

Islamic Value Strategy: The Relationship Of Islamic Market Orientation, Personal Ties, And Karimah Reciprocity On Marketing Performance

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Abstract

This research is an empirical study that aims to investigate the effects of Islamic market orientation, personal ties, and karimah reciprocity on marketing performance. Respondents in this study amounted to 160 leaders or owners of Muslim SMEs in Central Java, Indonesia. Data was analyzed using Structural Partial Least Squares (PLS-SEM). The results showed that Islamic market orientation, personal ties, and karimah reciprocity had a significant effect on marketing performance. Likewise, Islamic market orientation and personal ties have a significant effect on karimah reciprocity. Furthermore, karimah reciprocity is able to mediate the relationship between Islamic market orientation, personal ties, and marketing performance.

Keywords: Islamic market orientation, personal ties, karimah reciprocity, marketing performance

INTRODUCTION

Small and medium-sized enterprises (SMEs) play a vital role in the Indonesian economy, both in terms of the number of businesses and the production of jobs. The rapid development of small and medium-sized enterprises (SMEs) in Indonesia, particularly in Central Java, is evidenced by the increasing number of new SMEs that have emerged to attract customers. From 2016 to 2020, the number of SMEs in Central Java was 115,751 units, 133,679 units, 143,738 units, 16,458 units, and 167,391 units, respectively. Extremely dynamic product marketing conditions force market participants and producers to battle to win a very close competition, and small and medium-sized enterprises (SMEs) that are unable to change will fail and go out of business. According to

data from the Central Java Cooperatives and SMEs Office, turnover growth continues to fluctuate, with the following projections for 2016-2020: 43.570 billion, 49.247 billion, 55.691 billion, 67.550 billion, and 67.087 billion in terms of rupiah. This reduction in revenue was caused by the COVID-19 pandemic. Under these circumstances, it is difficult for SMEs to offer their products and services. SMEs must cultivate strong customer ties to survive.

Customers have faith in the company because of the personal relationship that exists. Personal bonds are interpersonal partnerships that involve social and emotional ties between individuals (Hu and Korneliusen, 1997). Strengthening connections increases performance results, including sales growth, market share, returns, return on investment, and customer retention (Crosby, Evans, and Cowles, 2018; R. M. Morgan and Hunt, 2018; Tse et al., 2004). In addition, marketing performance can be viewed as the company's final strategy for determining the amount to which its products have fulfilled their objectives and reached their target market. The effectiveness of a company's executed strategy is frequently measured in part by the marketing performance. The company's marketing performance can be enhanced by adjusting its marketing strategy (N. A. Morgan, 2011). It is also noted that the growth of the company's sales will depend on the number of clients who are already familiar with the consistent average level of consumption in purchases.

The sale value indicates how many rupiah or units of product have been sold to consumers or clients. The greater the sales value, the greater the number of things a company sells. Meanwhile, market position indicates the extent to which a product's contribution can dominate the market for this type of product relative to that of competitors. A distinct strategy is required to dominate the market in Indonesia, where the majority of the population is Muslim. Prior studies have only sought to comprehend strategic marketing decisions based on western beliefs and concepts. The marketing plan must be consistent with Islamic values, standards, and regulations. (Nakata and Huang, 2005).

Five factors are identified by Islamic market orientation (Islamic customer orientation, information orientation, integration orientation, competition orientation, and

responsiveness orientation). While market orientation is a subset of the marketing notion, it is a corporate philosophy based on customer orientation, profit orientation, communication of market needs to all major areas of the firm, and delivering the required satisfaction more effectively and efficiently compared to competitors (Barksdale and Darden, 2018; Mcnamara, 2018). According to Narver and Slater (1990), market orientation is an organizational culture that fosters the most effective and efficient actions required to generate exceptional customer value and long-term competitive advantage.

Previous studies (Ayimey et al., 2020; Frösén et al., 2016; Joensuu-Salo et al., 2018; N. A. Morgan, Slotegraaf, and Vorhies, 2009; Riswanto et al., 2020; Syam et al., 2022; Tham and Ferdous Azam, 2019; Wayan, Duwalang, and Santika n.d, 2020). show that market orientation has an important role to improve business performance. However, other studies (Kurniawan et al., 2020; Lonial et al., 2008) demonstrated contrasting findings, and that a focus on the market was unable to boost overall company performance..

