet its customers' needs. The current dynamic change in this era requires a corporate to make an effective marketing formula to meet its customers' satisfaction. The satisfaction was reflected by their purchase decision on a product based on 4Ps (product, price, place, and promotion).

Caliskan et al., (2020) do research on Digital transformation of traditional marketing business model in new industry era. The research was to investigate effect Industry 4.0 has an important and shaping effect on marketing. Research has conclusions Digital transformation deeply influences business processes and companies have to use some digital technologies (AR, artificial intelligent, the IoT, cloud computing, data analytics, cyber security, etc.) in order to avoid staying behind from their competitors in their marketing strategies.

Lahtinen et al., (2020) conduct research Long live the marketing mix. Testing the effectiveness of the commercial marketing mix in a social marketing context. The study was conducted to determine the application of the marketing mix to increase fruit and vegetable (FV) in take in children aged 61 years in Finland. The results of this research that a full application of the marketing mix (4P) is more effective than a promotion only (1P) campaign in increasing FV intake within children.

Syapsan (2019) did research the effect of service quality, innovation towards competitive advantages and sustainable economic growth marketing mix strategy as mediating variable. The aim of this study to determine the effect of service quality and innovation on competitive advantage and sustainable local economy, with marketing mix strategy as the mediating variable (Study in small and medium enterprise (MSME) in Java and Sumatera). One of the research findings is the marketing mix strategy has a positive influence on the sustainable local economy, meaning that the higher the marketing mix strategy, the better the strategy for sustainable economic growth and competitive advantage will be.

Othman et al., (2020) conduct research the effects on customer satisfaction and customer loyalty by integrating marketing communication and after sale service into the traditional marketing mix model of Umrah travel services in Malaysia. The findings of this study are marketing mix has a significant positive effect on customer loyalty through customer satisfaction both directly and indirectly.

We found numerous research on the marketing mix in any field. However, we found no research on the implementation of the marketing mix in a kopontren-based retail business at Kopontren Sidogiri. Therefore, this research is relevant and contributes to the academic field.

METHODOLOGY

We used a qualitative method as a research procedure and compiled descriptive data in the form of written or spoken words and observable behaviors. Based on the discussion theme, this research was field research or intensive, detailed, and deep research on a certain object which should be comprehensively and thoroughly analyzed in a qualitative design. This research was a case study at Koperasi Pondok Pesantren (Kopontren) Sidogiri Pasuruan. The research was descriptive. We collected field data relevant to the implementation of the marketing strategy at Kopontren Sidogiri. The research population was Koperasi Pondok Pesantren Sidogiri Pasuruan. Sampling was conducted using a purposive sampling technique. The sample was carefully selected by determining suitable respondents based on the research criteria (Arikunto, 1998).

Moreover, the research sample consisted of a steering committee, managers, staff, and experts. The detail of the sample is as follows:

1. A steering committee of Kopontren Sidogiri
2. The financial manager of Kopontren Sidogiri
3. Human Resource Manager of Kopontren Sidogiri
4. Technology and Information Manager of Kopontren Sidogiri
5. Experts

To answer the research questions, primary data relevant to the marketing strategy of Koperasi Pondok Pesantren Sidogiri. As this research was also a case study, its secondary data, either internal or external, should support or give relevant information. The secondary data were collected from several references i.e. books, newspapers, magazines, articles, or other research findings relevant to this study (Indrianto & Supomo, 2002). Moreover, the primary data were collected using observation, interview, and documentation techniques.

This research was descriptive. We developed our instrument in the form of guidelines for the interview and documentation. The guidelines were developed with a reference to the theoretical framework used to formulate the research questions. Data validity was tested using a triangulation technique. It was a technique to check data validity by using other data besides the data used for checking or comparison with the collected data (Sugiono, 2010). Using a triangulation technique, checking was conducted with a comparison between data and the result of the interview with the research subjects. In data checking, we

also considered other data collected to acquire accurate information. A data analysis implied a process in which we organized and ordered data in a pattern, category, and basic description unit to find a theme and formulate a hypothesis based on the data (Moeloeng, 2000). The data analysis used was an analysis method testing data validity and accuracy.

