



Market Competition in Modern Franchise Retail Business with Traditional Retail Business in Saddu Al-Zari'ah Approach

Fauziah¹, Widyantono Arif^{2*}

¹Department of Sharia, Alauddin State Islamic University, Makassar Indonesia

²Doctoral of Accounting Sciences Department Faculty of Business Economics, Hasanuddin University, Makassar, Indonesia

Article Type:
Research Paper

***Corresponding**

Author:

widyantonoarif@gmail.com

Phone:

Article Process

Submitted:

05 July 2023

Reviewed:

25 July 2023

Revised:

15 August 2023

Accepted:

28 August 2023

Published:

12 September 2023

ABSTRACT

Purpose: This article focuses on examining analysis in Islamic law on the existence of Alfamart and Indomaret minimarkets in Makassar City

Methodology/approach: This research is a type of qualitative descriptive research, namely a writing procedure that produces descriptive data

Findings: Based on the results of the study, it can be concluded that the existence of Alfamart and Indomaret minimarkets in their trading activities is reviewed in Islamic law including monopoly.

Practical implications: As well as in its trading activities, it does not pay attention to business competition and the principle of justice in Islamic law. To prevent the expansion of the two minimarkets, *Saddu Al-Zari'ah* approach is needed so as not to have a bad impact on its competitors, namely grocery stores and traditional markets.

Originality/value: Originality of this research is the subject using a Islamic law for trading activities.

Keywords:

Islamic Law; Minimarket; Monopoly; Traditional Market.

Office:

Department of

Accounting

University of

Muhammadiyah

Malang

GKB 2 Floor 3.

Tlogomas St 246,

Malang, East Java,

Indonesia

P-ISSN: 3021-7261

E-ISSN: 3021-7253



INTRODUCTION

In its development, shopping centers are increasingly modern, which is characterized by a more luxurious physical appearance and more sophisticated facilities compared to traditional markets (Sugiyanto, 2009). That's why there are so many grocery stores circulating us. The grocery store is a small store that is generally easily accessible or local. The times will increasingly develop and advance, as well as the shops in the community. Grocery stores began to shift their position with the arrival of minimarkets that offered various conveniences and comforts that supported the trading process (Sudrajat and Putri, 2017). Buying and selling or trading in the Qur'an are clearly stated that trade is a path commanded by Allah to prevent people from going the wrong way in the exchange of something that belongs to fellow human beings. As stated in Qur'an An-Nisa' verse 29 namely:

يَا أَيُّهَا الَّذِينَ آمَنُوا لَا تَأْكُلُوا أَمْوَالَكُمْ بَيْنَكُمْ بِالْبَاطِلِ إِلَّا أَنْ تَكُونَ تِجَارَةً عَنْ تَرَاضٍ مِنْكُمْ ۗ وَلَا تَقْتُلُوا أَنْفُسَكُمْ ۗ إِنَّ اللَّهَ كَانَ بِكُمْ رَحِيمًا

Translate:

"O people of faith, do not eat the treasures of your fellow men in a vanity (untrue) way, except in the form of consensual commerce among you. Thou shalt not kill thyself. Verily Allah is Most Merciful to you."

We are encouraged to trade, but in every trade or business that we will do, there are still rules that apply, both written rules and unwritten rules that we can call ethics. The retail business, which is now popularly called the retail business, is a business that supports many people and provides many benefits for everyone. When the monetary crisis hit Indonesia at the end of 1997, which later developed into an economic crisis, the Indonesian economy was helped a lot by the retail business. It should be noted that at a time when other sectors, especially property, were slumped due to the prolonged economic crisis, this was not the case with the retail sector, although local retailers had been shaken due to looting and arson in the May 1998 riots, they soon bounced back following the onslaught of hypermarket store openings (Martin, 2017).

Economic growth is increasingly rapid, causing its main impact on business competition is getting tighter, business actors then try Rusham, (2017) to think creatively and start competing to create innovations in running their business, this method is done so that the business built can survive and develop. The expansion of the business can be done by creating a new company, buying a company that has been built, or with a franchise system. Food and retail franchises are the favorite choices of entrepreneurs, especially in Indonesia, namely, trade franchises, product distribution, and pure franchising retail business are also said to be the retail business, which is the last link in the distribution of goods from producers to consumers generally, retail traders can be classified into two groups, namely large retail traders including, special stores, department stores, supermarkets, and minimarkets, while small retail traders, namely traders, in this case, traders who have a fixed place, such as small shops, stalls or stalls, and the small traders in question also include traders who are not baseless, does not have a fixed place to run its business (Lelawati, 2015). The rampant development of minimarkets, Alfamart, and alfamidi has an impact on competition for fellow

business actors, this competition can be seen to be even fiercer when there are many *minimarket* outlets and the like that are close to or even side by side with stalls or small stalls (Kusyuniarti, 2012; Mujahid and Nurdin, 2018).