Relationship Marketing Theory or company relationships with customers, one of which can be explained through Relationship Marketing Orientation. The fundamental benefits of Relationship Marketing Orientation are intended to create stronger customer relationships that improve performance outcomes, including sales growth, market share, profit, return on investment, and customer retention (Geddie, DeFranco, and Geddie, 2005; L. Y. M. Sin et al., 2018b; Tse et al., 2004). Relationship Marketing Orientation reflects the company's philosophy of doing business with regard to building relationships by fostering trust, empathy, bonding, and reciprocity between the company and its customers (L. Y. m. Sin et al., 2002; Tse et al., 2004).

In a relationship characterized by

reciprocity, both the vendor and the customer understand one another; neither one suffers any harm; and both parties give and receive advantages. Nevertheless, there are still certain inadequacies in both the existing body of research and the understanding of reciprocity. First, the concept of reciprocity is still based on making a profit for oneself and not yet on maintaining a long-term reciprocal relationship for life in the hereafter in accordance with the principles espoused in the Qur'an and the Hadith. Second, in the western way of thinking, the achievement of reciprocity can only be judged from a transactional and material point of view. It does not yet depend on Allah SWT.

Research on religiosity is very interesting because it is associated with entrepreneurs who have a strategic role in the marketing system. Studies related to spirituality suggest that the practice of religious values encourages underlying ethical behavior in the decision-making process (Aydin, 2020) and overall organizational effectiveness (Markow and Klenke, 2005). Spirituality in Islam is based on the concept of monotheism which connects every human activity with Allah and the activities of the world with the hereafter (Vasconcelos, 2009).

In the context of this market segment, "religious business" refers to the process of catering to the requirements of customers who are dedicated to the acquisition of goods and services that are consistent with their religious beliefs. The correct marketing approach is needed to capitalize on the potential market opportunities presented by target segments that have a religious commitment. The ability to build relationships with customers through religious principles will promote contentment and commitment to buying items, both of which will affect marketing performance (Mulyana et al., 2019). As a result, karimah reciprocity is essential in order to fortify the connection between an Islamic market orientation and the

performance of personal bonds. Still, there has not been much of an in-depth marketing study on karimah reciprocity between SMEs and customers. This is why it is hoped that this research will be able to solve the problems that have come up in previous research.

LITERATURE REVIEW AND HYPOTHESES

Conceptual development of Karimah Reciprocity

Relationship Marketing Theory is built on market-based relationships and network-based relationships (Möller and Halinen, 2000). This form of organizational management was developed with the aim of improving customer relationships (Parasuraman, Zeithaml, and Malhotra, 2016). Relationships with partners are characterized by high levels of trust, an orientation toward long-term relationships, active information exchange, and a decent level of cooperation. Relational marketing is built on trust, commitment, and communication (Cruceiro and Moise, 2014; Mulyana et al., 2019).

In marketing, the idea of reciprocity is when one person helps or gives something to another person in exchange for similar help or benefits in the future (M Callaghan, J McPhail, 1995). It encompasses features of social conduct between two individuals, such as bilateral contingency, interdependence for mutual advantage, and equality of transferred value. Additionally, it has the potential to be interpreted as both sociological dualisms and as a shared legal responsibility to repay. Bonding and reciprocity go hand in hand because agreements to do things for each other show that people are willing to work together (Yau et al., 2000).

The character of Akhlaqul Karimah is one that should be admired and praised. According to Al-Ghazali, a healthy mental condition is synonymous with virtuous morals, which is also sometimes referred to as the Akhlaqul karimah. In the human mind,

specifically in one soul, there are four levels, and in people who have excellent character, all four levels are still good, moderate, and harmonious with each other. According to Sa'aduddin (2006) there are a number of qualities that indicate a person has a noble character. According to Sa'aduddin, these qualities include being universal, always relevant, rational, collectively accountable, and believing that every action has a reward. The combination of the ideas of reciprocity and karimah results in the formation of a novel idea called karimah reciprocity. Based on the results of this study, the idea of karimah reciprocity means that a person knows how to build mutually beneficial relationships with clients based on Islamic ethics.

Islamic Market Orientation and Karimah Reciprocity

Muslim customers have high priorities, preferences, and needs for halal products and services. Because Islam provides specific guidelines and principles for the consumption of goods and services, Muslim consumers have a high demand for halal products that conform to the Islamic approach (Al-Khatib, Dobie, and Vitell,1995; Rice,1999). The consensus among owners and managers seems to indicate that the business has successfully integrated into its surrounding community and is able to obtain assistance from members of that community. As a sort of social capital that has the potential to be leveraged for the success of a business (Runyan, Huddleston, and Swinney, 2006), reciprocity represents an important resource that contributes to favorable responses from local constituencies (Miller,2001). The principle of reciprocity often underlies market exchanges that customers tend to reward the company's extra effort by increasing willingness to pay, store choice, and positive overall evaluation (Morales,2005).