RESULTS AND DISCUSSION

1. A Brief Profile of Kopontren Sidogiri

Cooperation is an organization run in Indonesia and protected by the Law. It is usually operated by a group of people running for the same business goal and under the kinship principle. The business run is professionally and sustainably managed. Cooperation majorly contributes to the Indonesian economy, giving it a strategic position (Anoraga & Widiyanti, 2007). Furthermore, with its open and public properties, cooperation is the media people can use to elevate their living standards. Cooperation was derived from the Latin word which was *coopere*. *Co* means together and *operation* means working (Sitio & Tamba, 2001). The Law Number 25 of 1992 on Cooperation defines cooperation as a business unit whose members consist of people or legal entities and whose activities are relied on the cooperative principle and public economy movement relied on the kinship principle.

Kopontren Sidogiri was initially established as a canteen and grocery store by Kiai A. Sa'doellah Nawawi. It became a legal entity with a validating number of 444/BH/KWK.13/IX/1997 issued on July 15th, 1997 by the Office of Cooperation and Micro, Small, and Medium Enterprises of Pasuruan. Moreover, the steering committee, supervisors, and managers of Kopontren Sidogiri lived near Pondok Pesantren Sidogiri (Table 2).

Table 2. Steering Committee, Supervisors, and Managers of Kopontren Sidogiri

Position	Name
Supervisors	
Sharia supervisor	KH. Fuad Noerhasan
Financial supervisor	H. Bahrudin Toyib
Management supervisor	HM. Abd Jalil Kamil
Steering Committee	
Director	Achmad Sa'dulloh
Secretary	Ach Baihaqi
Money treasurer	M. Aminulloh BQ
Managers	
Head director	d. Nawawwy Sa'doelloh
Business director	Achmad Edy Amin, S.E.I
Operational director	M. Luthfillah Habibi, S.E.I., M.E.I

Kopontren Sidogiri largely contributed to students, community, and Pondok Pesantren. In terms of Pondok Pesantren, Kopontren independently acted as one of its businesses which gave operational support. Meanwhile, students used Kopontren Sidogiri as a grocery store which also provided stationaries and a place to learn entrepreneurship. Finally, Kopontren Sidogiri provided easy transaction access for people and sold goods with a highly competitive price (Kopontren Sidogiri, 2020).

Kopontren Sidogiri added 20 new business units in the following regencies in 2020.

Table 3. New Business Units Established by Kopontren Sidogiri in 2020

City/Regency	The Number of Units
Pasuruan Regency	3
Malang Regency	1
Probolinggo Regency	5
Bondowoso Regency	2
Jember Regency	1
Bangkalan Regency	1
Pamekasan Regency	1

The majority of the business units of Kopontren Sidogiri were in East Java. There were Sidogiri alumni who supported the business unit sale there. Kopontren Sidogiri had 177 units consisting of 167 retail and wholesale branches and 14 non-retail branches. The non-retail branches run supporting business; such as printing, drug store, book store, canteen, building material shop, and others. The number of business units of Kopontren Sidogiri is presented in Table 4.

Table 4. The Number of Business Units of Kopontren Sidogiri

Location	The Number of Business Units
Pasuruan	48
Malang	4
Probolinggo	16
Lumajang	11
Situbondo	6
Bondowoso	12
Jember	17
Banyuwangi	3
Lamongan	3
Bangkalan	16
Sampang	14
Pamekasan	12
Sumenep	11
West Kalimantan	4
Total	177

Kopontren Sidogiri was determined to establish various business units to meet public demands. Although minimarkets were dominating, other business units which could provide what people needed are presented in Table 5.

Table 5. The Number of Business Units of Kopontren Sidogiri Per December 2019

Type of Business	The Number of Units
Retail and wholesale	154
Mini-retail	9
Grocery store, canteen, and café	3
Book store	1
Stationary	2
Printing	2
Automotive	1
Garment	3
Building material shop	1
Drug store	1
Total	177

Kopontren Sidogiri divided its membership into three categories i.e. special member, or Pondok Pesantren Sidogiri represented by the head director of Pondok Pesantren Sidogiri; ordinary members, and extraordinary members. There were 3,187 members in 2019. The number of members was significantly increased as shown in Table 6.

