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ANALYSIS OF THE PRODUCT DISTRIBUTION MECHANISM AT THE DISTRIBUTION CENTER OF NURUL JADID ISLAMIC ECONOMIC PERSPECTIVE AFZALUL ROHMAN

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Abstract

This This research will analyze the distribution mechanism at the Nurul Jadid Distribution Center from an Islamic Economics perspective according to Afzalul Rahman. The focus includes: (1) The distribution mechanism at the Nurul Jadid Islamic Boarding School, (2) Afzalul Rohman's Islamic Economics view of the distribution mechanism, and (3) Supporting and inhibiting factors in distribution at the center. The results of this research show that the center distribution mechanism namely: making customer levels, retail stores, agents, distributors, creating their own products (Nurja mineral water, salt, atlas covers and BHS, providing education to customers on how to market in accordance with sharia principles, providing product information according to conditions. In discussing the application of the principles-Islamic economic principles by the Distribution Center (DC) based on the teachings of Afzalul Rahman. DC adopts the principle of Tauhid to realize the welfare of the country, the principle of Maslahah by prioritizing the common interests of Islamic boarding schools and society, and the principle of justice by providing equal services to all consumers. DC applies leadership principles by selecting leaders who understand Islamic principles. Implementation of these principles strengthens the integrity of the distribution system and supports social welfare. This factor assesses the factors supporting distribution efficiency in Distribution Centers (DC), namely effective leadership, adequate infrastructure, and good coordination. No inhibiting factors were found in the DC distribution system.

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INTRODUCTION

The key to the success of a company is generally characterized by its expertise in the field of product distribution. The success of a company depends on the size of the sales volume of the products it produces. The greater the sales volume, the more likely

the company will be able to continue.(Rachmawati & Rismayani, n.d.)

In increasing sales, companies must improve product quality and motivate consumers to be able to own these goods. Not only that, in increasing sales, the company must have a good distribution channel so that the distribution of goods can be faster, easier and in large quantities. Distributors can be a tool for companies to get a response from consumers in the market. The more active the distributor is in collecting consumer opinions and comments about a product, the greater the benefits that can be taken by the manufacturer of the product concerned. And the opportunity for companies to develop products that are in accordance with consumer desires is also increasingly open. In determining the distribution that will be used by the company to distribute its products, there are several factors that must be considered, namely the type of product, the company's capabilities and so on (Sitepu, 2016). This is so that distribution can run effectively to increase sales.

The achievement of the goals of a company in the field of marketing is one of the most important activities is the distribution channel. Distribution channels are direct transactions between producers and consumers(Perspektif et al., 2011)

In 2014, bank Indonesia held ISEF in Surabaya. Then it was continued with the scattering involving 110 Islamic boarding schools in 2019, in Jakarta, at the meeting it was agreed to form a business network between Islamic boarding schools, which became a pilot project is East Java Province, by forming a distribution network of goods, by forming 3 warehouse locations, namely the Sunan Drajat Lamongan :P, the Jombang Rice Farm Boarding School, the Nurul Jadid Probolinggo Islamic Boarding School, for the construction of the 3 warehouses supported by Bank Indonesia (BI). To accommodate this business activity, it was agreed to form a Secondary Cooperative, which consists of the Primary Cooperative of Islamic Boarding Schools/Islamic Boarding School Cooperatives (KOPPONTREN), under the name of the Sharia Sarekat Business Cooperative (KSBP). (Harismawan et al., 2023)The formulation of the problem in this study focuses on the distribution center mechanism at the Nurul Jadid Islamic Boarding School. This is because distribution mechanisms in general inefficient steps such as repeated packing or delays in order processing can reduce efficiency. This is based on the phenomenon of unethical practices such as unreasonable price drops, the spread of false information, and actions that damage the reputation of competitors. This study aims to answer the main questions: 1) What is the distribution mechanism in the distribution center of the Nurul Jadid Islamic Boarding School? and 2) What is Afzalul Rohman's past economic perspective?