Increasing the sensitivity of a corporation to diverse cultures that are affiliated with it can be accomplished through the use of an information-

based strategy known as market orientation implementation. The culture in question is based on Islamic principles when it comes to Muslim-owned businesses. According to Kohli & Jaworski, (1990) market orientation can be understood through the lens of the market information perspective. Within this framework, market orientation is seen as the process of gathering market information about current and potential customers, sharing that information with departments, and encouraging the right responses.

When looking at things from a behavioral point of view, they state that the subject of the action is not only the marketing department but also the entire organization. The target of action is market information, and furthermore, action on marketing information is the generation, dissemination, and response. Jaworski & Kohli (1993) say that market orientation is a concept of marketing practice, and they explain it as the gathering of market information throughout the organization about what customers want now and in the future, the sharing of market information with departments, and the responses of the organization.

Thus, a market-oriented culture encourages companies to align their organizational activities to create value from a consumer perspective (Deshpandé, Farley, and Frederick E. Webster,1993; Narver and Slater,1990) and emphasizes the importance of customer satisfaction. Market-oriented beliefs and norms that are shared across the business provide focus and coherence in business strategy (Pelham and Wilson,1999). Such organized efforts often result in innovative and high-quality products/services (Han, Kim, and Srivastava,1998) and better customer service, all of which provide greater benefits to customers. Because reciprocity encourages partners to maintain balance in exchange relationships, customers tend to reward them through increased loyalty. Similarly, an organization's efforts to respond to local market needs and wants are likely

to generate greater value for local constituencies. Miller (2001) found that local shoppers' satisfaction with local merchants' selection and merchandise offerings increased their shopping in their community. We, therefore, suggest that:

H1: Islamic market orientation has a positive effect on karimah reciprocity

Personal Ties and Karimah Reciprocity

Inter-organizational interactions that are successful in some cultures are characterized by: reciprocity, friendly attitudes, and a diffuse sense of personal obligation that arise between individuals in exchange relationships (Dore,1983). An important source of this effect is personal ties. After studying the process of cooperative relationships, (Ring and Ven ,1994) also showed that trust in the willingness of others to reciprocate is closely related to interpersonal relationships. When there is a close personal relationship between the parties, they may show more positive emotional tendencies towards one another. Reciprocity refers to the pursuit of common interests, goals, and mutual benefits (Oliver,1991). High social interaction makes it possible to get to know each other, share important information, and create a common point of view. Tsai and Ghoshal (1998) say that belief in the willingness of others to reciprocate is closely related to the development of interpersonal relationships (Ring and Ven,1994). When individuals are closely related to their cooperating partners, they may show more positive emotional tendencies towards one another, thereby strengthening their interest in one another's well-being (Von Friedrichs Grängsjö and Gummesson,2006; Hu and Korneliussen,1997), so that reciprocity will most likely be maintained. Previous studies (Hu and Korneliussen,1997) have also shown that strong personal ties between cooperating parties have a positive effect on reciprocity.

H2: Personal ties have a positive effect on karimah reciprocity

Karimah Reciprocity and Marketing Performance

Karimah reciprocity is someone's understanding to build reciprocal relationships with customers based on Islamic ethics. The behavior of karimah shows justice, sincerity, honesty, and trust which is manifested in the activities of the seller and buyer transaction relationship. On the basis of reciprocity, a party then knows what he can expect from a cooperating partner, and is more likely to commit to the formal and informal obligations associated with a cooperative relationship (Hu and Korneliussen,1997). According to Boyd et al., (2007) the power of reciprocity between buyers and sellers can improve sales performance. Moral capital can make the company a reliable partner (Luo and Bhattacharya (2009). Partner trust can strengthen the relationship on performance (Palmatier et al., 2006). Reciprocal behavior can increase performance achievement (Bosse, Phillips, and Harrison, 2009; Tsaur and Wang, 2010). Therefore, karimah reciprocity has the potential to improve marketing performance.

H3: Karimah reciprocity has a positive effect on marketing performance

Islamic Market Orientation and Marketing performance

Market-oriented companies systematically collect, analyze, and utilize market-related data better than other companies and assess the impact of market orientation on company performance (Beverland and Lindgreen, 2007). According to Kohli & Jaworski (2018) market orientation is defined as "the generation of market intelligence across the organization, the dissemination of this intelligence across departments, and the response of the entire organization to it". Clearly, this definition describes market orientation as the process of

creating and disseminating market intelligence to offer better customer value (Kohli and Jaworski,1990), which is a broad source of profit for companies (Kirca, Jayachandran, and Bearden, 2018; Zhou, Brown, and Dev, 2009).

