



# Sharia-Compliant Digital Marketing Strategies to Boost Sales Revenue for Micro, Small, and Medium Enterprises in Parepare City

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## Abstract

This study investigates the implementation of sharia-compliant digital marketing strategies to enhance the sales turnover of Micro, Small, and Medium Enterprises (MSMEs) in Parepare City. Using a qualitative approach with a case study methodology, data were collected through direct observation, in-depth interviews, and documentation. The research focuses on understanding the effectiveness of digital marketing through social media platforms such as Facebook, Instagram, and TikTok while adhering to Islamic ethical principles. The findings reveal that before adopting digital marketing strategies, MSMEs in Parepare City experienced stagnant, declining, or inconsistent turnover due to reliance on traditional marketing methods. However, after utilizing social media for product promotion, most MSMEs reported turnover increases ranging from 20% to 80%. Facebook emerged as the most widely used platform, providing significant outreach and engagement opportunities. Additionally, TikTok and Instagram contributed to customer engagement through creative and interactive content. From an Islamic perspective, the study highlights that MSME actors operate their businesses in line with the principles of *falah* (worldly and spiritual prosperity), emphasizing transparency, fairness, and ethical practices in their marketing efforts. The adoption of sharia-compliant digital marketing strategies not only enhanced sales performance but also supported sustainable and ethical business operations. This study underscores the potential of digital marketing as a transformative tool for MSMEs, particularly when aligned with Islamic values. Future research could expand the scope by exploring additional sectors or regions to provide a more comprehensive understanding of the impact of digital marketing strategies on business growth.

## 1. Introduction

Marketing is a key factor in determining the success of any business, particularly for Micro, Small, and Medium Enterprises (MSMEs), which play a critical role in driving local economies. In Islam, marketing must align with sharia principles, emphasizing ethical practices, honesty, and the avoidance of deceit in promoting goods and services. Consumer satisfaction is not only a business imperative but also a moral obligation, as it ensures long-term success while adhering to Islamic values. Effective marketing helps introduce products to the market, fulfills human and social needs, and aligns with ethical standards (Gunawan Chakti, 2019).

The evolution of consumer habits, needs, and lifestyles has compelled MSME actors to adopt modern marketing approaches, particularly digital marketing. Digital marketing, which leverages internet-based platforms, has similarities with traditional

marketing in terms of goals but differs in its execution. While traditional marketing relies on banners, direct communication, and print media, digital marketing employs social media, search engines, and e-commerce platforms, offering greater reach and efficiency (Tri, 2020). From a sharia perspective, digital marketing must ensure transparency, avoid misleading advertisements, and uphold consumer rights.

Despite its potential, the adoption of digital marketing in Parepare City remains underdeveloped. MSME actors primarily rely on social media platforms like Facebook, Instagram, WhatsApp, and TikTok. However, the lack of official business websites and comprehensive digital strategies reflects limited awareness and skills among business owners. The challenges faced by MSMEs in Parepare City are significant, including limited access to markets, declining sales, and difficulties in expanding their reach. Data from the Cooperative Office (2023) indicates



substantial growth in the number of micro-enterprises in Parepare City, increasing from 26,853 units in 2020 to 33,517 units in 2023. However, this growth is not matched by corresponding improvements in marketing capabilities, which threatens their sustainability.

This study seeks to address these challenges by focusing on the implementation of **sharia-compliant digital marketing strategies** to boost sales revenue for MSMEs in Parepare City. By exploring the integration of ethical principles with modern marketing techniques, the research aims to provide practical solutions that align with Islamic values, enhance market access, and improve sales performance for MSMEs in the region.

## 2. Literature Review

A strategy is a plan designed to achieve specific goals, consisting of actions or steps to adapt to environmental changes and align with organizational objectives. In the context of sharia-compliant businesses, strategies must also adhere to Islamic principles, such as fairness, honesty, and avoiding unethical practices. Empirical studies consistently highlight the importance of clear and adaptive strategic frameworks for navigating dynamic markets and achieving sustainable growth (Rangkuti, 2021).

### 2.1 Corporate Strategy

Corporate strategy establishes the overall direction of an organization, determining how resources are allocated and where the company should compete. For sharia-compliant businesses, this involves not only achieving business goals but also ensuring that activities align with Islamic ethics. Chandler (1990) empirically demonstrated that organizations with well-defined corporate strategies achieve better performance due to effective resource allocation and organizational agility. Similarly, Hill and Jones (2010) showed that strategies focused on market expansion and diversification are essential for businesses in rapidly changing environments. In the context of sharia compliance, corporate strategies must

integrate values such as transparency, justice, and the prohibition of interest-based transactions to ensure ethical business practices.