The expected conclusion from the formulation of the above problem is to find the right mechanism and practical recommendations for existing DCs to be able to regulate the mechanism properly and in accordance with the principles of sharia economics. Thus, this research not only contributes to the academic understanding of product distribution but also provides practical guidance that can be implemented by DC Owners for a fairer and more sustainable business. This research also has the potential to encourage increased awareness and understanding of the importance of ethics in business competition, which will ultimately support a more stable and harmonious development of the local economy.(Selatan et al., 2011)

The hypothesis of this study is that the application of Afzalul Rohman's sharia economic principles in regulating the product distribution mechanism will increase the justice and sustainability of DC in PP Nurul Jadid. The main reason behind this hypothesis

is that Afzalul Rohman's sharia economics emphasizes the values of justice, honesty, and social responsibility that can prevent unethical business practices. Preliminary evidence supporting this hypothesis can be seen from the sharia economic literature which shows that regulating the distribution of products carried out in accordance with sharia principles tends to be fairer and more sustainable. In addition, interviews with DC owners at Nurul Jadid Islamic Boarding School showed that those who apply sharia principles in their business tend to have better relationships with Suppliers and customers. In conclusion, if the DC Nurul Jadid Islamic Boarding School consistently applies the principles of Afzalul Rohman's sharia economics, then it is hoped that the marketing of DC products will be better and more efficient, thereby creating a more stable and harmonious business environment.(Amalia et al., 2017)

RESEARCH METHODS

The research method used in this study is a qualitative approach with a case study to understand the Product Distribution Mechanism in the Distribution Center of the Nurul Jadid Islamic Boarding School according to the sharia economics afzalul rohman. The selection of this approach is to gain in-depth insight into the perception, experience, and product distribution mechanism run by DC Pondok Pesantren Nurul Jadid. The data collected came from in-depth interviews with DC owners, which were selected by purposive sampling to ensure diversity of perspectives. In addition, participatory observation and document analysis are also carried out to obtain more comprehensive data. In the interview, open-ended questions were used to explore the understanding and mechanism of product distribution based on Afzalul Rohman's sharia economic principles. Thus, this qualitative method allows researchers to identify key themes and emerging patterns related to Product Distribution Mechanism Analysis, as well as provide recommendations for relevant product distribution mechanisms for DC owners in Nurul Jadid Islamic Boarding School. This approach also helps in understanding the social and cultural contexts that influence the mechanisms of product distribution, resulting in more holistic and in-depth findings.(Belen Keban & Soi Leton, 2023)

RESULTS AND DISCUSSION

RESULT

Analysis of Product Distribution Mechanism

product distribution mechanism is a process and method used by a company to distribute products from a manufacturer or factory to the end consumer. This process involves various stages and entities, depending on the type of product, target market, and distribution strategy chosen by the pesantren. According to Mr. Saiful Anam, Manager of BUMPes, there are several stages in the product distribution mechanism at the distribution center, namely:

1. DC is a business unit engaged in large trade (wholesale) because why is it said big? Because here DC has been able to issue its own products and disseminate them to several regions, especially those that have collaborated with PP. Nurul Jadid is PP Sunan Drajat lamongan, with PP. Jombang Rice Pond. So the products in Nurul Jadid are already known in several regions.
2. The products distributed are pesantren products and pesantren partners that already have distribution permits. So the products issued, namely nurja mineral

water, salt and atlas sarongs, are disseminated by having a distribution permit in the sense that it is not illegal.

3. Specifically, food or beverage products must have halal legality and the Food and Drug Supervisory Agency (BPOM) issued by the authorized institution in Indonesia. So all Nyang food has halal legality, so the products issued by the Nurul Jadid Islamic boarding school have been ensured to be safe and can be consumed by consumers, especially in the Islamic boarding school area.
4. Holding the principle of fairness and transparency in providing information on DC products here holds this principle in accordance with the opinion of Islamic Economics Afzalul Rohman who applies the principle of justice also in Economics.
5. Carry out business operations in accordance with the regulations applicable to Islamic Boarding School-owned business entities (BUMPes).

Factors Factors that affect the mechanism of the Distribution Center in PP. Nurul Jadid

So there are factors that affect the DC mechanism, namely Product type Product type: Products that are perishable or require special storage may require shorter distribution channels. Target Market: Market segmentation and consumer preferences affect the choice of distribution channels. Cost and Efficiency: Pesantren consider storage, transportation, and profit margins in choosing distribution channels. Geographic Coverage: A large distribution area may require more intermediaries and distribution centers.