Market orientation is a management concept that goes beyond the theoretical boundaries of the marketing idea to provide actual directions for activities. It is defined as the process of discovering and comprehending the desires of both existing and new customers. It is possible to focus on the company's expertise and resources in solving challenges and possibilities generated via processes and activities that develop organizations and management systems by studying and overcoming the actions of existing and potential competitors (Na, Kang, and Jeong,2019). This further enables companies to make better use of resources (Slater and Narver,1995), emphasizing the company's ability to continuously seek opportunities to create added value for customers (Huhtala et al., 2014).

Muslim clients place a high value on halal products and services. Because Islam gives precise standards and principles for the consumption of goods and services, Muslim customers have a strong demand for halal products that adhere to the Islamic approach (Al-Khatib, Dobie, and Vitell,1995;Rice,1999). Through a market orientation that focuses on Islamic culture, companies will be able to improve market sensing and information processing within their organizations, leading to better responses to customer needs and desires so as to enhance superior marketing performance, due to the competitive advantage gained in

creating and maintain relationships with customers (Zakaria and Abdul-Talib, 2010). Therefore, Islamic Market Orientation has the potential to improve marketing performance.

H4: Islamic Market Orientation has a positive effect on Marketing Performance

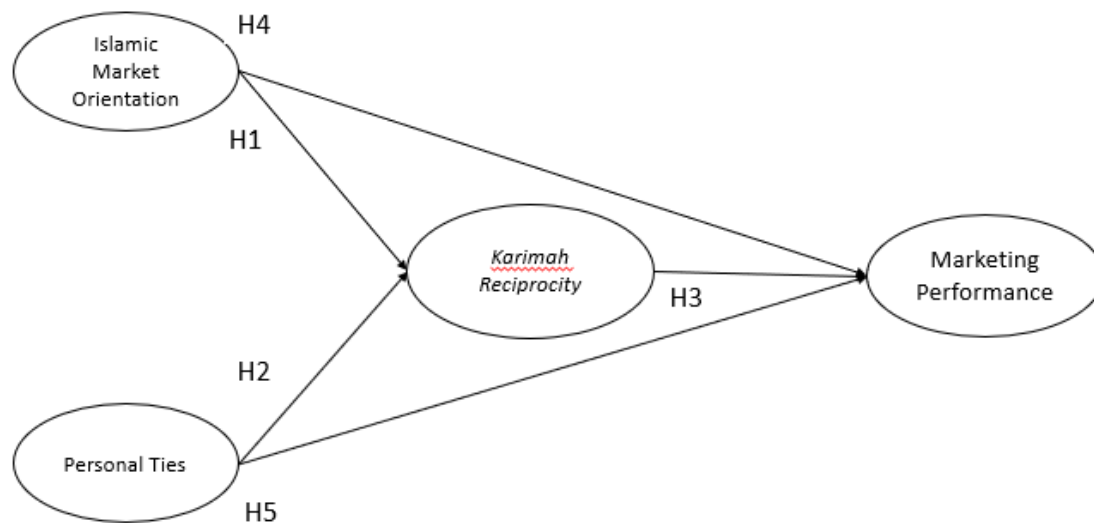
Personal Ties dan Marketing performance

The company's strategic actions are influenced by the context of social relations (Gulati,1999). Personal bonds are described as personal relationships that have social and emotional bonds between individuals (Hu and Korneliussen,1997). Personal bonds allow individuals to exchange resources and information. Personal ties make the market less impersonal. Personal bonds will be reinforced, making it easier to see the other party as a reliable collaborator. (Nahapiet and Ghoshal, 1998; Tsai and Ghoshal, 1998). Previous research (Hu and Korneliussen, 1997; Tsaur and Wang, 2010) state that a strong personal bond will affect performance improvement.

H5: Personal ties have a positive effect on Marketing Performance

Based on this description, the relationship between Islamic market orientation, personal ties, Karimah reciprocity, and Marketing performance are described in picture 1 as follows.

Picture 1. Conceptual Framework



RESEARCH METHODOLOGY

Sample and data collection

This study focuses on Muslim SMEs in Central Java, Indonesia. Respondents are Muslim SMEs' owners or leaders with at least three years of experience. The researchers believe that the leader or owner of small and medium-sized firms should have knowledge of Islamic marketplaces, as well as personal ties and karimah reciprocity, in order to boost marketing success. Data was gathered by sending questionnaires to 160 respondents in Central Java.