Table 6. The Number of Business Units of Kopontren Sidogiri Per December 2019

Description	Number
Member since 2018	3,022
Member since 2019	276
Not a member since 2019	111
Total members	3,187

The members of Kopontren Sidogiri spread across regions in East Java and other regions as indicated in Table 7.

Table 7. The Number of Kopontren Sidogiri's Members Per December 2019

City/Regency	Jumlah Anggota
Pasuruan Regency	1426
Bangkalan Regency	344
Sampang Regency	252
Jember Regency	239
Sumenep Regency	148

Bondowoso Regency	112
Probolinggo Regency	107
Lamongan Regency	98
Pamekasan Regency	82
Pasuruan City	75
Lumajang Regency	58
Surabaya City	37
Sitobondo Regency	29
Banyuwangi Regency	27
Malang Regency	26
Malang City	19
Gresik Regency	15
Kediri Regency	13
Pontianak Regency	11
Probolinggo City	11
Others	58
Total	3,187

Kopontren Sidogiri divided its membership into three categories which were a special member, ordinary members, and extraordinary members.

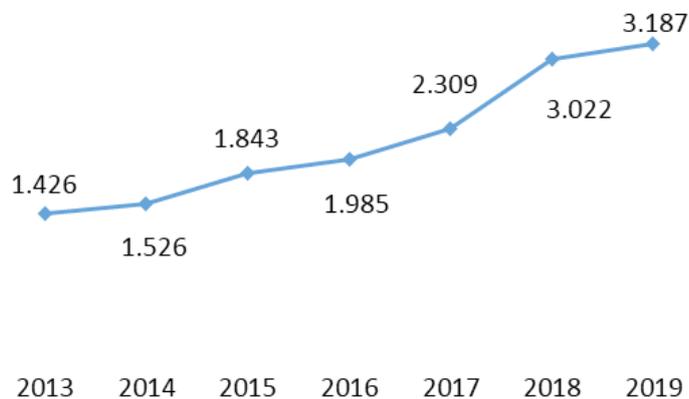


Figure 2. The Growth of Membership

The majority of Kopontren Sidogiri’s staff were alumni of Pondok Pesantren Sidogiri. It was in line with one of the goals set by Pondok Pesantren i.e. educate its students to be independent students or entrepreneurs. Also, Kopontren facilitated some job fields targeted to students with non-formal education. The students developed a high spirit impacting their performance and spirit at work, creating a good work culture in Kopontren Sidogiri. We found the number of staff until 2017 as presented in figure 2:

The growth of the number of staff increased, as shown in Figure 2.

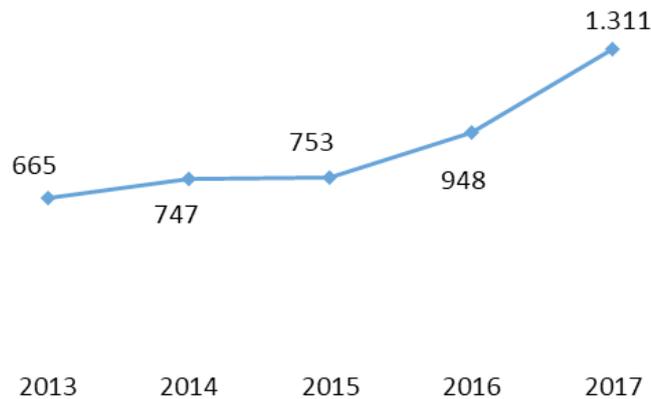


Figure 3. The Growth of the Number of Staffs

2. Products and Services

2.1. Costumer Goods

One of the featured products offered by Kopontren Sidogiri was customer goods which were rapidly sold. The product was chosen as there was a high demand for it and rapid turnover, minimizing any broken stock. Despite the relatively small profit, a rapid turnover could bookkeep an optimum profit.

Customer goods were supplied by producers directly through the main distributor, either in Pasuruan, Surabaya, or Jakarta. A good payment commitment made Kopontren Sidogiri producers' main target to market their products. Another customer goods product was the canteen. With its numerous students, food was the main demand in Pondok Pesantren. The opportunity was then optimized and Kopontren Sidogiri opened a canteen and food court in some Toko Basmalah nearby. There was a canteen inside Pondok Pesantren Sidogiri which provided food for students who were taking education and forbidden to go outside.

