

Analysis of the Selling Price Determination Mechanism at Surya Mart Ponorogo Supermarket in the Perspective of Sharia Economics

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| Abstract | Business is an activity of producing, distributing, and selling goods or services needed by humans as consumers, with the main goal being to obtain financial benefits or profits. The emergence of modern markets as shopping centers provides new practices in buying and selling activities. This research uses a descriptive qualitative approach because it provides a comprehensive and detailed picture of the social situation in the context of time and the relationship between various aspects. In addition, this approach allows the discovery of patterns of relationships between various aspects and provides opportunities to identify new hypotheses and theories. The nominal determination does not have similar physical fractions, and this determination does not apply properly to the Sharia element because there is no clarity. What will cause a conflict with the principles of Sharia economics is that the application of honest trading and the existence of clarity is beneficial. Results in trading activities are expected to be unbiased, or only one party feels the benefit. | | |
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1. INTRODUCTION

Humans are individuals who have various needs and desires in living life. In general, human needs can be divided into physical and psychological needs. Physical needs are in the form of food and drink, while psychological needs can be in the form of knowledge and honor.

All the necessities of each individual's life must be fulfilled with wealth. All the necessities of life of each individual must be fulfilled with wealth. Therefore, all individuals will strive to obtain these assets, one of which is through work. One form of work that individuals commonly do is trading or doing business. Trading or doing business is an important activity in social interaction that balances needs and supplies. Business is an activity of producing, distributing, and selling goods or services needed by humans as consumers, with the main aim being to obtain financial gain or profit.



According to one the experts, Hughes and Kapoor, "Business is the organized effort of individuals to produce and sell for a profit the goods and services that satisfy society or within an industry," which means that business is an activity that involves the production or purchase of goods and services to sell to make a profit. These activities include creating, developing, and marketing consumer products or services.

In Islam, it is emphasized that all activities carried out by individuals, including doing business or trading, must be carried out with noble morals as the foundation; this is important so that the business carried out by individuals is not solely in seeking profit. Islamic economics, as an economic, scientific field based on Islam, conducts its business based on the values of faith, morals, and moral ethics for each of its activities, both in the position of consumers and distributors.

In Islam, all business or trade activities must be carried out according to the principles of Sharia economics. These principles include the morals and ethics of individuals in doing business so that in Islam, individuals are prohibited from seeking excessive profits by trading dishonestly or harming others.

In the current technological era, where all fields have adopted digitalization to facilitate work, business activities are also developing. One form of business development through technology is the existence of online shops where consumers no longer need to go to physical stores to do shopping activities. In addition, the physical market has also experienced rapid development into a modern market, such as the many construction of minimarkets, supermarkets, and hypermarkets in Indonesia today.

Based on its type, there are two types of markets: traditional and modern. Traditional markets are places where sellers and buyers meet directly. Prices are often negotiated when purchases are made. Traditional markets usually consist of kiosks, stalls, and open areas managed by traders. The emergence of modern markets as shopping centers provides new practices in buying and selling activities. Unlike traditional markets, generally, in shopping activities, there is no bargaining because the price of each item has been determined and computerized. In addition, the payment system in modern markets has also provided digital payment options. The development of modern markets such as supermarkets and minimarkets has increased in almost all regions of Indonesia, including Ponorogo. Ponorogo District has experienced rapid development and is more advanced in its modern market than in previous years.

One example of a modern market in Ponorogo District is Surya Mart Ponorogo. Surya Mart is an individual business that is one of the modern shopping centers in the context of increasingly fierce franchise business competition. In this increasingly fierce market competition, business actors often use various strategies to achieve profits and emerge as winners. However, these strategies are only sometimes in line with the principles of Sharia that regulate human actions in all their activities.

Ibn Taimiyah defines a fair price as the value of goods comparable to the same object, accompanied by the delivery of the goods at the specified time and place. The concept of justice that he wants is not to cause injury or loss to other parties. With a fair price, both parties will feel satisfied, and no party will feel disadvantaged.

Such nominal prices need to be clarified because they set product prices without considering the current currency value in Indonesia, where denominations such as Rp25,-, Rp75,-, or Rp50,- are no longer used. This action is contrary to the principles of Islamic economics, which emphasize honesty and clarity in buying and selling transactions and does not harm other parties. The phenomenon of determining selling prices at Surya Mart Supermarket is interesting to study from a Sharia economic perspective, especially the odd pricing practices that are commonly used. This research is relevant because price is a key factor in trading activities and influences consumers — interpretation of Abu Yusuf and Al Ghazali Regarding Selling Price.