Measurement

Islamic market orientation was adapted from (Zebal and Saber, 2014) and measured through five indicators, namely orientation on Islamic customers, orientation on information, orientation on integration, orientation on competition, and orientation on responsiveness. Personal ties are adapted from (Hu and Korneliussen, 1997; Tsaor and Wang, 2010) were measured through three indicators, having a relationship with personal friends or relatives, frequent social contact, and a close place to live. Karimah Reciprocity is measured through four

indicators adopted (Hu and Korneliussen, 1997; Nguyen Hau and Viet Ngo, 2012; Tsaor and Wang, 2010), in particular, being honest about sharing information, being sincere in providing aid, giving rewards in an equitable manner, and obeying promises that have been made. Marketing performance is adapted from (Ayimey et al., 2020; Killa, 2017; L. Y. M. Sin et al., 2005; Zhou, Brown, and Dev, 2009) measured by four indicators: achievement of sales targets, increase in sales volume, increase in sales outcomes, and increase in the number of customers.

Data Analysis Techniques

In this study, data analysis used Structural Partial Least Squares (PLS-SEM). PLS-SEM is the best technique especially when there is little prior knowledge of the hypotheses proposed in developing the conceptual model (Hair et al., 2017). In addition, PLS-SEM is more effective to use with complex models and does not limit the sample size and data distribution (Hair et al., 2017).

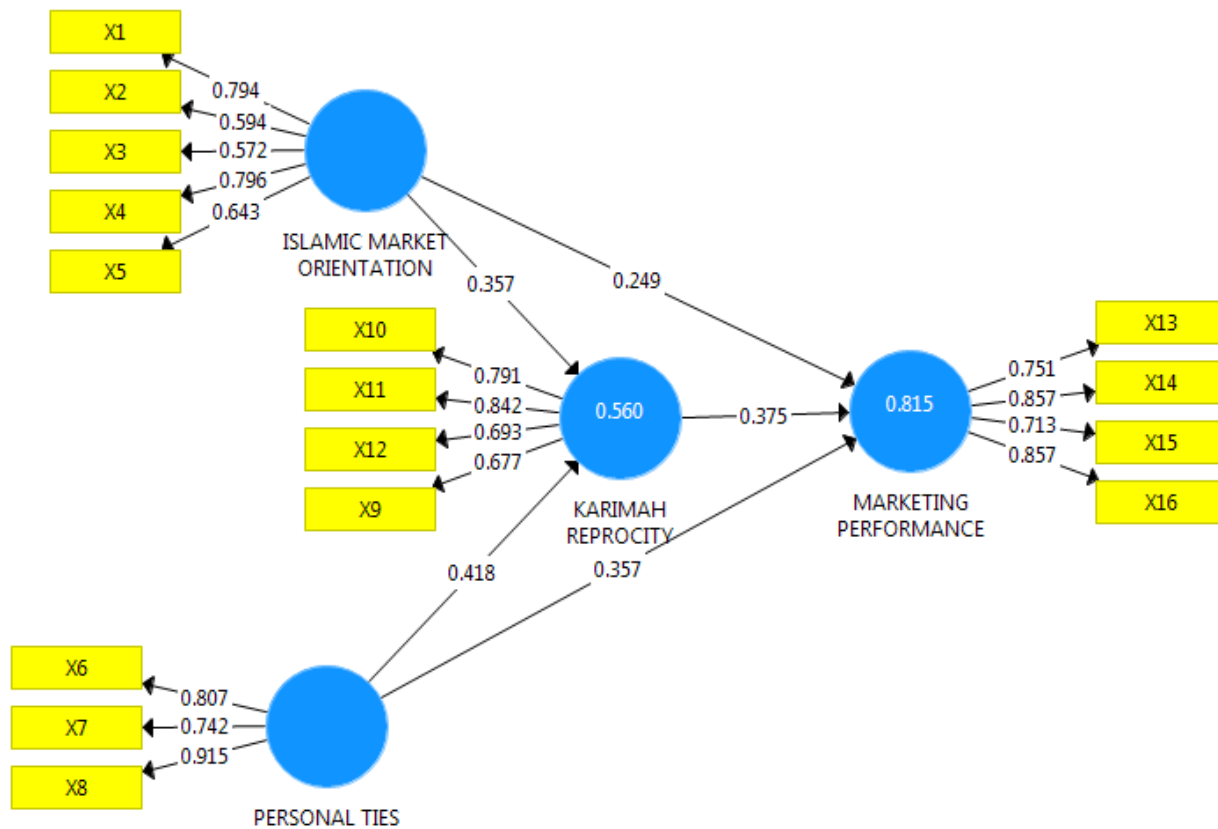
RESEARCH ANALYSIS AND RESULTS

Convergent Validity

The individual reflective measure is said to be high if it has a correlation of more than 0.70 with the construct to be measured. However, for

research in the preliminary stages of developing a measurement scale, a loading value of 0.50 to 0.60 is considered sufficient.

