

RED OCEAN STRATEGY: QUADRAN STRATEGY IN BUILDING BANDUNG CITY MOSQUE COOPERATIVE

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Abstract

The purpose of this study is how to optimize the problem solving of the Mosque Cooperative in Bandung City through the transformation of generic strategies and social innovation catalysts with the Red Ocean Management Strategy approach. Two steps have been taken, namely the identification of SWOT and the selection of generic strategies and social innovation catalysts through the Red Ocean Management Strategy approach. The results of the IFE and EFE SWOT analysis and are stated in the quadrant matrix identified in quadrant III, namely the mosque cooperative in a weak and threatened condition, where this condition is unfavorable for the mosque cooperative, which is dominated by the organization's internal weaknesses and threatened by the external environment. The Red Ocean strategy that must be carried out by mosque cooperative managers is focus and product differentiation by catalyzing innovation in the service process with priority on improving internal management.

Keywords: Red Ocean Strategy Management; Mosque Cooperative

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I. Introduction

The Bandung City Government has made various efforts to overcome urban poverty by referring to poverty reduction strategies, namely in the fields of health, education, infrastructure, food security, and employment. In 2017, the Bandung City government organized the Prosperous Mosque Program (MESRA) to facilitate the creation and development of micro-enterprises. The target of this program is to improve community welfare through the empowerment of mosque-based

microfinance institutions. The mosque is the choice of the Bandung City government because the mosque is a religious institution that is inseparable from the spiritual, social and cultural life of the community. Universally, mosques are understood as social instruments of Islamic society that cannot be separated from society itself (Hasyim, 2016). Therefore, The mosque is a place of worship and a place for economic and community empowerment of the people (Gemari, 2007; Chusmeru, 2019).

In Islamic civilization, the mosque has a function as a center of worship and as a place of education, a center for Islamic information, a center for economic, social and political activities and a center for da'wah for Muslims (Muslim et al., 2014). Mosques can be a place for people to change life values and religious experiences as well as foster people through social and economic piety programs (Hasyim, 2016). From several studies that have been conducted by (Muslim et al., 2014; Sulaiman et al., 2018; Sofii et al., 2021), it was concluded that the mosque does not only function as a place of ritual for a Muslim but also a place to increase the ability and capacity of the people through economic, social, and political empowerment (Susanto, 2021).

In accordance with the Bandung City Vision for 2018-2023, namely the realization of a Superior, Comfortable, Prosperous, and Religious City of Bandung, religious teachings are not only used as ritual activities but are also implemented in the implementation of development in all aspects Bappeda Jabar, 2018. Through the Office of Cooperatives for Micro, Small, and Medium Enterprises (SME's) Bandung City, the Bandung City Government has formed a cooperative in places of worship as an effort to encourage places of worship in

relation to the relationship to God (habluminallah) but also human-human relations (habluminannas) (Cholil, 2016). Places of worship can become centers of economic empowerment (Sulaiman et al., 2018). Table 1. which shows the Development of Cooperatives and Mosques in Bandung City in 2019.

Table 1. Development of Cooperatives and Mosques in Bandung City in 2019

districts	Number of Cooperatives (Units)	Number of Mosques (Unit)	districts	Number of Cooperatives (Units)	Number of Mosques (Unit)
Bandung Kulon	16	108	Arcamanic	15	139
Babakan Ciparay	16	126	Antapani	16	77
Bojong Kaler	23	114	Mandalajati	8	160
Bojong Kidul	23	88	Kiaracondong	36	146
Astana Anyar	16	90	Batumunggal	29	94
Regol	47	103	Bandung wells	68	76
Lengkong	65	78	Andir	19	101
Bandung Kidul	20	63	Cicendo	30	62
Stone Fruit	44	66	Bandung wetan	33	60
Rancasari	26	65	Cibeunying Kidul	21	129
Gedebage	7	41	Cibeunying Kaler	23	107
Cibiru	15	172	Small hole	40	87
Panyileukan	13	54	Sukajadi	18	131
Ujung Berung	13	150	Sukasari	12	93
Cinambo	13	71	Cidadap	10	69

Source: processed from BPS data

In 2019, the number of mosques in the city of Bandung was 2920 units and spread across 30 sub-districts and 151 urban villages in Bandung (BPS, 2020).