Supporting factors for Distribution Centers

There are several supporting factors for Distribution Centers that can be ensured to be effective and efficient in operation as follows:

1. Strategic location
 - a. Choosing an easily accessible location because the location is very easy for suppliers and distribution vehicles to reach is essential. This includes access to major highways or other transportation networks.
 - b. Proximiti to the Market and Consumers: Being close to the end consumers can reduce transportation costs and delivery times.
2. Facilities and Infrastructure
 - a. Storage Facilities: DCs have adequate storage facilities, including cooling rooms if needed for perishable products.
 - b. Technology and Equipment: The use of modern technology such as warehouse management systems (WMS) can help in inventory management, product tracking, and order processing.
 - c. Security Systems: Good security systems, including CCTV, alarms, and access controls, are essential for protecting stock of goods.
3. Human Resources
 - a. Skills and Training: Employees trained in warehouse management, logistics, and distribution operations are essential to ensure operational efficiency.
 - b. Effective Management: Managers who are experienced in logistics and distribution can assist in the planning and management of day-to-day operations.
4. Cooperation with Suppliers and Partners
 - a. Relationship with Suppliers: Strong partnerships with suppliers can ensure a consistent and quality supply of products. Such as DC PP. Nurul Jadid collaborated with PP Sunan Drajat and PP Bahrul Ulum Jombang.

- b. Distribution Network: Partnerships with logistics companies or delivery services can help in the delivery of products to their final destination.
- 5. Management and Operational Systems
 - a. Inventory Management: An effective system for managing inventory, including demand forecasting and stock management, can reduce storage costs and product loss.
 - b. Order Processing: An efficient system for order processing, including packaging and shipping, is essential for ensuring customer satisfaction.
- 6. Funding and Investment
 - a. Initial Investment: Initial financing for infrastructure, technology, and staff training is critical to starting DC operations.
 - b. Operating Budget: A sufficient budget for day-to-day operations, including facility maintenance, staff salaries, and transportation costs.
- 7. Policies and Regulations
 - a. Legal Compliance: Ensuring compliance with all local, national, and industry regulations, including safety and health standards.
 - b. Internal Policies: Clear policies related to operations, stock management, and customer service.

DISCUSSION

Distribution Center Mechanism at Nurul Jadid Islamic Boarding School

The marketing strategy implemented by the Distriusi Center in promoting economic inclusion has 4 pillars. Here's the description:

- a. Create customer levelling
Customer levelling is the process of categorizing or grouping customers based on various criteria for more effective marketing, sales, and service purposes. According to Mr. Saiful Anam, Manager of BUMPes, this method can categorize DC to be more effective in marketing products at the level of its customers such as retail stores, agents, and distributors.
- b. Creating Your Own Products
The Distribution Center has its own product which has collaborated with PP. Sunan Drajat lamongan along with PP Bahrul Ulum Jombang and PP Nurul Jadid created several products, namely Nurja mineral water, salt, and even now has produced atlas sarongs. The following is an explanation table about the product according to the results of an interview with Mr. Saiful Anam, Manager of BUMPes.

Table. 1 Products that have been produced

Shop (Air Nurja, Salt)	800 ball/karton	Monthly
Agent (Air Nurja, Salt)	800 ball/karton	Monthly
Distributor (Nurja)	>5000 ball/karton	Monthly

- c. Providing education to customers on how to market in accordance with sharia principles

According to Mr. Saiful Anam, Manager of BUMPes, there are several ways DC provides education to customers with sharia principles in the following ways:

1. It is run by a professional person. (Nurfitri, 2016)
Here it is indispensable to educate customers by marketing DC products

- themselves. Because when a person who provides education is not professional, it will result in fatality in providing education,
2. It does not discriminate attitudes towards customers.
Why should this be realized? Because when a distributor has a trait such as making social jealousy and will cause the marketing of the product from the Distribution Center will be hampered.
 3. Provide customers with the same information
This information is carried out evenly so that there is no misunderstanding of incorrect information (HOAK) between customers and distributors. Because this can damage the system and mechanism of the Distribution Center itself.
 - d. Carry out business operations in accordance with the applicable regulations on Islamic boarding school-owned enterprises (BUMPes)
According to Mr. Qomaruddin, Manager of the Distribution Center, in managing business operations must be in accordance with what has been in effect, namely as follows: Establish Manage management, Deceiving the Community, Giving employees their rights, Giving customers their rights, Prohibiting price manipulation, Report transactions in accordance with the terms.(Dhofier, 1982)

Product Distribution Mechanism from the Perspective of Islamic Economics Afzalul Rohman

Islamic economics is based on ten main foundations, namely monotheism, justice, leadership, brotherhood, work and productivity, ownership, freedom and responsibility, social security, and nubuwah.