Figure 2. Validity Test



Construct validity can be seen from the value of the loading factor (LF) with the rule of thumb greater than 0.5 is said to be valid. Based on the test results, the results of the loading factor (LF) of all indicators in the model are said to be fit.

Evaluation of construct reliability was measured by Cronbach alpha and Composite Reliability values. The Cronbach alpha and Composite Reliability values for all constructs must be above 0.70.

Table 1. Reliability Test

Construct		Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Islamic Market Orientation	Market	0,713	0,814	0,572
Personal Ties		0,764	0,863	0,679

Karimah Reciprocity	0,752	0,801	0,568
Marketing Performance	0,813	0,850	0,636

Source: Data Output PLS, 2022

Cronbach's Alpha and Composite Reliability values are above 0.70 so it can be said that the indicator is consistent in measuring its construct. Another method to assess discriminant validity is to compare the value of the square root of average variance extracted (AVE) of each construct with the correlation between constructs and other constructs in the model. If the value of the square root of the AVE for each construct is greater than the correlation value between

constructs and other constructs in the model, then it is said to have a good discriminant validity value. The AVE value shows the Islamic Market Orientation variable of 0.572, Personal Ties of 0.679, Karimah Reciprocity of 0.568, and Marketing Performance of 0.636. All variables value > 0.50 so it can be said that each indicator that has been measured has been able to reflect their respective variables validly.

Table 2. Test of R Squares

Variables	R Square
The influence of Islamic market orientation and personal ties on Karimah Reciprocity	0,560
The influence of Karimah Reciprocity, Islamic market orientation, and Personal ties on Marketing Performance	0,815

Source: Data Output PLS, 2022

The R Square value for the model of the influence of Islamic market orientation and Personal ties on Karimah Reciprocity gets a value of 0.560, which means that Islamic market orientation and Personal ties are able to have an influence on Karimah Reciprocity by 56.0%, while the remaining 44% is explained by other variables that not investigated in this study. The value of R Square for the model of the influence of Karimah Reciprocity, Islamic market orientation, and Personal ties on Marketing

Performance obtained a value of 0.815, which means that the influence of Karimah Reciprocity, Islamic market orientation, and Personal ties is able to give an influence on Marketing Performance of 81.5%, while the rest 18.5% is explained by other variables not examined in this study.

