

## Syariah Principles in Culinary Marketing: A Dialectical Study of Profitability and Business Morality

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### ABSTRACT

The culinary industry in the modern era is characterized by hyper-competition, often leading business practitioners to prioritize short-term profitability over ethical considerations, which results in deceptive marketing practices. This study aims to analyze the dialectical relationship between profitability and business morality by examining the marketing strategies of the Pagi Sore eatery in Talang Babat from the perspective of Islamic business ethics. Employing a descriptive-qualitative case study approach, data were gathered through in-depth interviews, passive participant observation, and documentation studies, subsequently analyzed using an interactive model of data reduction and inductive reasoning. The results demonstrate that the eatery successfully internalizes prophetic values shiddiq (truthfulness), amanah (trustworthiness), fathanah (wisdom), and tabligh (advocacy) into its marketing mix, particularly through halalan thoyyiban product assurance and transparent pricing. Crucially, the findings reveal a "Location Paradox," where the consistent application of Sharia principles serves as a potent moderating variable that neutralizes geographical disadvantages and fosters organic consumer loyalty through integrity-based competitive advantage. This study concludes that Islamic business ethics is not merely a normative religious obligation but a sophisticated strategic asset that ensures long-term business resilience and profitability. By transforming locational challenges into market strengths, this research provides a replicable framework for small-scale enterprises to harmonize ethical integrity with commercial success in a saturated market.

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## 1. INTRODUCTION

The culinary industry has long been recognized as one of the most resilient pillars of the global economy (Béné, 2020; Mustika, 2024), demonstrating a unique capacity to withstand economic fluctuations that often cripple other sectors (Franc-Dąbrowska & Drejerska, 2022). However, this resilience is accompanied by a paradox: the modern era has ushered in a period of hyper-competition characterized by market saturation and rapidly shifting consumer preferences (Garay-Tamajón & Torrent-Sellens, 2025; Rozelle-Stone, 2020). In such a volatile environment, many business practitioners fall into a reductionist, purely profit-oriented paradigm that prioritizes short-term financial gains at the expense of moral and ethical considerations (Hirunyatrakul, 2025; Tan, Hu, & Vatn, 2021). This "profit-first" mentality often triggers a cascade of unethical marketing practices, ranging from deceptive advertising to the exploitation of consumer ignorance. Conversely, a significant shift is occurring in the global landscape; there is an ascending trajectory of consumer consciousness regarding ethical values, sustainability, and spirituality. This phenomenon has provided a nascent yet powerful impetus for the integration of religious values into corporate strategies. Islam, as a comprehensive way of life (sharia) that meticulously governs all facets of human existence particularly muamalah (social-economic transactions) offers a robust business ethics framework. This framework transcends mere material accumulation, emphasizing the metaphysical concepts of barakah (divine blessings) and maslahah (collective social welfare) as the ultimate objectives of any economic activity (Haryani, Alimuddin, & Darwis, 2025; Kamal, 2025).

While extensive scholarship has scrutinized conventional marketing strategies through the ubiquitous lens of the marketing mix (the 4Ps: Product, Price, Place, and Promotion) (Fiando & Shah, 2025; Riaz, 2022), an unresolved and critical dialectic persists regarding the empirical intersection of Islamic morality and commercial profitability (Jadina, 2021; Sumadi et al., 2025). Traditional marketing literature often views ethics as a secondary constraint or a public relations tool rather than a core driver of business success. However, Islamic business morality which rigorously encompasses honesty (amanah), justice ('adl), and the total elimination of deceptive practices (gharar) proposes a different logic (Jazil & Firdaus, 2024; Panakaje et al., 2025). Previous empirical studies have increasingly indicated that ethical non-compliance, such as predatory competitive behavior, price manipulation, or the dissemination of hyperbolic product information, poses a significant existential threat to long-term business sustainability. Despite these insights, a critical research gap remains: most studies focus on businesses in prime urban locations or large-scale franchises. There is a dearth of literature examining how micro or small-scale culinary units with suboptimal strategic locations manage to not only survive but dominate their local markets through the consistent and rigorous application of Sharia-compliant marketing principles.