Minimarket is a type of retail business that is growing rapidly today that sells daily necessities and offers convenience because of its location or location that can be reached and close to consumers and prioritizes practicality and speed supported by the area of stores or outlets that are not too large so that consumers shop in a not too long time. Another advantage of shopping at a minimarket is a safe and comfortable atmosphere in shopping, no difficulty in choosing the necessary goods, and the quality of goods is more guaranteed when compared to shopping in traditional shops so that the price of goods does not need to be bid and can shop for various needs in one place only to save time and effort (Arimawa and Leasiwal, 2018). In the retail industry, companies offer a wide variety of product types, locations, prices, convenience in shopping, advertising, and good employee service can foster consumer perception. The products offered are men's and women's equipment, youth equipment, children's supplies, shoe supplies, and accessories. hardware or household supplies, cosmetic supplies, and so on (Chaniago *et al*, 2019).

Globalization has had a huge impact on our economy. This can be seen from the rapid development in Indonesia, especially in the people's economic sector and capital-intensive businesses. Development encourages social change, for example, changes in social interaction patterns in people's daily lives that arise due to survival competition. (Toni, 2013) Trade is one of the sectors in our economic system that plays a role in bridging the production sector with consumption. Of the two forms of trade, namely large trade and retail, retail trade is a form of trade that directly meets the needs of life or consumption of many people. Retail trade is currently a rapidly growing economic activity, mainly because it is supported by high levels of public consumption (Wahab, 2016).

The rapid development of the modern market can have an impact on the traditional market (Sugiyanto, 2009). The modern market is managed and professionally equipped with facilities, while the traditional market still lacks facilities and infrastructure so customers will feel inconvenienced in shopping (Ananda, 2016). Modern markets and traditional markets compete in the same market i.e. retail market. Many think that the emergence of the modern market will threaten the existence of the traditional market considering the advantages and disadvantages of the modern market (Sarwoko, 2008). However, this argument is not entirely true because traditional markets still survive amid the rapid growth of modern markets and are better able to support people's consumption needs (Mulbi, 2019).

Retail trade is one type of trade that is an option. This type of trade has great potential because retail trade is one type of work that is the focus of a growing number of people (Norhandayani, 2018). In other words, retail trade is a form of trade that serves the end consumer directly. One of the retail trade businesses that are in demand by the public is trading in stalls or small stalls, in this case, traders on the roadsides (Aliyah, 2017). The development of retail trade types is solved into 2 parts. The traditional retail section is represented by stall traders or small stalls, and the modern retail section is represented by supermarket franchises such as Hypermarket, Carrefour, Lotte Mart, and minimarkets such as Alfamart, Alfamidi, Indomaret, Circle-K, and so on (Hati and Novita, 2018). Makassar City is one of the preferred areas for minimarket

entrepreneurs with the concept of franchising and franchising. The survival strategies that most traders do are active strategies and networking strategies. Active strategy by finding a side job and utilizing all the potential of the family. This strategy is very important because carrying out daily activities can improve the quality of life of traders so that their life needs can be met (Lelawati, 2015).

The rapid growth of minimarkets to residential areas has a bad impact on small stalls that already exist in the region. The existence of this minimarket turns off small stalls in residential areas. Many stall owners lost customers (Aryani, 2011). The existence of minimarkets that are very close together will certainly give rise to competition and monopoly in the region. In terms of price, minimarkets often hold promotions with attractive discounts. So that consumers turn to these minimarkets with better service quality than small stalls. This of course makes the hopes of small stall owners to find income to meet the daily needs of the profits obtained begin to falter a little. But behind the negative impact that occurs on small stalls with the emergence of minimarkets themselves becomes a positive impact to reduce the number of unemployed by opening up many job opportunities.

Based on sharia economic law, Alfamart and Indomaret minimarkets are mushrooming in the country now, so the expansion carried out by the two minimarkets is included in a monopoly, because it is known that Alfamart and Indomaret minimarkets have a parent company and the parent company has subsidiaries under it who then sell their products in their own company, then this can be in Say it as *talaqqi rukban* because it cuts through distribution channels that are utilized to seek more profit (Damayanti, 2019). In Islam the Messenger of Allah has never made a business that causes the business of his competitors to be destroyed, every Muslim who wants to run a business is encouraged to compete fairly (Habibullah, 2017).

LITERATURE REVIEW

Market Structure

a. Perfect Competition Market

Perfect competition is the most ideal market structure because it is considered that this market system is a market structure that will guarantee the realization of activities to produce goods or services with high efficiency. A perfectly competitive market can be defined as a market or industry structure in which there are many sellers and buyers, and any seller or buyer cannot influence the state of affairs in the market. The characteristics of a perfectly competitive market are:

- a. The company is a price taker;
- b. Every company is easy to get out or in;
- c. Produce a scoop of goods;
- d. There are many companies on the market;
- e. Buyers have perfect knowledge of the market.