Picture. 3 Hypothesis Test

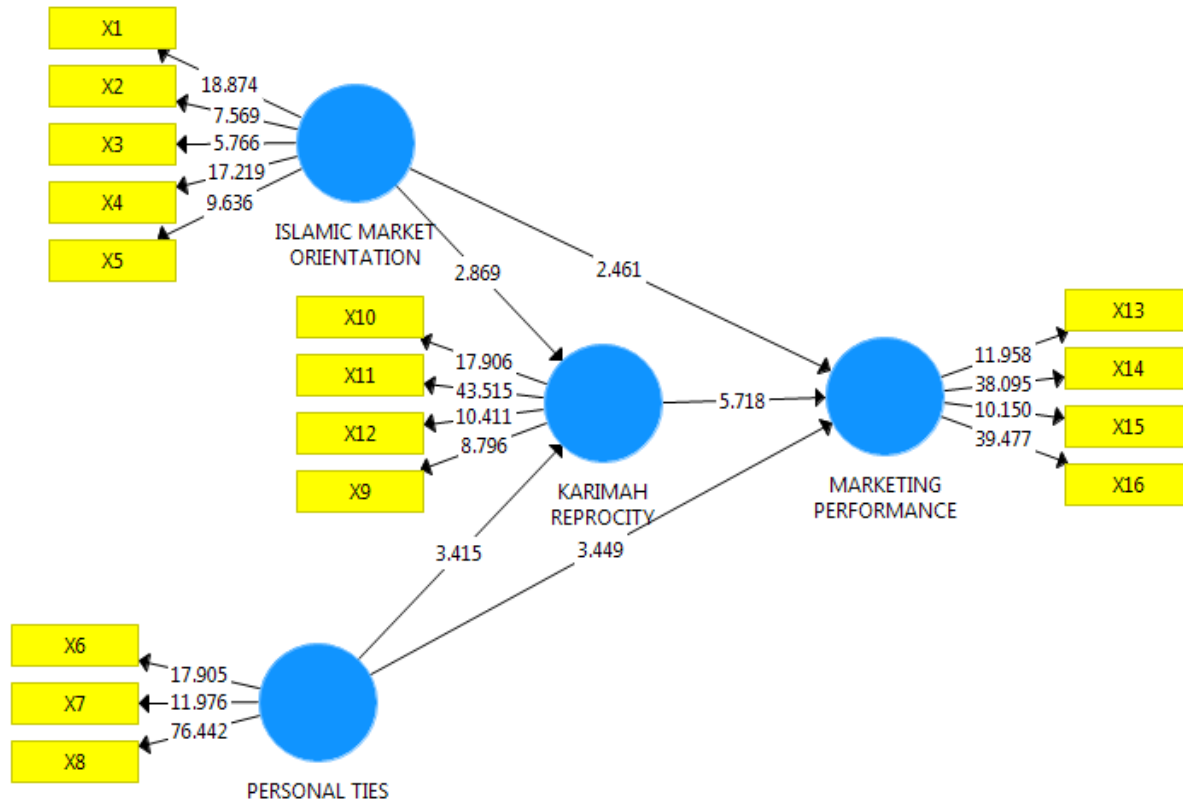


Table 3. Hypothesis Test

	Original Sample Estimate	Deviation Standard	t Statistic	P Value
Islamic Market Orientation → Karimah Reciprocity	0,357	0,124	2,869	0,004
Personal Ties → Karimah Reciprocity	0,418	0,122	3,415	0,001
Karimah Reciprocity → Marketing Performance	0,375	0,066	5,718	0,000
Islamic Market Orientation → Marketing Performance	0,249	0,101	2,461	0,014
Personal Ties → Marketing Performance	0,357	0,104	3,490	0,001

Source: Data Output PLS, 2022

The proposed hypothesis was assessed using structural equation modeling. The results of all hypotheses were accepted with T Statistics more than 1.96 and significance below 0.05. The

test results show the value of Islamic market orientation to karimah reciprocity 0.357 and T Statistics 2.869 > 1.96 with a P-Value of 0.004 < 0.05, meaning that Islamic market orientation

has a significant effect on karimah reciprocity so that Hypothesis 1 is accepted.

Personal ties on karimah reciprocity are 0.418 and T Statistics $3.415 > 1.96$ with P Value $0.001 < 0.05$, meaning that personal ties have a significant effect on karimah reciprocity so Hypothesis 2 is accepted. Karimah reciprocity on marketing performance 0.375 and T Statistics $5.718 > 1.96$ with P Value $0.000 < 0.05$ meaning that karimah reciprocity has a significant effect on marketing performance so Hypothesis 3 is accepted. Islamic market orientation towards marketing performance 0.249 and T Statistics $2.461 > 1.96$ with P Value $0.014 < 0.05$, meaning that Islamic market orientation has a significant effect on marketing performance, so Hypothesis 4 is accepted. Personal ties on marketing performance 0.357 and T Statistics $3.490 > 1.96$ with P Value $0.001 < 0.05$, meaning that Personal ties have a significant effect on marketing performance so that Hypothesis 5 is accepted.

DISCUSSION

Karimah reciprocity is influenced by the orientation of Islamic markets. Small and medium-sized enterprises (SMEs) that have a culture that is strongly Islamic and market-oriented will see an increase in the support of strong karimah reciprocity from their customers. SMEs are coming to the realization that they need to be close to their market in order to survive the expanding global competition and the customer needs of Muslim clients. Survival in the market can also be accomplished through market orientation. When a company is market-oriented, it demonstrates that it cares for its clients by maintaining their commitments to one another, providing fair rewards to one another, supporting one another in a genuine manner, and exchanging information in an honest manner.

An Islamic market orientation culture is important because companies are better able to understand the specific needs of their Muslim

customers. Through a market orientation focused on Islamic culture, companies will be able to improve market sensing and information processing within the organization, leading to a better response to customer needs and wants, which becomes a competitive advantage by creating and maintaining customer relationships. This religion-based relationship-building strategy will build mutually beneficial relationships and build relationship commitments based on religious values (Mulyana et al.,2019). This research is in line with research conducted by (Park and Campbell, 2016) which states that market orientation has a positive effect on reciprocity.