2.2. Supports for Students' Education

Students were one of the main targets set by Kopontren Sidogiri. Students needed clothes, stationary, and books studied at Pesantren. As one of the Islamic study centers, Pasuruan had *pondok pesantren* either traditional or modern ones. The large number of *pondok pesantren* affected the growth of the number of students year by year. It could increase the demand for goods supporting education.

Goods supply was facilitated by groups or individuals. Besides, community empowerment was made to supply clothes, skull caps, and books. Meanwhile, sarongs were supplied by a factory which produced Sidogiri sarongs.

2.3. Financial Services

Technology development in the 4.0 era demands acceleration in every service, including the financial one. In response to that, Kopontren Sidogiri launched a financial service product called E-Mall. Server-based, E-Mall was a card-based payment system. Each transaction was made and could only be made after six PINs were inserted. If customers lost their E-Mall card, the deposit would be added to their new E-Mall card.

Customers could use their E-Mall card to make payment in Toko Basmalah, educational fee payment in Pondok Pesantren Sidogiri, and money transfer to another E-Mall user. A deposit could be topped up at Toko Basmalah or conventional or sharia BNI.

The E-Mall service had been upgraded and available in any application store. It was free to download. The application eased its members to make transactions, either financial or non-financial ones. The financial transaction intended was payment at Toko Basmallah, educational fee payment at Pondok Pesantren Sidogiri, and money transfer to another E-Mall user. Meanwhile, the non-financial transaction included balance checking and user maintenance. E-Mall effectively helped students and their parents make their daily financial transactions. Moreover, financial transactions made to buy food, stationary, and services were cashless, minimizing the risk of money-losing in the dormitory. Students' parents could use this service while transferring money. They could use the E-mall transfer or E-Mall application or visit Toko Basmalah.

Nevertheless, we found several weaknesses in the E-Mall card. The deposit was only topped up at Toko Basmallah and BNI. It was troublesome if students' parents lived far from Toko Basmalah. Furthermore, they might not be able to get access to BNI as well, as the bank office might have not reached their living area. Therefore, the E-Mall service providers should establish more cooperation with more parties, so customers can top up their deposit at any bank, easing their transaction.

3. Marketing-Mix Application by Kopontren Sidogiri in the 4.0 Era

The marketing mix is one of the factors affecting customers' satisfaction and loyalty (Sudari et al., 2019). The marketing mix is a set of controlled marketing variables to trigger the response of the market target. The marketing mix is any activity conducted to affect the demand for a product. The marketing mix consists of 4Ps i.e. product, price, place, and promotion (Kotler & Keller, 2012). A corporate's good products, reasonable price, accessible place, and effective promotion strategies will motivate consumers to learn and buy its products, increasing the opportunity to create loyal customers (Harsono, 2016).

3.1. Products

Product is one of the main elements of marketing. Verma & Singh argues that a product is a physical service given to consumers who are willing to pay (Verma & Singh, 2017). Furthermore, a product implies any object which satisfies customers and meets their demand (Asri, 2001). Isoratie (2016), quoting Strazdas (2011) emphasizes that a product should not be discussed not only based on its physical characteristics but also from a broader perspective (Iřoraitė, 2016).

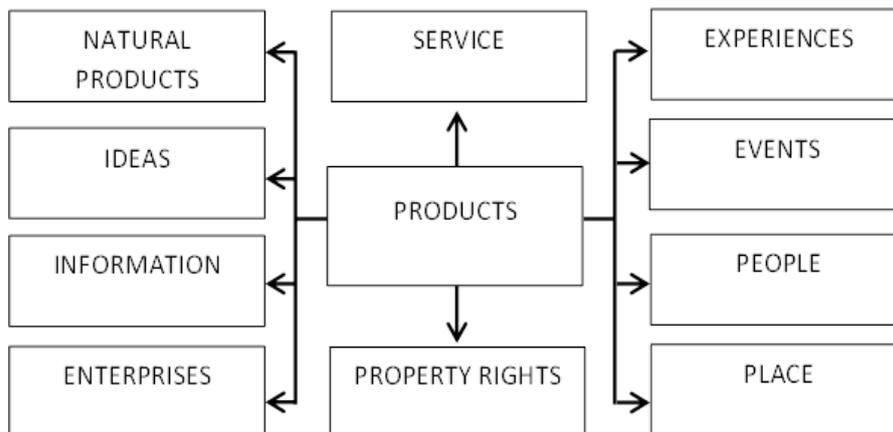


Figure 3. A Broad Perception of Product (Iřoraitė, 2016)