An Islamic market mechanism according to Ibn Taimiyah must have the following criteria:

1. People should be free to enter and exit the market. Forcing residents to sell goods without any obligation to sell them is an unfair act and injustice is prohibited.

2. A sufficient level of information regarding market forces and merchandise is necessary.
3. Monopolistic elements must be eliminated from the market so that any form of collusion between groups of sellers and buyers is not allowed.
4. Homogeneity and standardization of products are highly recommended when there is product counterfeiting, fraud, and fraud in presenting these goods.

There are several theories that the author uses as a basis for analyzing the problems in this study, namely:

In Ibn Taimiyah's above opinion on market mechanisms in Islam, we can see that such mechanisms lead to the characteristics of a perfectly competitive market. This means that the market in Islam is what in conventional theory is called the market of perfect competition, where the assumptions mentioned by conventional economists exist (found) in an Islamic market (Afan, 2014).

b. Monopoly market

Market share is an essential metric for businesses because it indicates a company's success (Arif et al., 2022). A monopoly is a form of market where there is only one company, and this company produces goods that do not have very close substitutes. This market structure is at odds with a perfectly competitive market. An important feature of a monopoly market, the goods it produces have no substitutes, and the barriers to entering the market are very large and have great power to influence prices.

The characteristics of the monopoly market are as follows:

- a. The monopoly market is the industry of one company
- b. Don't have a similar replacement item
- c. There is no possibility of entry into the industry
- d. May affect pricing
- e. Advertising promotion is less necessary

c. Monopolistic Competition Market

The monopolistic competition market has many similarities with the perfect competition market, but it also has quite a lot of differences that cause companies in the market to have an element of monopoly power. That is what causes such a market to be called a monopolistic competition market.

The characteristics of monopolistic competition are as follows :

- a. There are many sellers
- b. The goods are of a different nature
- c. The company has little power to influence the price
- d. Inclusion into the relative industry is easy
- e. Competition promoting sales is very active.

d. Oligopoly Market

An oligopoly is a market of goods consisting of only a few changes that have a relatively large size and capital, the goods produced are of a different shade or similar goods. In this market advertising is important in promoting its goods and in the pricing of each company is interdependent so prices are very rigid.

Franchise

Franchising is a business partnership/cooperation business that is based on the principles of trust and transparency. *Franchisees* must believe in *franchisees* in doing their business. In free translation, a franchise is a strictly

stated oral or written contract or consent by which the party called the franchisee entitles another person or so-called franchisee to use a trading name, service mark, trademark, logo, or related characteristic, where there is a common interest in the business that offers, sells, distributes other goods or services, Where *the franchisee* must pay a franchise fee directly or indirectly.

There are two types of franchise business arrangements. In the format of a brand or product franchise business, a franchise business owner is typically a manufacturer or supplier who is looking for a place to do business for his products. The franchise is supported by several advertising, management assistance, and training from the franchisor.

Retail Business Existence

Existence is a dynamic process, a becoming or existing according to the origin of the word existence itself, that is, an existence which means to exit or go beyond or overcome. So existence is not rigid and stalled but rather supple or supple and undergoes development or vice versa deterioration, depending on the ability of potential. Existence can also be said to be existence, where what is meant is the existence of influence over our presence or absence.

Maslahah Theory

Maslahah comes from the word shall by adding "alif" in the beginning to the meaning of the word "good" as opposed to the word "bad". It is masdar with the meaning of *slahâh*, i.e. "benefit" or "regardless thereof damage". The definition of *maslahah* in Arabic means, "deeds that encourage the good of man". In its common sense in every match, something beneficial to man, either in the sense of attracting or producing such as making a profit or pleasure, or in the aerate of rejecting emergency or corruption. So everything that contains the benefits of a pet is called *maslahah*. That way it contains two sides, namely attracting or bringing benefits and rejecting or avoiding damage (Alisha, 2019). In at-Tufi's view, *maslahah* is the means that causes *maslahat* and benefits. For example, trade is a means of achieving profit. The definition of *maslahah* based on Shari'a is something that is the cause of arriving at the meaning of *shari'a*, both in the form of worship and custom. Then, this *maslahat* is divided into two parts, namely deeds that are indeed the will of *syar'i*, namely worship and what is intended for the benefit of all mankind and the order of life, such as customs (Hendawati, 2015).

According to Al-Ghazali, the well-being (*maslahah*) of a society depends on the search and maintenance of the five basic goals, namely religion (*al-dien*), life or soul (*nafs*), family or descendants (*nasl*), property or wealth (*mal*), and intellect or reason (*aql*). Al-Ghazali defines the economic aspects of its social welfare function within the framework of a tripartite hierarchy of individual and social utility, namely necessity (*emergency*), pleasure or comfort (*hajat*), and luxury (*tahsinaat*) (Alvan Fathony, 2017).