The extent to which karimah reciprocity is influenced by personal ties is significant. It is possible for personal links between the owners/leaders of SMEs and their consumers to boost the amount of reciprocity. People have a better understanding of the situation and a stronger set of beliefs as a result of the existence of relationships that are based on religion, close friendships, and high levels of social interaction. Small and medium-sized enterprises (SMEs) usually pay careful attention to their clientele by efficiently connecting with them in person and online through a variety of channels. Friendships based on a shared religious belief and marked by mutual understanding, help, and support in moral pursuits are also encouraged. In accordance with the findings of prior studies (Chung 1996;Hu and Korneliussen,1997) It has been shown that reciprocity has a favorable and considerable impact on the success of strategic alliances. Dependence on the concept of reciprocity leads to a reduction in the requirement for costly administrative tools to monitor transactions, which in turn leads to an improvement in performance.

Karimah reciprocity can improve marketing performance. Karimah reciprocity is developed by strengthening the relationship behavior of SMEs and customers in accordance

with Islamic ethics. Helping each other, providing assistance sincerely, providing benefits fairly, giving each other information honestly, and keeping promises made will determine marketing performance. The development of a good long-term relationship to get the reward is alms, so the higher the religiosity, the higher the quality of the relationship (Skarmeas and Shabbir,2011). These results are in line with research (Hu and Korneliussen,1997;Tsauro and Wang,2010) which states that reciprocity affects marketing performance.

The Islamic market orientation has a considerable impact on the marketing performance of an organization. Small and medium-sized enterprises (SMEs) that are sensitive to efforts in the form of strategies geared to market conditions, the needs of Muslim customers, and the aspirations of customers would inevitably be sensitive to the conduct or strategies conducted by their competitors. In order for them to continue operating as a company, it is essential for them to collect information regarding the competition, the rules, the needs of their customers, the technology, and the current market trends. Every activity that SMEs engage in is conducted in collaboration. They distribute the obtained information across all of the departments so that better decisions may be made.

SMEs with a focus on the market is aware that serving the needs and wants of their present and potential future customers through ongoing market analysis is the most important factor in determining their level of success (Zebal and Saber, 2014). SMEs that respond to the requirements and aspirations of customers in all parts of marketing operations for halal goods and services are able to deliver higher value to clients, which eventually leads to improved marketing success (Zakaria and Abdul-Talib, 2010). Previous research (Frösén et al.,2016; Syam et al.,2022; Tham and Ferdous Azam, 2019) demonstrates that the way a small company

approaches its target market has a significant and lasting impact on how well it does in both business and marketing.

The performance of marketing has been shown to be significantly impacted by personal ties. When it comes to improving their marketing performance, small and medium-sized businesses (SMEs) can benefit from maintaining strong personal ties. Individuals are said to have personal bonds when they have personal relationships with one another that are also social and emotional bonds (Hu and Korneliussen,1997). According to Macneil (1980), social forces serve as a counterbalancing factor that is responsible for the maintenance of connections. The formation of effective collaboration is dependent on the existence of a solid common ground on which there is concordance between the parties' interests and ideals. This harmony is more likely to be reached in personal interactions due to the fact that parties who relate on a personal level tend to understand each other and be interested in each other's well-being, particularly among people who have close relationships with one another. Friendships and social relations that are close are extremely beneficial to one's efforts to improve their organization's performance. The findings are consistent with those found in earlier research (Von Friedrichs Grängsjö and Gummesson,2006; Hu and Korneliussen,1997; Tsauro and Wang,2010) show that personal ties have a positive and significant effect on performance.

CONCLUSION

Small and medium-sized enterprises with a robust Islamic market orientation will improve customer support for karimah reciprocity. The reciprocal link between SME owners or leaders and customers can be strengthened by religious ties, intimate friendships, and extensive social contacts. By enhancing the connection behavior of SMEs and clients in accordance with Islamic

standards, Karimah reciprocity is fostered. Marketing performance will be determined by helping one another, providing support in a real manner, distributing benefits equitably, sharing information truthfully, and honoring commitments. Islamic market orientation is a strategy that is directed toward market conditions and the needs of Muslim clients. Collecting knowledge about competitors, legislation, technology, and current market trends has a substantial impact on marketing effectiveness. Strong human ties are crucial for SMEs to achieve superior marketing performance.

LIMITATIONS AND RECOMMENDATIONS OF FUTURE RESEARCH

Special consideration must be given to studies on marketing in small and medium-sized businesses (SMBs) committed to religiously based connections. This study focuses exclusively on small and medium-sized businesses, despite the

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fact that, based on observations, business owners and executives have varying skills, attitudes, and behaviors when operating a company. Consequently, future studies can concentrate more on large corporations with a commitment to religious principles. Consequently, the outcomes of future studies will be better and more diverse, thereby making a significant contribution to the advancement of marketing management science.

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