However, many mosque cooperatives in Bandung City have experienced management failures both due to internal and external problems of the mosque organization. The limited

understanding of organizational management strategies causes most of the mosque cooperatives to be unable to survive in their business ventures. Some of the problems faced by mosque cooperatives are incomplete regulations, limited market coverage, low level of public understanding of mosque cooperatives and their products, ineffective supporting institutions, low quality of human resources, and lack of good strategic management in developing cooperatives.

Since the Mosque Cooperatives has a strategic role as an economic buffer for the Muslim community in Bandung City but still has various strategic obstacles in its business continuity, it tends to become urgent social and economic problem to be resolved. The social and economic urgency is due to the Mosque Cooperative being a social and economic activity center that should implement Islamic values in society and increase the welfare of the Muslim community. It is urgently to do the research on the most appropriate good management strategy for the Mosque Cooperative to carry out its social and economic functions

Good strategic management in the development of cooperatives is

necessary so that the vision, mission, programs and achievements of the cooperative organization can be directed and measurable. (Bingol et al., 2017) found that strategic management is a tool in company performance. Changes in management strategy as a consequence of changes in the market that will increase competitiveness, including in micro-enterprises (Milshina and Vishnevskiy, 2017)

In view of Competitive Advantage Theory provides direction on what an organization should do in a situation of uncertainty in the external environment, as well as negating the competitive forces of competing firms and becoming a winner through the choice of a generic strategy of low cost, focus or product differentiation. (Abdolshah, Moghimi, & Khatibi, 2018) and the value of the firm (Nguyen et.al, 2021).

Cooperative Mosques should be able to choose the right strategy to do in a situation of uncertainty in the external environment. To facilitate the choice of the right strategy in a situation of uncertainty in the external environment, social innovation can be used as an indicator. This means that the organization chooses the right generic strategy after carrying out social innovation. (Priilaid, 2019; Van der

Have & Rubalcaba, 2016) states that social innovation is one strategy to be able to compete in an unpredictable external environment. Inter American Development Bank (IDB) revealed that involving excluded parties in solution design is something that must be considered and important (Guaipatin, 2013).

Social innovation in mosque organizations is very relevant to be implemented because mosques are dominated by human resources who have high social capacity to be able to innovate to create different processes. Innovation is indispensable in situations of high uncertainty and various opportunities can still be done (Matthyssens & Vandenbempt, 2010), innovation can be created through added value from the products offered (Mauborgone, 2005; Krlev & Lund, 2020). Innovation in the form of added value for the Mosque Cooperative is an Islamic value that is the operational basis of the Cooperative so that the products of the Mosque Cooperative are guaranteed to be halal.

Furthermore, (Valtakoski, 2017; Kowalkowski, et.al. 2017), explained that the concept of value innovation is the alignment between product use value

(utility) and innovation. This means that a product is categorized as having innovation if it has use value. A Mosque Cooperative can innovate through high product utilization (seen from the substance of product halalness, mutual taawun in the product delivery process, profit risk sharing between the Mosque Cooperative as a service provider and the community as service recipients).

The choice of the right generic strategy in the form of low cost, focus or differentiation supported by a social innovation catalyst still needs to be transformed more concretely to translate what is the right action to be taken by organizational management. The concrete transformation of generic strategies and social innovation catalysts is carried out through the Red Ocean Management Strategy approach, which is a strategic approach that focuses on optimizing problem solving. It is interesting to study how to optimize the problem solving of the Mosque Cooperative, with the choice of generic strategies and social innovation as catalysts. Optimization of the problem solving of the Mosque Cooperative will be carried out in this research through the concrete transformation of generic strategies and social innovation catalysts with the Red Ocean Management Strategy approach.