### 2.2 Competitive Strategy

Competitive strategy focuses on how a business can achieve and sustain a competitive advantage within its market. Porter (1980) identified cost leadership and differentiation as primary approaches to competitive strategy. For sharia-based businesses, competitive strategies should emphasize halal product offerings and ethical marketing practices to build trust with consumers. Empirical studies, such as Dess and Davis (1984), found that firms adopting focused competitive strategies outperform those without clear market positioning. Barney's (1991) resource-based view also highlights that unique resources and capabilities, such as expertise in halal certification or compliance with sharia principles, can serve as a significant competitive advantage.

### 2.3 Functional Strategy

Functional strategies are operational and involve implementing actions within specific business functions, such as marketing, finance, or human resources. For sharia-compliant businesses, functional strategies should integrate Islamic principles into all operational activities. For example, in marketing, this involves promoting products without misleading claims and ensuring transparency in transactions. Mintzberg (1987) highlighted that functional strategies directly impact organizational efficiency, especially when they align with the prevailing market environment. Kaplan and Norton's (1996) balanced scorecard approach further underscores how functional strategies can enhance operational performance, which, in a sharia context, translates to achieving business goals while maintaining ethical compliance.

### 2.4 Synthesis

Strategic frameworks are essential for organizational success, with corporate,



competitive, and functional strategies playing complementary roles. For sharia-compliant MSMEs, these strategies must not only address market demands but also ensure adherence to Islamic principles. By combining empirical evidence with Islamic values, this study aims to explore how **sharia-compliant digital marketing strategies** can enhance sales revenue and sustainability for MSMEs in Parepare City. This perspective contributes to a deeper understanding of how businesses can integrate ethics into strategic management while remaining competitive in a digital era.

### 3. Research Methods

This study employs a qualitative research method with a case study approach, focusing on the implementation of sharia-compliant digital marketing strategies to increase sales revenue of Micro, Small, and Medium Enterprises (MSMEs) in Parepare City. The field research approach enables an in-depth exploration of how MSME actors utilize digital marketing tools while adhering to Islamic ethical principles. The primary data sources for this research are MSME actors in Parepare City.

Data collection methods include direct observation, in-depth interviews, and documentation. Interviews were conducted using structured protocols to ensure a thorough examination of relevant aspects, particularly the alignment of digital marketing practices with sharia principles. The study aims to evaluate the effectiveness of social media platforms such as Facebook, Instagram, and TikTok in promoting MSME products, while considering the ethical guidelines of Islamic marketing, such as transparency, fairness, and avoidance of deceptive practices. The research gathered detailed insights into the sales revenue conditions of MSMEs before and after the adoption of these strategies, providing a comparative analysis of their impacts. The validity of the data was tested through triangulation of sources and techniques. This approach involved comparing data from multiple respondents and using diverse data collection methods to ensure the credibility and reliability of findings.

The analysis process employed a descriptive approach, interpreting the results within the contextual realities of MSMEs in Parepare City and the principles of sharia-compliant business practices. The data analysis process included coding the information from interviews and observations, identifying recurring themes related to digital marketing strategies and their effects on MSME performance. Key themes included the role of social media in enhancing product visibility, the challenges faced by MSMEs in adopting digital tools, and the integration of ethical values into marketing practices. The data were systematically categorized to uncover trends, highlight challenges, and identify best practices in implementing digital marketing initiatives. Finally, the results of this study were analyzed to assess the overall impact of sharia-compliant digital marketing strategies on MSME sales turnover. Connections were drawn between the findings and established theories in digital marketing and Islamic entrepreneurial growth. This approach ensures a comprehensive understanding of the potential of digital marketing as a tool for ethical business growth, while offering actionable insights for MSMEs in Parepare City.

### 4. Results and Discussion

This research highlights the profound impact of technological advancements, particularly digital transformation, on the operations of Micro, Small, and Medium Enterprises (MSMEs) in Parepare City. The findings reveal that market dynamics have shifted substantially, driven by consumer preferences for online shopping. The convenience, accessibility, and wide reach offered by digital platforms have compelled businesses to adopt digital marketing strategies. For MSMEs adhering to sharia principles, this shift also involves ensuring that their practices align with Islamic ethical values, such as fairness, transparency, and avoiding deceit.