From some of the understandings above, *maslahah* is something that is seen as good by common sense because it brings good and avoids bad (damage) to humans, in line with the purpose of the law. This research is related to the buying and selling system that develops in a society oriented towards the benefit of society, so it is necessary to study it with the theory of *maşlahah*. According Imam Al-Ghazālī and Al-Khawarizmi posited that in

principle *maṣlaḥah* is to benefit and reject emergencies to preserve and maintain *maqāṣid al-syarī'ah* (the purposes of sharia).

The precedence of human benefit from other sources of the law because basically, the human benefit is a goal within itself. Therefore, protecting it should be the highest legal principle or the most powerful source of law (*aqwā adillah asy-syār'ī*). Furthermore, Al-Shātībī, a scholar of *uṣūl fiqh*, stated that the benefit is not distinguished between the benefit of the world and the benefit of the hereafter. The power of *maṣlaḥah* can be seen in terms of the purpose of the shari'a in establishing the law, which is directly or indirectly related to the five main principles of human life, namely religion, soul, reason, descent, and property. It can also be seen in terms of the level of needs and demands of human life to these five things.

Maslahah as a *hujjah* (source of law), in general, scholars first review it in terms of the presence or absence of Syria's testimony against *maṣlaḥah*, whether the testimony is like acknowledging or legitimizing it as *maṣlaḥah* or not. In this case, the *jumhur ulama* divides the *maṣlaḥah* into three kinds, namely as follows:

- a. *Maslahah* there is a testimony of *syara'* in acknowledging its truth. This *maṣlaḥah* is transformed into a foundation in *qiyas* (analogy) because it is the same as *al-munasib ('illah* which is *maṣlaḥah*) in the discussion of *qiyas*. All scholars agree that this *maṣlaḥah* is a *hujjah* (legal basis). This *maṣlaḥah* is called *maṣlaḥah al-mu'tabaroh*.
- b. There is a testimony of *syara'* that cancels or rejects it. This second *maṣlaḥah* is *vanity* (cannot be *hujjah*) because it is contrary to *nas*. This *maṣlaḥah* is called *maṣlaḥah al-mulgaḥ*.
- c. *Maslahah* for which there is no testimony of *syara'*, neither which
- d. Acknowledging those who reject it in a particular form of *nas*. This *maṣlaḥah* is called *maṣlaḥah al-mursalāh*.

There are three conditions for using *maṣlaḥah* as a *hujjah*, namely:

- a. The benefit must be essential, not based on mere presumption, namely that the determination of the law is based on benefit, it must be able to bring expediency and refuse to deprecate.
- b. The benefit must be universal, not the benefit of the individual, namely that the establishment of the law is beneficial to the multitude or can eliminate the harm that befalls the multitude.
- c. The determination of benefit is not contrary to the law or basis established by *nas* or *ijma*.

In this research, *Maslahah* theory is used to analyze through the *maslahat* level how the impact of the presence of modern retail businesses on traditional retail businesses and the benefits of Perda No. 4 of 2007 concerning Modern Market Management in protecting Traditional Retail Businesses in Palangka Raya City. (Fety Vera, 2013)

Maqashid Sharia Theory

The purpose of Islamic law is the benefit of human life, both spiritual and physical, individual and social. That benefit is not only for the life of this world but also for eternal life in the hereafter. Al-Shatibi formulated five objectives of Islamic law as follows:

- 1) Choosing a Religion (*Hifzh al-Din*);
- 2) Choosing the Soul (*Hifzh al-Nafs*);
- 3) Choosing Reason (*Hifzh al-'Aql*);

4) Choosing a Descendant (*Hifzh al-Nasl*);

5) Choosing a Treasure (*Hifzh al-Mal*).

In terms of importance, maintaining treasures can be divided into three ranks:

- a. Keeping the property in the rank of daruriyyat, such as the shari" at on the ordinance of possessing property and the prohibition against taking other people's property by unauthorized means. If the rule is violated, it results in the threatened existence of property.
- b. Nurturing treasures in the rank of hajiiyyat, such as shari" at about buying and selling by way of greetings. If this method is not used, it will not threaten the existence of the property but will make it difficult for people who need capital.
- c. Keeping treasures in the rank of tahsiniyyat, such as provisions on avoiding deception or deception. This is closely related to *muamalah* ethics or business ethics. This will also affect the validity of the trade because this third rank is also a condition for the second and first ranks.

Islam believes that all the treasures in this world belong to Allah, and man has the right to use them only. Nevertheless, Islam also recognizes one's rights. Because man is a man so greedy for property, that he wants to work on it in any way, Islam arranges not to clash with each other. For this reason, Islam requires regulations regarding muamalah such as buying and selling, renting, pawning pawns, and so on, as well as prohibiting fraud, usury and obliging people who damage other people's goods to pay for them, property damaged by children under their dependents, even those damaged by their pets.