II. Discussion

Optimization of the problem solving of the Mosque Cooperative through the transformation of generic strategies and social innovation catalysts with the Red Ocean Management Strategy approach, is carried out through several stages of activities. The first stage is the identification of the SWOT of the Mosque Cooperative in Bandung City. The second stage is the selection of generic strategies and social innovation catalysts through the Red Ocean Management Strategy approach. The research method used for the two stages of this research is a survey conducted at 7 mosques in 8 sub-districts in Bandung City, namely the Munsolkana Cooperative, Coblong District, Cipaganti Village; Nurul Hikmah Cooperative, Cinambo District, Rancameong Village; Baitul Makmur Cooperative, Batununggal District, Batununggal Village; Almuhammad Cooperative, Panyileukan District, South Cipadung Village, Nurul Mosque Congregation Ikhwan Cooperative, Gedebage District, Rancanumpang Village, As Sallam Cooperative, Gedebage District, South Cisaranten Village; Sukasari District, Sarijadi Village; Al Fatah, District Cibeunying Kidul, Cicadas Village. Through questionnaires and interview data collection techniques, an analysis map of the strengths, weaknesses, opportunities and

threats (Strength Weakness Opportunity, Threats) faced by the Mosque Cooperative was compiled. The quantitative analysis tool uses Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE) where the calculation of weights and ratings is used to map an accurate SWOT matrix so that the ordinal point of the SWOT position in the quadrant is obtained as the basis for researchers' considerations to determine the choice of generic and catalyst strategies. social innovation through the Red Ocean Management Strategy approach.

Phase one: SWOT identification from the Mosque Cooperative in Bandung City

At the SWOT identification stage of the Mosque Cooperative in Bandung City, the researchers carried out several activities, namely: 1) Mapping the potential of the congregation seen from the economic and social characteristics of the community where the mosque cooperative is located, address, gender, background, education, occupation, income categorization (group upper-middle income, lower-middle-income group or lower group) as well as internal management conditions to analyze internal factors; 2) Identify the economic potential around the mosque that can be developed with the help of mosque cooperatives and identify competitors, competitor technology and regulations to analyze external factors.

From the two activities of mapping the potential of the congregation as well as the identification of economic potential and analysis of internal and external factors, it is known that the business activities carried out by the mosque cooperative are in the form of savings and loan businesses. As a social institution, savings and loan businesses in mosque cooperatives have made it easy for community members to use fundraising and financing products. The mosque cooperative manager admits that there are mandatory savings and voluntary savings paid by members to become capital for the mosque cooperative. Funds collected will usually be redistributed to meet the needs of members both as business capital and for other needs such as paying tuition fees at the beginning of a new semester. With mosque cooperatives, cooperative members can avoid being persuaded by money lenders (Moerdikanto and Soebiato, 2013). Members are not charged interest on funds borrowed from the cooperative. However, members can provide infaq and shadaqoh in proportion to the funds borrowed from the mosque cooperative. From the results of interviews with cooperative administrators and members of mosque cooperatives spread across 7 urban villages in Bandung City, most of them are of the opinion that mosque cooperatives are

still managed in a simple manner with an organizational structure consisting of a chairman, secretary, treasurer, and members. Most of the mosque cooperative administrators in the urban vilage in Bandung City hold a Member's Meeting, which explains the amount of cooperative capital from principal savings, voluntary savings, infaq, and shadaqoh income from borrowers (Marlina, Yola Yunisa Pratami, 2017). In addition, the meeting also discussed the problems faced by the members of the cooperative and the members' expectations for the development of the cooperative in the future. With the meeting of the members of the mosque cooperative, it can be said that it has carried out its function as a social institution in maintaining the spirit of economic empowerment of the community around the mosque. Most of the members of the mosque cooperative in the Urban Vilages in Bandung City are the taklim group at the mosque and residents who are less active in the taklim assembly activities because they are still active as employees. From the results of interviews with members and the surrounding community, it was revealed that the cooperative loan assistance provided by the cooperative greatly helped its business activities. The results of the identification of the fields of business activities that are