The product selection at Kopontren Sidogiri was customized to what the students and people living nearby, as the main targets, needed. The products provided consisted of sustainably demanded goods and services. To accommodate what they needed, Kopontren Sidogiri provided products in the form of goods and services. The goods provided consisted of clothes, food, and daily needs with a rapid turnover. Meanwhile, the service products were provided using an online financial service called E-Mall.

E-Mall enabled customers to make a transaction of pulse purchasing, electric payment, deposit transfer between E-Mall users, and other financial transactions. Besides, customers could also make an educational fee payment at Pondok Pesantren Sidogiri. It certainly eased parents to pay their children's educational fees, as they were only required to make payment at Toko Basmalah or using their gadgets. Using E-Mall, students could also make a cashless payment to mitigate any chance of losing physical money. Deposit top-up was also easy. Students or parents were only required to visit Toko Basmalah or BNI or BNI Syariah. To guarantee the safety, Kopontren would verify the password before customers were allowed to make any transaction. The former card would be deactivated when customers reported the card losing. A new card with the same amount of money would be issued immediately. The feature proved that E-Mall was more efficient than

other E-Money services because of its easiness and safety.

Providing students and people living near Pesantren made them loyal customers. Besides, the students could be more focused on their studies since their basic needs had been met by Kopontren. Meanwhile, people would find it easier to access daily needs using an easy and affordable transaction. The easy transaction was supported by technology. Easy payment eased people and students to make transactions although they lived in a remote area. Technology-information supports implemented in E-Mall products was a good idea as it suited the demand in the 4.0 technology era. The innovation surely would make the brand image of Kopontren Sidogiri recognizable and equal to or beyond any other larger retail corporates.

Another aspect of increasing customers' loyalty to Kopontren Sidogiri was a blessing. Customers believed that by making a transaction at Kopontren, their material and spiritual needs were fulfilled. They would be blessed because the profits of their transaction would be used for operational activities at Pondok Pesantren Sidogiri. A blessing was a spiritual concept which was perceived to give spiritual benefits to people. As a result, it increased customers' loyalty to make transactions at Kopontren Sidogiri.

3.2. Place

Besides location, a place also included goods and service distribution (Išoraitè, 2016). A place was frequently termed as placement or distribution or a process and method to deliver a product to a consumer. The distributing actors were distributors, wholesale stores, and retailers. The latest distribution method was using the Internet which constituted the market demand of this era (Luenendonk, 2019).

A well-selected store location would ease the distribution process. Consumers would be easier in accessing goods and services provided by Kopontren Sidogiri. The location of Kopontren Sidogiri was chosen based on several aspects i.e. strategic place, market potential, and alumni potential. The strategic place aspect was determined by a survey team which made a field observation either by data or direct observation in the field. The observation result was given to the managers and steering committee who would review it to make a decision. Most store owners applied the syirkah (profit sharing) scheme. Using the scheme, Kopontren and the store owners established business collaboration in which the store owners acted the business place providers, and Kopontren as the supplier of the goods would manage the business. The profits were shared by the agreement and the risks were shared by with the capital portion. The scheme was selected due to its Islamic principle which beheld togetherness and justice principles in the business implementation.

Pondok pesantren's alumni, especially Pesantren Sidogiri's, were one of the main potential customers. It dominated the decision-makers to select the business place. Alumni were potential loyal customers. They voluntarily made a transaction without any consideration of material advantages. As long as their needs were fulfilled, it was impossible finding them making a transaction with other retailers. Moreover, the market potential was crucial in a business place selection. Not only participated in the available market share, but Kopontren Sidogiri also created a new market potential. Despite its few activities in the early business development, Kopontren Sidogiri encouraged other new businesses either conducted by local or any other people, extending the market potential in the area.