Business Competition Concept

Business competition is a term that often appears in various literature that writes about aspects of competition law. [Utami, \(2019\)](#) Competition is when an organization or individuals race to achieve the desired goals such as consumers, market share, survey rankings, or resources needed. [Mahatir, \(2015\)](#) Whereas in the management dictionary, competition is the efforts of 2 parties/more companies, each of which is active in "obtaining orders" by offering the most favorable prices/conditions. This competition may consist of several forms of price cutting, advertising/promotion, variety and quality, packaging, design, and market segmentation.

Business competition can also be found in Law No. 5 of 1999 concerning the prohibition of monopolistic practices and unfair competition. [Fety Vera, \(2013\)](#) In general, business competition is a feud or rivalry between business actors who independently try to get consumers by offering good prices with good quality goods or services. In the world of business competition, it is known as the dynamics of competition which means the changes that occur to the competition that occurs in the company in competing for customers in certain periods. For this reason, every company needs to show the dynamics that occur so that they can follow the competition so that they do not lose in the petition in the market.

JAMEELA
1,2

Retail Business Concept

The recent development of the business world is very supportive of developments for retailers in the market, especially large retailers. The increasing level of consumption and people's shopping desire has made this

industry increasingly attractive to business people. Retail is the sale of a small number of commodities to consumers. Retail comes from the French language taken from the word retailer which means "to cut into small pieces"

Here is the definition of retailing according to some experts:

- a) According to Levy and Weitz "Retailing is a series of business activities to add value to the use of goods and services sold to consumers for personal or household consumption". So the consumers who are targeted by retailing are the end consumers who buy products for their caption.
- b) According to Berman and Evans "Retailing is a business venture that seeks to market goods and services to end consumers who use them for personal and household purposes". Products sold in the retailing business are goods, services, and a combination of the two. Based on the definitions of retailing above, Endang can formulate several things about retailing, namely:
 1. Retailing or retail business is the last link of the distribution channel:
 2. Retailing includes a wide variety of activities, but the most important activity is the activity of selling products directly to consumers.
 3. The products offered can be goods, services, or a, combination of both.
 4. The target market or targeted consumers are non-business consumers, namely those who consume products or personal and household needs.

Modern Retail Business Concept

Modern Retail Business, not much is different from traditional retail business, but modern retail business between sellers and buyers does not transact directly but buyers see the price tag listed in the goods (barcode), access is smaller, is in the building and the service is carried out independently or served by salespersons. The goods sold are not only foodstuffs such as fruits, vegetables, and meat. But most of the other items sold are those that can last a long time.

Traditional Retail Business Concept

Traditional retail business is a meeting place for sellers and buyers and is characterized by the existence of transactions or bargaining of sellers and buyers directly, buildings consisting of stalls or outlets, wider access for producers, and open bases that are opened. Most traditional retail businesses sell daily necessities such as groceries, fish, fruit, vegetables, eggs, meat, fabrics, electronic goods, and services, as well as selling pastries.

Sharia Economic Concept

a. Islamic Economics

Islamic economics is a system of science that highlights economic problems. Just like any other conventional economic concept. Only in this economic system, have Islamic values become the foundation and basis of every activity. Some experts define Islamic economics as a science that studies human behavior to meet needs with limited needs fulfillment tools within the framework of sharia. However, the definition contains the disadvantage of producing incompatible and non-universal concepts. Because that definition encourages a person to be caught up in a decision that a priori (prior judgment) right or wrong must still be accepted.

b. Muhammad Abdul Manan

Islamic economics is a social science that studies the economic problems of a people imbued with the values of Islam. So, according to

Abdul Manan, Islamic economics is a social science that studies the economic problems of society inspired by Islamic values.

c. M. Umer Chapra

Islamic economics was defined as that branch that helps realize human well-being through and allocation and distribution of scarce resources that are concinnity with Islamic teaching without unduly curbing Individual freedom or creating continued macroeconomic and ecological imbalances.

The Economics of Equilibrium is the Islamic view of the rights of individuals and societies laid out in a just balance of balance about the world and the hereafter, soul and body, reason and heart, parables and reality, faith and power. A moderate economy does not displace society, especially the weak as has been the case with the capitalist community. In addition, Islam also does not deny individual rights as a socialist society does, but Islam recognizes individual and societal rights in a balanced manner. Therefore, it can be seen that the Islamic economic system has a complete and balanced concept in all things life, but adherents of Islamic teachings themselves are often unaware of this. This happens because man thinks with a capitalist economic framework, because of centuries of colonization by Western nations, and also that the opposition from the West has always been considered greater. In fact, without realizing it, it turns out that in the Western world itself, many countries have begun to explore the economic system itself, and many countries have begun to explore the sharia-based economic system.