#### 4.1 Sales Turnover of MSMEs Before Implementing Digital Marketing Strategies

Before adopting digital marketing, many MSMEs in Parepare City experienced stagnant or declining sales. Business owners from various sectors, such as food stalls, clothing, and snacks, reported challenges in reaching broader markets due to their reliance on traditional marketing methods. For instance, businesses like "Shrimp Crisp Marowa" and "Afa Hijab Style" reported stable but limited turnover, while others, such as "Durian Cendol Ice" and "Corndogs," faced declining sales. This situation was largely attributed to their inability to effectively attract new customers and adapt to the growing trend of online consumer engagement. These challenges underscored the limitations of traditional marketing methods in a rapidly digitalizing marketplace.

#### 4.2 The Role of Digital Marketing in Enhancing Sales Turnover

The adoption of digital marketing has proven transformative for MSMEs in Parepare City. Platforms like Facebook, TikTok, and Instagram enabled businesses to reach wider audiences, build brand awareness, and engage directly with consumers. This increased exposure translated into higher sales turnover and improved business performance. MSMEs that integrated digital marketing into their operations reported greater visibility, which allowed them to overcome geographical and demographic limitations.

#### 4.3 Digital Marketing via Facebook

Facebook emerged as a critical platform for MSMEs, offering features that facilitated direct consumer engagement and effective product promotion. Business owners utilized tools like group postings, photo albums, and interactive communication to attract customers. Informants highlighted that visually appealing product presentations and the platform's community features enabled them to connect with broader audiences. This aligns with sharia principles, as businesses leveraged

ethical and transparent methods to present their products while maintaining open communication with consumers.

#### 4.4 Digital Marketing via TikTok

TikTok's dynamic and interactive features provided MSMEs with a unique avenue to showcase their products and services. The platform's live-streaming feature allowed businesses to demonstrate products in real-time, enhancing customer trust and engagement. For example, fashion and beauty sector MSMEs, such as hijab and skincare brands, benefited significantly from TikTok's video editing and music integration features. By creating visually captivating and culturally resonant content, these businesses were able to attract and retain a younger, tech-savvy customer base. This approach not only increased sales but also adhered to Islamic values of honest representation in marketing.

#### 4.5 Impact on Sales After Implementing Digital Marketing Strategies

The implementation of digital marketing strategies led to noticeable improvements in MSMEs' sales turnover. The ability to reach a wider audience through cost-effective online platforms proved critical for business growth. Social media platforms helped MSMEs maintain continuous consumer engagement, a key factor in sustaining sales and market presence. Businesses that aligned their digital marketing practices with sharia principles observed enhanced consumer trust, further boosting their sales performance.

These findings suggest that the strategic use of digital marketing, coupled with ethical practices, can significantly improve MSMEs' performance in Parepare City. The research highlights the potential of **sharia-compliant digital marketing strategies** as a vital tool for sustainable growth, enabling MSMEs to compete effectively in the digital marketplace while adhering to Islamic values.



## 5. Closing

### 5.1 Conclusion

This study offers the following conclusions based on its findings:

#### a. Sales Turnover of MSMEs Before Implementing Digital Marketing Strategies

The turnover of Micro, Small, and Medium Enterprises (MSMEs) in Parepare City before adopting digital marketing strategies exhibited three main conditions: low and declining turnover, stable but limited turnover, and inconsistent turnover. These challenges stemmed from reliance on traditional marketing methods, which restricted MSMEs' ability to reach broader markets.

#### b. Effectiveness of Digital Marketing Strategies

The adoption of digital marketing strategies via Facebook, Instagram, and TikTok has significantly boosted the turnover of MSMEs in Parepare City. Among these platforms, Facebook was the most widely used for product promotion. Following the implementation of digital marketing strategies, most MSMEs experienced turnover increases ranging from 20% to 80%. This demonstrates the effectiveness of social media as a tool for expanding market reach and enhancing sales.

#### c. Sharia Economic Analysis of Digital Marketing Strategies

The study highlights that MSME actors in Parepare City operate their businesses in alignment with the objectives of Islamic economics, specifically **falah** (happiness in this world and the hereafter). This is evident from the principles and values upheld by MSME owners, who emphasize ethical practices, transparency, and fairness in their business operations. Digital marketing strategies implemented by these businesses adhered to sharia principles, supporting their goal of achieving success in both material and spiritual dimensions.

### 5.2 Suggestions

For future researchers, this study is limited to exploring the implementation of digital marketing strategies to increase sales turnover among MSMEs in Parepare City. Researchers are encouraged to broaden the scope of future studies by including additional subjects and objects, such as medium-sized businesses or other regions. Expanding the research scope will contribute to a deeper and more comprehensive understanding of the role of digital marketing in driving sustainable business growth while aligning with Islamic values.

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