mostly occupied by members, among others, snack stalls for children, meatballs, yellow rice, surabi, various fried foods, various drinks, and rice stalls. Business actors admit to borrowing from mosque cooperatives according to their capital needs. Business actors feel comfortable and safe borrowing from the mosque cooperative because there is no interest on the loan. The agreement on the payment term is very clear at the time of signing the contract agreement based on the taawun principle. However, judging by the proportion of mosque cooperative members who use the services of a mosque cooperative, it is still relatively small. The impact is that the increase in cooperative capital is not so significant every year. In other words, the level of participation of members and the community to use government revolving funds is still low and cooperative members prefer to use the cooperative's own funds. However, judging by the proportion of mosque cooperative members who use the services of a mosque cooperative, it is still relatively small. The impact is that the increase in cooperative capital is not so significant every year. In other words, the level of participation of members and the community to use government revolving funds is still low and cooperative members prefer to use the cooperative's own funds. However, judging by the proportion of mosque cooperative

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The results of the questionnaires and interviews as described above are grouped into categories of internal and external factors and then given weights and ratings based on the results of the interviews. The following are Table 2, 3 results of IFE calculations and Table 4, 5 results of EFE calculations and figure 1 which shows a map of the SWOT position coordinates in the quadrant.

Table 2. IFE (Strength) Analysis of Bandung City Mosque Cooperative

Strength	Weight	Rating	Weight* Rating
Integrity	0.12	5	0.6
Taawun	0.08	5	0.40
Loyalty	0.08	5	0.40
Islamic Spirit	0.12	5	0.6
Captive Market	0.12	5	0.6
Average Score		25	2.6

Table 3. Analysis of IFE (Weaknesses) of Bandung City Mosque Cooperative

Weakness	Weight	Rating	Weight* Rating
Human Resources skills	0.33	1	0.33
Managerial Skills	0.33	1	0.33
Limited Capital	0.33	1	0.33
Lack of Public Trust	0.33	2	0.66
Product Variations	0.22	2	0.44
Technology	0.11	2	0.22
Average value		9	3.31

Table 4. EFE (Threat) Analysis of Bandung City Mosque Cooperative

Threat	Weight	Rating	Weight* Rating
Financial Institution Competition	0.75	1	0.75
Fintech	0.75	1	0.75
Top Down Programs	0.75	2	1.5
Average value		4	3

Table 5. EFE (Opportunity) Analysis of the Bandung City Mosque Cooperative

Opportunity	Weight	Rating	Weight* Rating
Government Vision	0.22	3	0.66
Government Programs	0.22	3	0.66
MUI Support	0.22	3	0.66
Average value		9	1.98

From the IFE and EFE tables, the quadrant image can be derived as a matrix strategy for mosque cooperatives in Bandung City with the Red Ocean Strategy.

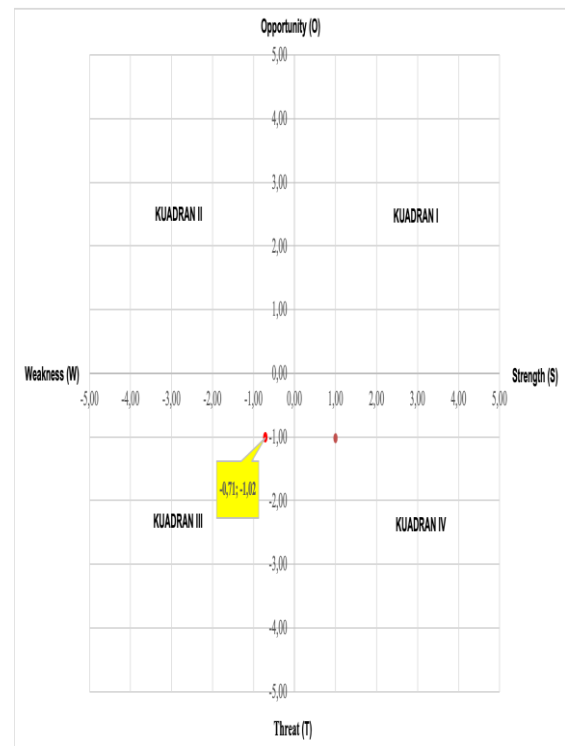


Figure 1. Matrix Red Ocean Strategy

Figure 1. shows that the final result of the calculation is in quadrant III, meaning that the focus of the Mosque Cooperative Cooperative Mosque is in a weak and threatened condition. Such conditions are very unfavorable for the Mosque Cooperative, which is dominated by the organization's internal weaknesses and threatened by the external environment. The internal weakness of the Mosque Cooperative is actually a weakness that usually occurs in micro-scale businesses, namely human resource management, managerial skills in managing the organization, limited capital due to difficulties in accessing formal financial institutions, not yet gaining trust from the community and limited implementation of technology in service to members. In such internal conditions, a strong enough threat needs to be faced, namely competitors in the form of Financial Institutions.