a. Abu Yusuf

The mechanism for determining selling prices from the perspective of Islamic or Sharia Economics explains that fluctuations in production directly impact selling prices. In other words, when the supply of goods is low, prices will tend to be high, while if the supply is abundant, prices will be low. In his work, *Al-Kharaj*, there is no definite limit on the concept of expensive and cheap, which can be measured absolutely because they are relative. The concept of cheap does not always mean the availability of abundant goods, and vice versa with the concept of expensive, which is only sometimes caused by the scarcity of goods. Abu Yusuf emphasized that selling prices are influenced by the supply of goods and demand. Therefore, price changes are only sometimes in line with changes in production. Other factors influence, such as changes in demand or the amount of money circulating in a country, as well as the practice of hoarding and holding goods. The theory that explains the relationship between demand, price, and quantity of goods can be described. This correlation is often influenced by detrimental practices such as monopoly, hoarding, and corruption, which can influence pricing by manipulating market forces, and this indicates that pricing is not always based on forces of supply and demand, according to Abu Yusuf.

b. Al Ghazali Imam

In his monumental work *Ihya' Al-Ulumudin*, Al-Ghazali outlined the importance of the trading mechanism in Islamic Economics, including the evolution of the selling price determination mechanism, considering the influence of the forces of demand and supply on prices. Al-Ghazali realized that in trade, the value of goods can increase because goods can be accessed efficiently, according to time and place. Although trade aims to make a profit, the main motive he emphasized is the importance of ethics in pricing and business, which are based on Sharia values. For him, true

profit can be accounted for in the hereafter. Al-Ghazali encouraged the determination of fair selling prices, where profits must be accounted for in this world and the hereafter. He also suggested the role of government in maintaining trade security to ensure the growth and smoothness of trade. Al-Ghazali's thoughts on selling price determination from an Islamic perspective greatly influenced the theory of market mechanisms because they consider the laws of demand and supply. Regarding the role of government, Al-Ghazali emphasized that its task is to supervise the market to create a fair and free market. Setting market prices that produce benefits (*mashlahah*) is the priority, creating conditions where people feel comfortable because their needs are met.

2. METHODS

This study uses a descriptive qualitative approach, with data collected through interviews, observations, and documentation. The time and location of the study were adapted as needed. In this study, the data collection method used by the researcher is an interview, which is a form of verbal communication or a kind of conversation that requires the respondent's ability to formulate thoughts or roles within the place. The interviews are structured and unstructured, making it easier to achieve a goal. The author uses this method to obtain data from the research location; the author directly interviews the head of administration and personnel, shop managers, and employees.

The documentation method finds data on things through notes, transcripts, books, newspapers, magazines, and other documents. This method is used as a data collector regarding the object of the research location, namely the Surya Mart supermarket, as well as a general description of the company and data regarding the author's title, namely Analysis of Selling Price Determination at Surya Mart Supermarkets in the Perspective of Islamic Economics.

The observation method is the selection, modification, recording, and coding of a series of behaviors and atmospheres related to the organism according to empirical objectives. When conducting observations, researchers can only observe people who are doing a particular activity that is being observed. Researchers enter the Surya Mart supermarket to see the process of its activities directly.

The data analysis to be carried out consists of description and analysis; the contents of the researcher's description will present data or research results through the data collection techniques above. The author uses the description method to analyze all the collected data qualitatively. This method aims to describe the situation or phenomenon. The qualitative method gives a predicate to the variables studied with the actual conditions. In this case, the author analyzes and explains things related to the determination of different product selling prices, which is seen from the sales volume from the perspective of Islamic Economics, to optimize product selling prices and maximize a company's profits.

3. FINDINGS AND DISCUSSION

Islam is very concerned with the issue of price balance, especially with the role of the State in realizing price stability and overcoming the problem of price instability. Scholars have different opinions regarding whether or not the State is allowed to set prices. Some scholars reject the role of the State in setting prices, while others allow the State to set prices.

In this case, free competition means that Muslims determine for themselves what to consume and produce and are free to choose what is needed and how to fulfill it. Imam al-Ghazali argues that this free competition is a natural provision or normal market pattern.

The results show that odd pricing is based on something other than Islamic principles and can deceive consumers. The analysis identifies factors influencing pricing, including acquisition prices, taxes, and promotions.

Islamic principles emphasize that the market has an important role in economic life when the principle of setting selling prices based on free competition is applied effectively. The price of a good or service (commodity) is determined by the balance between supply and demand, and price changes are also influenced by changes in supply and demand.

Within the framework of Sharia or Islamic values, it is believed that there is no room for intervention from certain parties in setting prices, except in certain emergency conditions where a special need affects the pricing of a good. Most markets or trading places do not want interference from any party except the state, which can set prices for monopoly activity sectors.

In Islamic economics, price is one element in the composition of income sources. Price aims to express the value of a product produced by a producer. The value given reflects what is obtained in exchange. The higher a person's ownership or access to certain goods and services, the higher the exchange value.