In the 4.0 era, distribution was mostly online. The method had not accommodated by Kopontren Sidogiri yet. It might make a market place which would consistently increase its sales since the marketing process would be continuously run for 24 hours. Furthermore, alumni and people nearby could be partners if an online delivery system was implemented, such as the marketing concept using online transportation. Optimization in online marketing would elevate Kopontren Sidogiri's productiveness. Besides, students could learn and practice it effectively and efficiently.

3.3. Price

Price is one of the factors affecting consumers to understand product value. Price and sales are always inversely proportional. The higher the price, the lower the sales (Išoraitė, 2016). Price is the production, delivery, and promotion costs determined by the corporate (Kotler & Amstong, 2007). Price is the main criteria to evaluate a product. Each corporate should implement a certain price management strategy. Not only offering a competitive price, but corporate should also make the price equal to its product quantity and quality. Price can create customers' satisfaction and loyalty (Sudari et al., 2019). Price is determined based on the actual value, perceived value, and result of the identification of goods or services (Owomoyela et al., 2013).

Price determination is also determined based on the expected profit and field competition. A wholesale goods supply can cut the purchase price, so Kopontren Sidogiri could compete with more established retailers. The aspect could determine the price accurately. Besides, less established sellers were a high priority of Kopontren Sidogiri. As a response, Kopontren established a synergy to develop small businesses around its business units. The synergy was in the form of a special price lower than the selling price Kopontren gave to the public. The strategy eventually promoted small enterprises around as they could sell goods at the same price or even cheaper than Kopontren Sidogiri. Still, Kopontren would make profits from selling to other sellers nearby.

3.4. Promotion

Išoraitė argues that “marketing-mix promotion is a tool to spread information, promote purchasing, and affecting customers’ purchase decisions”. (Išoraitė, 2016).

Promotion is an activity to offer, sell, and recognize a product to a consumer. Promotion should attract and motivate consumers to purchase and consume a product. One of the promotion methods is sponsorship including discount, coupon, sample, refund, bonus, award, contest, and demonstration. The methods are expected to increase consumers’ purchase decision.

Kopontren Sidogiri greatly relied on mouth-to-mouth marketing promotion. However, the strategy demanded consistency in the control of the service, price, and quality of goods offered. Pesantren Sidogiri had implemented an effective branding strategy, developing public trust and positive information. Alumni’s role was crucial since they spread information which indirectly promoted Kopontren Sidogiri. Nevertheless, the strategy was probably more effective if supported by an online system also. Optimized E-Mall application which displayed a goods catalog and promoting materials might persuade customers to purchase. Furthermore, alumni and students’ potentials should be optimized to do an online market. Online marketing and distribution will push Kopontren Sidogiri’s selling activities to be more effective, efficient, and productive.

CONCLUSION

A marketing strengthening strategy implemented by Kopontren Sidogiri was a marketing mix consisting of 4Ps i.e. product, place, price, and promotion. The product strategy was implemented by selling goods and service products. The goods offered were what the students and people needed with a rapid turnover; such as groceries and others. Meanwhile, in terms of service products, Kopontren Sidogiri established a synergy with many parties. As a result, it could provide information-technology-based products; such as E-Tol and E-Mall highly used by people. The condition gave an inclusive and modern image to Koperasi Pesantren Sidogiri. Meanwhile, the place strengthening strategy was by locating Toko Basmallah in where many alumni of Pondok Pesantren Sidogiri lived, providing a loyal target market and easy access to consumers. Moreover, in terms of price, the strategy was by selling products at a retail price, pushing the sale and producing effective profits. Finally, a promotion was conducted by branding the image of Pondok Pesantren Sidogiri, creating public trust and positive information which spread mouth to mouth (word of mouth).

ACKNOWLEDGMENT

Thank you to all the parties who have helped in carrying out this research, especially thanks to the Universitas Muhammadiyah Yogyakarta

and Koperasi Pondok Pesantren (Kopontren) Sidogiri Pasuruan for providing morals and material support in the success of this research.

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