Therefore, the Distribution Center is trying to improve Sharia guidelines in its product mechanism strategy, there are 9 including:

a. Tauhid (al-Tauhid)

In Islamic teachings, monotheism is the basis of all human concepts and activities, both in the fields of religion, social, economic, cultural, and political. Tawhid can mean the control of Allah or the surrender of everything only to Allah, thus in economic activity all economic activities must be based on submission and obedience to the rules of Allah. The same as what is done by the PP distribution center. Nurul Jadid which is intended in order to give qwa to Allah SWT. DC always strives to improve marketing in accordance with Islamic law. The realization in the DC work system is to uphold the value of honesty which must be complied with by employees with existing standard procedures and enforce working hours that still pay attention to important time to worship for Muslims.

b. Maslahah (al-Maslahah)

The second foundation in Islamic economics is maslahah (benefit). Maslahah is positioned as the second foundation because the purpose of Islamic shari'a is to realize the benefits of mankind. Maslahah means good value or function both in this world and the hereafter. Therefore, the Distribution Center prioritizes the common interest where the benefits taken for the community are in the sense of benefits that have a good impact on the pesantren and the surrounding community.

c. Justice (al-'Adl)

The third basis of the building of Islamic economics is justice (al-'Adl). Justice is one of the pillars of life that was immediately built by the Prophet Muhammad (saw), the life of corruption and injustice that afflicted Arab society at that time became

one of the factors in the upholding of justice. In this DC, the concept of fairness is also applied in serving customers not choosing anyone and providing equal service to their consumers.

d. Leadership (al-Khilafah)

In the Islamic perspective, the purpose of human creation is to worship Allah, and the function of mankind in this world is as a caliph or leader as a representative of Allah in the world. In this case, the DC also applies the same thing to choose a DC leader who definitely knows how this DC will be in accordance with the principles of Islamic principles.

e. Brotherhood (al-Ukhuwah)

Islam teaches brotherhood (ukhuwah), both brotherhood of Islam (Ukhuwah Islamiyah), brotherhood of fellow countrymen and homeland (Ukhuwah Wathoniyah), and brotherhood of fellow human beings (Ukhuwah al-Insaniyah). Here DC applies brotherhood because we fellow Muslims make it easier for brothers and sisters who share the same faith and piety. Therefore, DC here applies this very well and increases our brotherhood through trade in accordance with the Islamic Sharia code.

f. Work and productivity (al-'Amal wa al-Intajiyah)

Islam teaches the concept of balance between this life and the hereafter, between worship and work, and all the work of human beings who believe in Allah (Muslims) as long as they are intended and begin by mentioning the name of Allah (basmallah), then everything is worth worship. Also in marketing and carrying out the duties of the existing DC, if the intention of worship is also to contain rewards as long as it does not violate the sharia. This is very helpful will be a productive Product Distribution mechanism.

g. Ownership (al-Milk)

In the perspective of Islamic economics, the intrinsic ownership belongs only to Allah, while human ownership is relative, in the sense that human beings are only as trustees (trustees) and must account for their temporary ownership to Allah. So in this concept of ownership, we realize that what we have belongs to Allah. Meanwhile, DC here gets a mandate to take care of the goods that have been produced and owned by DC itself.

h. Freedom and responsibility

In the perspective of Islamic economics, freedom has two meanings, namely freedom in the theological sense and freedom in the philosophical sense. Theological freedom means that human beings are free to make choices between good and bad in managing natural resources. Therefore, this concept is very necessary and used where DC itself is in the pesantren area and has the freedom to think about products to be promoted properly and correctly in accordance with the Islamic code.

i. Social Jaminan (al-Dliman al-Ijtima'i)

An Islamic businessman must have a smart basis, be observant to the reading of opportunities and be able to create opportunities properly and correctly so that he is able to compete healthily with other businessmen. Therefore, the Distribution Center does this in order to compete healthily and in accordance with the Afzalur Rohman Islamic Economic Corridor.

CONCLUSION

The Distribution Center of the Nurul Jadid Islamic Boarding School carries out product distribution through the stages of collection, storage, and delivery to internal and external consumers. This system makes use of logistics planning, inventory management, and good coordination. In the perspective of Islamic economics according to Afzalul Rohman, namely: *First*, Tawhid (In line with Islamic economic principles). *Second*, Maslahah (Prioritizing the common interest). *Third*, Justice (Providing fair services). *Fourth*, Leadership (Choosing leaders who understand Islamic principles). Supporting Factors: Effective leadership, adequate infrastructure, and good coordination. Inhibitory Factors: No significant inhibitors have been identified.

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