The mechanism for determining and setting selling prices aims to achieve welfare and avoid damage to relations between people. Although there is no direct statement from the Prophet about price setting, in certain situations, price setting becomes necessary to avoid market distortion or overcome possible damage, aiming to maintain price balance.

In the Islamic concept, the selling price is determined by the balance between supply and demand. This balance occurs when both the seller and the buyer are willing to share and hold goods. In other words, the selling price is determined by the seller's ability to set the price of the goods he offers to the buyer and the buyer's ability to obtain the goods at a profitable price.

Pricing must be fair because justice is one of the basic principles in all Islamic transactions. Justice is often seen as the essence of Islamic teachings and is considered by Allah as an act closer to piety.

Justice is the most fundamental value in Islamic economics. Upholding justice and eradicating injustice is the main goal of the message of His Messengers. Justice is often placed on a par with virtue and piety—all prominent scholars throughout Islamic history place justice as the most important element in *maqashid syariah*. Sayyid Qutb mentioned justice as a comprehensive and important basic element in his life. If traders raise prices beyond reasonable limits, they commit unfair treatment detrimental to humans or buyers. In this situation, the government must intervene by setting price standards. The goal is to protect the property rights of others, prevent hoarding of goods, and prevent fraud by traders.

From an economic perspective, Ibn Taimiyah also argued that price fluctuations are not always caused by the injustice of certain people but rather by several factors, such as a lack of production or a decrease in import quotas for goods needed by the community. Therefore, if the demand for a particular item increases while the supply of the item decreases, then the price will tend to increase. On the other hand, if the supply of goods or the supply of goods increases while demand tends to decrease, then the item's price will also decrease. The scarcity or surplus of trade commodities is often not the action of certain parties, or it does not happen because of the element of *dzulm*, but this happens because of the omnipotence of Allah SWT, who has created desires in the hearts of humans.

A contemporary economist from the Middle East also strengthens Ibn Taimiyah's opinion, namely Ahmad Fikri Nu'man, in understanding the hadith above, arguing that when there was a price increase during the time of the Prophet, he believed that there was a certain cause that was *dharuri* (emergency) so that something that was *dharuri* would disappear along with the disappearance of the cause of the situation. On the other hand, the Prophet Muhammad SAW also believed that prices would return to normal in a not-too-long time and that price fixing was an act that oppressed the interests of traders because traders in the market would feel forced to sell their goods, according to the benchmark price which of course did not match their pleasure.

The mechanism in Islam is built on several principles, including:

- a. *Ar-Ridha*, all transactions must be based on an agreement between both the seller and the buyer. This agreement includes satisfaction that is accepted sincerely and happiness for the results.
- b. Competing healthily (fair competition) is very important. The presence of monopolies or hoarding will hinder the function of the market in determining buying and selling prices. Both of these things can harm consumers or society at large.
- c. Honesty is a primary principle in Islam, which demands integrity and truth in all activities. Islam strictly prohibits all forms of fraud. This value has a significant impact on trade transactions and society as a whole. Transparency is a principle that mandates honesty in disclosing information

and true intentions in the scope of trade. In the research, Surya Mart Ponorogo Supermarket was not involved in hoarding or monopolizing goods.

According to the research results, when applied to Supermarket Surya Mart, these standards have been met in the context of the mechanisms mentioned. They start from Ar-Ridha, where consumers sincerely agree to a condition or decision and are happy with the results. No evidence from research shows any ambiguity regarding the condition of goods or products sold at Supermarket Surya Mart. This shows honesty in trade practices and sales transactions at Supermarket Surya Mart.

Islam as a religion universally emphasizes all aspects of human life, including economics, politics, society, and culture. In this context, Islamic economic studies have developed rapidly, approaching the philosophy that encourages implementing an economy based on Islam. The focus is on analyzing people's lives in the economic realm with the principles of Islamic values.

In sharia economic transactions, pricing that adheres to fair standards is the main foundation of trade. The principle is that every transaction must be carried out at a fair price because this reflects Islam's (sharia) commitment to justice.

The intention is that prices are based on the principle of justice to prevent exploitation and oppression. In other words, no party is harmed, and the benefits are not only enjoyed by one party. The seller must benefit from the goods he sells, and the buyer must also get benefits equivalent to the price paid to buy the goods.

Based on the results of the research that has been conducted, it was found that Surya Mart Ponorogo Supermarket still needs to implement the principles of Sharia economic trade fully. The findings show that the pricing mechanism at Surya Mart Ponorogo Supermarket still needs to be transparent because the prices set use an odd price system, such as the nominal price of Rp6,840 (Six Thousand Eight Hundred Forty Rupiah).

Surya Mart Ponorogo Supermarket cannot be said to have implemented Islamic principles in its pricing mechanism because there were no odd-numbered denominations like that in the previous price example. This approach does not describe the clarity of the price because the pricing of goods or products is not based on the applicable currency value. In Sharia, such pricing is not based on the principles that should be applied. Although it may not attract the attention of the public or consumers directly, it still needs to be consistent with the principles of trade in Islam.