METHODS

This research is a type of qualitative descriptive research, namely writing procedures that produce descriptive data (description of an event or problem) in the form of written words from people and behaviors that are observed indirectly, or single case studies and in one location only. In general, there are two types of research, namely: qualitative and quantitative. Qualitative research is usually used in the term naturalistic inquiry. The research was conducted at a small stall around the location of a minimarket in Makassar City in 2020. The determination of the informant has carried out a technique of determining the desired informant, namely purposive, where the informant is a key informant.

To obtain valid, complete, and accurate information data, researchers use two types of data, namely primary and secondary. Primary data is obtained directly from respondents through interviews and data on business financial statements.

Data analysis is the process of systematically finding and compiling data obtained from interviews, field notes, and documentation by organizing data into categories, describing into units, synthesizing, compiling into patterns, choosing which ones are important and which will be learned, and making conclusions so that they are easily understood by yourself and others.

To analyze the data that has been collected, the data analysis technique used is the Descriptive Analysis technique with an interactive analysis model.

RESULTS & DISCUSSION

The existence of Alfamart and Indomaret minimarkets in their trading activities, if viewed from the elements of competition business in Islamic law in terms of products (goods and services) that are competed, then the two

minimarkets have provided good services, such as air-conditioned places, goods traded are carried out with a self-service system, namely, buyers can take the goods needed by themselves, providing seating in front of the booth for shoppers who want to take a break from their trip, a large parking lot, and toilets. This has been following a business competition in Islamic law.

Islamic teachings only allow efforts to be done in a fair, honest, and prudent manner. To achieve this goal, Islam does not provide unlimited freedom in economic enterprises as found in the capitalist system. The capitalist system allows people to seek as much treasure as possible in the way they like and gives everyone unlimited freedom in fighting for their economy so that people can get as much wealth as possible.

It is different from the teachings of Islam, which gives the principle of fair and reasonable production in a business, that is, they can obtain wealth without exploiting other individuals or undermining the benefit of society. The concept of justice for each individual in society and before the law must be balanced by economic justice, with economic justice, each individual will get his rights according to his contribution to society. Every individual must also be liberated from the exploitation of other individuals. Islam strictly forbids a Muslim from harming others.

The existence of Alfamart and Indomaret minimarkets in Makassar City, it turns out, has an impact on other similar stores in carrying out their trading activities. As stated by the sample studied by researchers, the result was that 10 (ten) sample people stated that the existence of Alfamart and Indomaret, especially the existence of Alfamart and Indomaret which are adjacent to grocery stores and traditional markets as well as business operating hours of 24 (twenty-four) hours which are used as a strategy to reap more profits resulting in losses, namely a decrease in revenue. Thus, this is contrary to the concept of justice that exists in Islam. The Qur'an does not approve of ways of acquiring wealth that bring profit on the one hand and cause losses on the other or because one's income comes at the expense of the benefit of the general public.

The use of Saddu Al-Zari'ah as a source of Islamic law is to look at the purpose, intention, and consequences resulting from an act of a mukallaf. If the purpose, intention, and consequences caused are good, then the law is also good to do. However, if the purpose, intention, and consequences are not good, then the deed is also not good to do. The argument of the scholars who hold onto the application of Saddu Al-Zari'ah is that according to research, it can be found that Allah forbids something and is also forbidding to do something that is the way to something that is forbidden.

CONCLUSION

Based on the description previously described, it can be concluded that: First, Alfamart and Indomaret minimarkets that are mushrooming in the country today when reviewed in Islamic law, the expansion carried out by the two minimarkets are included in the monopoly, because it is known that Alfamart and Indomaret minimarkets have a parent company and the parent company has subsidiaries under it that sell their products in their own company.

Second, the excision of Alfamart and Indomaret minimarkets in Indonesia when viewed from business competition in Islamic law, especially in the position of the establishment of the two minimarkets which are close to

even facing grocery stores and traditional markets as well as business operating hours of 24 (twenty-four) hours which are used as a strategy to reap more profits. These two indicators, in addition to being contrary to laws and regulations, also contradict the element of business competition taught by Islam, namely not paying attention to other competitors and in terms of ways of competing which causes losses in the form of a decrease in income for its competitors, namely grocery stores and shops that trade in traditional markets. However, from other elements, namely in terms of products (goods and services), the two minimarkets have provided good service, such as air-conditioned places, goods traded are carried out with a self-service system, namely buyers can take the goods needed by themselves, provide seats in front of outlets for buyers who want to take a break from their trip, a large parking lot, and toilets. This is to the element of business competition in Islamic law in terms of the products (goods and services) being competed.