Stage two: selection of generic strategies and social innovation catalysts through the Red Ocean Management Strategy approach.

Based on the quadrant position analysis in stage one, the choice of the right strategy is focus and product differentiation with a catalyst for innovation in the service process. According to Porter, the focus strategy is to focus the service segment on a very specific market according to the product specifications, while the product

differentiation strategy is to create a product that is different from competitors. The Masjid Cooperative focuses on the specific market of the Muslim community, with the differentiation of sharia-based halal products with sharia-based service process innovations. According to Red Ocean Strategy, in choosing a focus strategy, the priority is to improve internal management through four main programs. Good internal management as the basis for further oriented towards several programs as follows: First program: Good relations with the community so that the community understands that the Mosque Cooperative is not in the interest of the government, but is in the interests of the community and the initiative to build a Mosque Cooperative needs to come from the community who know their needs (Sofiyannurriyanti,2018; Saratian and Kurniasih, 2019; Riasari, 2020). Good relations with the community will foster trust and solidarity among members to condition the second program. The second program: Together they do self-financing for the capital of the Mosque Cooperative, on the principle of taawun or mutual help. Good funding from members is the conditioning of the third program. The third program is a human resource management training program to produce competent resources in managerial and cooperative management. The third program

will condition the fourth program, namely intensification in product and technology innovation. The fourth program is product differentiation in the form of sharia-based process service innovation that distinguishes it from conventional products and product processes from competitors.

Thus, the optimization of the problem solving of the Mosque Cooperative produces four comprehensive outcomes, namely public trust, capital strength, human resources and product innovation which further strengthens the Mosque Cooperative to deal with the external environment of competitors, financial technology and government regulations. Optimization of problem solving helps Cooperatives deal with other business organizations that have earned trust in the community such as financial institutions that have been around for a long time with various facilities. Differentiation of cooperative products makes Masjid Cooperative products different from competing products such as in a process that is in accordance with Islamic law, halal in substance, carried out on the basis of taawun (helping each other), profit risk sharing, so that the community using the Masjid Cooperative service feels calm when interacting with the Cooperative Mosque product. Product differentiation can also be done through developing networks

with investors who own capital with a profit sharing system or networks with regional financial institutions (Sharia Rural Bank belonging to the Regional Government) so that they do not charge high fees or zero percent funding costs, open collaboration networks with universities or non-government organizations. for increased knowledge.

III. Conclusion

Optimization of the problem solving of the Mosque Cooperative in Bandung City through the transformation of generic strategies and social innovation catalysts with the Red Ocean Management Strategy approach is carried out in 2 stages, namely the SWOT Identification stage of the Mosque Cooperative in Bandung City; the second stage is the selection of generic strategies and social innovation catalysts through the Red Ocean Management Strategy approach. The results of the quadrant calculation are in quadrant III, namely the mosque cooperative in a weak and threatened condition, where this condition is not favorable for the mosque cooperative, which is dominated by the organization's internal weaknesses and threatened by the external environment. In a situation of internal conditions, a strong enough threat needs to be faced, namely competitors in the form of financial

institutions, the existence of technology in the financial sector that offers easy loans for the community, as well as the existence of the Mosque Cooperative, which is mostly a consequence of top-down government regulations. This is in line with research The Red Ocean strategy to do is focus and product differentiation by catalyzing innovation in the service process with priority on improving internal management through four main programs, namely good relations with the community; Together doing self-financing for the mosque cooperative capital; Human resource management training program to produce competent resources in managerial and cooperative management; Product differentiation in the form of sharia-based process service innovation.

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