Such a situation would be contrary to the principles of Islamic economics, which prioritize honesty, politeness, clarity that does not harm other parties, and justice in trade. The principle of equality in gaining profit between sellers and buyers is also upheld in trade.

Considering the issue of justice, the Qur'an emphasizes the principle of justice as an absolute commandment that applies at all times and places, not just a recommendation. The relationship between

trade or business and justice is emphasized as a commandment that applies to all people, including business actors and their consumers.

In the initial thoughts of Al-Ghazali and Abu Yusuf's concept of pricing mechanisms, both stated that the motive in trading is to seek profit. They stated that the profit goal for a seller in business is a profit balance between worldly and afterlife interests. This includes:

- a. Traders or sellers should only set prices as high as their business capital because it will harm buyers or consumers if the pricing is fair.
- b. In Islam, trading activities emphasize the principle of mutual assistance (Taiwan). Traders or business people benefit from the sale of goods, while buyers benefit by obtaining the goods they need or require.

Trade is carried out by the principles of Sharia economics or Islamic economics, which are considered a major aspect in implementing religious principles as part of worship. This aims to benefit both parties, both from the perspective of the seller and the buyer.

In Islam, trade is given great attention because it is closely related to worship, so both complement each other as a balanced framework. However, Islam also provides freedom, which means that all price concepts in trade are permitted if the price is based on the principles of justice, agreement, and consent between the seller and the buyer.

Based on aspects recognized by most scholars, Islam supports a free pricing mechanism, with certain exceptions where the government can intervene to set price policies. However, "free" means following principles based on Islamic teachings. The goal is to ensure prices remain normal and fair according to market conditions. Trade in Islam, goods and services, is based on religious ethics, norms, and humanitarian principles, which are the basis of clean trade. The following are the characteristics of clean trade:

- a. There is a prohibition on trading or selling goods that have been forbidden.
- b. Reliable and honest to the seller.
- c. Being fair.
- d. Practicing compassion.
- e. Practicing tolerance.

Islamic teachings emphasize the importance of having a perfect trading mechanism, especially in setting selling prices. In principle, in trade, there are no limits to seeking profit as long as the transaction is carried out with the willingness and agreement of all parties involved. In addition, in trade, the principles of honesty and justice must be upheld. However, the Prophet Muhammad SAW needed to provide specific guidelines for the ideal selling price.

The Prophet Muhammad SAW refused to set a price because, in Medina, no group specifically acted as traders. Sellers and traders are considered one unit because both are the same person, one with the other. No one can be forced to sell something because it is impossible to identify the seller specifically.

All of this shows that trade or commerce is to gain profit. Whoever is not lucky in his trade is because he needs to make a better effort to deal with others. According to Harahap, profit is an important figure in financial reports for various reasons, including profit being the basis for calculating taxes, guidelines for determining investment policies, and decision-making.

Pricing can only be done if there is a group involved in the trade and there are business manipulation practices that cause price increases. These conditions are necessary for setting prices because they will not be meaningful for individuals who do not act as suppliers, so they will not be fair.

The study results show that according to Islam, price analysis and honesty applied by the Surya Mart supermarket have been carried out in the context of the selling price determination mechanism. Through interviews, it was found that the standard considered the selling price offered by the supermarket because it recognized the quality of the goods, provided comfortable services, and did not burden consumers.

In the characteristics of trade that have been mentioned, several aspects stand out, such as the Surya Mart supermarket not offering or selling goods that are considered haram, managing goods or products with trust, and emphasizing honesty for the seller. There are no actions that violate the agreement or characteristics that conflict with the agreed values.

4. CONCLUSION

The selling price determination mechanism at Surya Mart Ponorogo Supermarket uses an odd pricing system to attract consumer interest by giving the impression that prices at Surya Mart are lower than at other stores. This system has been implemented since the store first opened and is only used for certain items that customers demand, such as daily necessities. In determining the selling price, Surya Mart considers the acquisition price from suppliers and distributors and ensures that the selling price does not exceed the Highest Retail Price (HET). They use a percentage-based pricing policy, which allows them to know the selling price of the goods when they receive them. This policy involves calculating the cost of goods and adding certain values to increase the selling price. In Sharia economics, pricing must be based on justice and clarity. The price set must be fair for both parties, the seller and the buyer, without causing any loss or fraud. In addition, the price must be clear, and there must be no ambiguity that can mislead consumers. This study found that Surya Mart has not adopted the principles of Islamic economics in their pricing mechanism. The conclusion should answer the objectives of the

research and research discoveries. The concluding remark should not only repeat the results and discussions or abstract. You should also suggest future research and point out those that are underway.

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