REFERENCES

- Arif, W., Amiruddin, A., Darmawati, D., & Ferdiansah, M. I. (2022). Intellectual Capital Toward Market Performance: Profitability as a Mediating and Maqashid Sharia as a Moderating Variable. *Journal of Accounting and Investment*, 24(1), 50-63.
- Afan, A. Z. (2014) 'Pasar Persaingan Sempurna Dalam Perspektif Ekonomi Islam', *Ummul Quro*, 4(Jurnal Ummul Qura Vol IV, No. 2, Agustus 2014), Pp. 88–104. Available At: [Http://Ejournal.Kopertais4.Or.Id/Index.Php/Qura/Issue/View/531](http://Ejournal.Kopertais4.Or.Id/Index.Php/Qura/Issue/View/531).
- Alisha, U. (2019) 'Strategi Persaingan Bisnis Waralaba Berbasis Agama', *Human Falah*, 6(1), P. 14.
- Aliyah, I. (2017) 'Pemahaman Konseptual Pasar Tradisional Di Perkotaan', *Cakra Wisata*, 18(2), P. 16.
- Alvan Fathony, D. M. (2017) 'Studi Analisis Peran Pesantren Sidogiri Dalam Pembentukan Karakter Kemandirian Ekonomi Masyarakat Perspektif Sosiologi', *Profit : Jurnal Kajian Ekonomi Dan Perbankan Syariah*, 1(1), Pp. 130–161. Doi: 10.33650/Profit.V1i1.319.
- Ananda, M. A. (2016) 'Dampak Keberadaan Ritel Modern Terhadap Perekonomian Pasar Tradisional Di Aceh Barat Dan Nagan Raya M. Aditya Ananda, MA Dosen Perbankan Syariah, STAIN Tgk Dirundeng Meulaboh', Pp. 89–102.
- Arimawa, P. S. And Leasiwal, F. (2018) 'Dampak Keberadaan Pasar Modern Terhadap Eksistensi Pasar Tradisional Di Kota Tobelo Kabupaten Halmahera Utara', *Jurnal Pundi*, 2(3), Pp. 287–292. Doi: 10.31575/Jp.V2i3.100.
- Aryani, D. (2011) 'Efek Pendapatan Pedagang Tradisional Dari Ramainya Kemunculan Minimarket Di Kota Malang', *Jurnal Dinamika Manajemen*, 2(2), Pp. 169–180. Doi: 10.15294/Jdm.V2i2.2481.
- Chaniago, H. *Et Al.* (2019) 'Faktor Kunci Keberhasilan Ritel Modern Di Indonesia', 7(2), Pp. 201–208.
- Damayanti, E. (2019) 'Tinjauan Hukum Islam Terhadap Eksistensi Minimarket Alfamart Dan Indomaret Di Indonesia', *Hukum Bisnis Islam*, 11(02).

- Fauza, M. (2017) 'Analisis Faktor Yang Mempengaruhi Eksistensi Ritel Tradisional Dalam Menghadapi Ritel Moderen Di Kecamatan Medan Amplas', *At-Tawassuth*, 2(1), Pp. 146–169.
- Fety Vera (2013) 'Analisis Praktik Pengembangan Usaha Minimarket Berdasarkan Peraturan Walikota Palembang Nomor 25 Tahun 2011 Tentang Pedoman Penataan Dan Pembinaan Pusat Perbelanjaan Dan Toko Modern Dalam Perspektif Etika', *Journal Of Chemical Information And Modeling*, 53(9), Pp. 1689–1699. Doi: 10.1017/CBO9781107415324.004.
- Habibullah, E. S. (2017) 'Hukum Ekonomi Syariah Dalam Tatanan Hukum Nasional', *Al-Mashlahah: Jurnal Hukum Islam Dan Pranata Sosial*, 5(9), Pp. 691–710. Doi: 10.30868/Am.V5i09.190.
- Hati, S. W. And Novita, C. (2018) 'Perbandingan Kinerja Pasar Pada Bisnis Retail Di Pasar Tradisional Sebelum Dan Sesudah Keberadaan Alfamart Dan Indomaret Di Kecamatan Batam Kota Kota Batam', *Adbispreneur*, 3(1), P. 39. Doi: 10.24198/Adbispreneur.V3i1.16977.
- Hendawati, H. (2015) 'Pengaruh Pengawasan Persediaan Barang Terhadap Pengelolaan Perputaran Persediaan Barang Di Toserba Yogya', *Jurnal ASET (Akuntansi Riset)*, 7(1), P. 1. Doi: 10.17509/Jaset.V7i1.8819.
- Kusyuniarti, M. (2012) 'Tingkat Pengeluaran Masyarakat (Kasus : Kecamatan Dramaga Kabupaten Bogor)'.
LELAWATI, P. S. (2015) 'Eksistensi Pedagang Kecil Di Kecamatan Rumbai Pesisir Kota Pekanbaru', *International Journal Of Soil Science*, Vol. 2 No.(1), Pp. 1–14. Doi: 10.3923/Ijss.2017.32.38.
- Mahatir, M. I. (2015) 'Implementasi Kebijakan Tentang Penataan, Pembinaan, Dan Pengelolaan Pasar Tradisional Serta Toko Modern', *Pelopor: Jurnal Pemikiran Administrasi Publik Dan Bisnis, Sosial Dan Politik*, Pp. 12–40.
- Martin, I. (2017) 'Penerapan Kebijakan Zonasi Dalam Penataan Pasar Tradisional Dan Pasar Modern Kota Bandung (Suatu Tinjauan Yuridis Dari Perspektif Otonomi Daerah)', *Jurnal Wawasan Yuridika*, 1(2), P. 107. Doi: 10.25072/Jwy.V1i2.131.
- Mujahid And Nurdin, N. (2018) 'Impact Of Minimarket Impact On Small Warung In Makassar City', *Jurnal Sinar Manajemen*, 5(1), Pp. 1–8.
- Mulbi, B. (2019) 'The Factors Affecting Buyer Interest In Indomaret Retail In Maros City', 7(6), Pp. 251–260.
- Norhandayani, I. I. I. Dan Y. H. (2018) 'Dampak Pasar Modern Terhadap Pasar Tradisional Kecamatan Banjarmasin Timur Kota Banjarmasin (Impact Of The Modern Market On The Traditional Markets Of East Banjarmasin , The City Of Banjarmasin)'.
Nurhadiyanti, F. (No Date) 'Gurita Neoliberalisme : Pasar Modern Dan Pasar Tradisional Di Kota Surabaya', Pp. 71–83.
- Rusham, R. (2017) 'Analisis Dampak Pertumbuhan Pasar Moderen Terhadap Eksistensi Pasar Tradisional Di Kabupaten Bekasi', *Optimal: Jurnal Fakultas Ekonomi Universitas Islam '45' Bekasi*, 10(2), Pp. 153–166.
- Rusno (2008) 'Dampak Pesatnya Mini Market Waralaba Terhadap Usaha Kecil (Jenis Ritel)', *Jurnal Ekonomi Modernisasi*, 4(3), Pp. 194–207. Available At: [Http://Ejournal.Unikama.Ac.Id/Index.Php/JEKO/Article/View/235](http://Ejournal.Unikama.Ac.Id/Index.Php/JEKO/Article/View/235).
- Sarwoko, E. (2008) 'Dampak Modernisasi Keberadaan Pasar Modern Terhadap Pedagang Pasar Tradisional Di Wilayah Kabupaten Malang',

- Jurnal Ekonomi Modernisasi*, 4(2), Pp. 97–115. Doi: 10.21067/Jem.V4i2.880.
- Sudrajat, R. H., Putri, B. P. And Putri, C. N. (2017) 'Pengaruh Potongan Harga Terhadap Minat Beli (Studi Pada Potongan Harga Di Iklan Televisi Bukalapak . Com Versi Hari Belanja Online Nasional 2015 Terhadap Minat Beli Remaja Di Kota Bandung)', 4(1), Pp. 972–984. Available At: <https://Repository.Telkomuniversity.Ac.Id/Home/Catalog.Html>.
- Sugiyanto, S. (2009) 'Dampak Keberadaan Pasar Modern Terhadap Pedagang Pasar Tradisional (Studi Kasus Di Kota Balikpapan)', *Jurnal Ilmu Ekonomi Dan Manajemen*, 5(4), Pp. 155–184.
- Toni, A. (2013) 'Eksistensi Pasar Tradisional Dalam Menghadapi Pasar Modern Di Era Modernisasi', Pp. 160–184.
- Utami, S. P. (2019) 'Harmonisasi Pengaturan Persaingan Pasar Tradisional Dengan Toko Modern Di Kabupaten Sukoharjo', *NUANSA: Jurnal Penelitian Ilmu Sosial Dan Keagamaan Islam*, 16(2), P. 155. Doi: 10.19105/Nuansa.V16i2.2707.
- Wahab, A. (2016) 'Keberpihakan Kebijakan Pemerintah Pada Sektor Usaha Rakyat Perspektif Ekonomi Islam', *Tsaqafah*, 12(59), Pp. 167–186.
- Wulandari, S. (2016) 'Pengaruh Sistem Waralaba Terhadap Retail Kecil Di Ponorogo Tinjauan Masalah', Vol. 1, No, Pp. 87–112.
- Yusuf, M. (No Date) 'Pendekatan Al-Maslahah Al-Mursalah Dalam Fatwa Mui Tentang Tentang Pernikahan Beda Agama', Pp. 99–108.

How to Cite:

- Fauziah, F., & Arif, W. (2023). Market Competition in Modern Franchise Retail Business with Traditional Retail Business in Saddu Al-Zari'ah Approach. *Journal of Multiperspectives on Accounting Literature*, 1(2), 100–113. <https://doi.org/10.22219/jameela.v1i2.27984>