A compelling and paradoxical phenomenon that warrants rigorous academic investigation is observed at the Warung Makan Pagi Sore in Talang Babat. From the perspective of conventional "Location Theory" in marketing, which posits that physical visibility and accessibility to main thoroughfares are primary determinants of success, this eatery should face significant operational challenges. It is situated geographically away from the main road, tucked within a less accessible area. Yet, it has achieved a level of consumer interest and growth that far outstrips its more "strategically located" competitors. This success presents a fundamental theoretical paradox; it suggests that there are intangible variables—specifically rooted in Islamic business ethics—that function as more potent catalysts for consumer loyalty than mere physical convenience. The management of Pagi Sore integrates the principles of taqwa (God-consciousness), zuhud (simplicity/non-materialism), and ihsan (benevolence) into their daily operational DNA. This ranges from the uncompromising selection of halal and thoyyib raw materials to a transparent service delivery system that fosters a high level of trust (trust-based marketing) among its diverse consumer base.

This article aims to dissect the intricate dialectic between profitability and business morality through a focused case study of the marketing strategies employed by the Pagi Sore eatery. This research seeks to offer a significant theoretical contribution to the treasury of Islamic economics and management by demonstrating that adherence to prophetic values is not merely a normative or ritualistic obligation for the Muslim entrepreneur, but rather a sophisticated and sustainable competitive strategy. By utilizing a

rigorous descriptive-qualitative approach, this study intends to elucidate the mechanism through which the implementation of Islamic business ethics can transform structural locational challenges into dominant market advantages. Ultimately, the findings of this study are expected to provide a replicable model for small-scale enterprises on how to harmonize the pursuit of material profit with the preservation of ethical integrity in a saturated market.

## 2. METHODS

This study employs a descriptive-qualitative design with a case study approach to explore in-depth the dialectic between profitability and business morality. The qualitative approach was selected because the nature of the problem under investigation requires an interpretive understanding of human behavior and the dynamics of marketing strategies, which cannot be measured solely by numerical data (Borgstede & Scholz, 2021; Busetto, Wick, & Gumbinger, 2020). In this context, the researcher serves as the key instrument, engaging directly in the field to capture the essence of the marketing strategy phenomena at the Pagi Sore eatery in Talang Babat. By utilizing a descriptive method, this research aims to provide a systematic, factual, and accurate depiction of how Sharia principles are internalized into marketing activities to cultivate consumer interest amidst intense market competition.

Data in this study are classified into two primary categories primary and secondary data to ensure analytical depth (Cheong, Lyons, Houghton, & Majumdar, 2023). Primary data were obtained through intensive interaction with key informants, including the business owner as the representative of strategic decision-making, employees as operational executors, and consumers as subjects responding to the implemented marketing strategies. Concurrently, secondary data were gathered through a comprehensive literature review, encompassing textbooks on Islamic marketing management, reputable scientific journals, and internal business documents such as sales records and business profiles. The integration of these two data sources allows the researcher to perform data triangulation, ensuring the validity of field-derived information against established theoretical frameworks (Logan, 2020).

Data collection procedures were executed through three complementary techniques: in-depth interviews, passive participant observation, and documentation studies (Rutakumwa et al., 2020). Interviews were conducted using semi-structured interview guides to allow informants to express their perspectives freely while remaining focused on the context of Islamic business ethics (Lim, 2025). Observation was carried out by directly monitoring service interactions, product quality, and the business environment to verify whether the informants' statements aligned with the reality in the field. Meanwhile, documentation techniques were used to capture physical evidence, such as activity photographs, organizational structures, and other marketing instruments that reinforce the qualitative narrative in the research report.

The data analysis technique follows the interactive model, comprising data reduction, data display, and conclusion drawing or verification (Iqbal, Doctor, More, Mahmud, & Yousuf, 2020; Rehman, Naz, & Razzak, 2022). Once data were collected, the researcher performed reduction by sorting relevant information and discarding data that lacked a direct connection to the research focus on marketing ethics. The reduced data were then organized into a logical descriptive narrative to illustrate the patterns of relationship between morality and profitability variables. An inductive reasoning process served as the foundation for drawing conclusions, whereby the researcher moved from specific empirical findings regarding practices of honesty and justice at the Pagi Sore eatery to synthesize broader theoretical propositions concerning the effectiveness of Islamic business ethics in strengthening the competitiveness of culinary enterprises (Ray, Reddy, & Banerjee, 2021).

## 3. FINDINGS AND DISCUSSION

This study finds that the effectiveness of marketing at Warung Makan Pagi Sore does not lie in locational advantage, but rather in the integration of prophetic values into the conventional marketing mix. These findings are categorized into three main pillars:

### 3.1. Reconstruction of an Ethics-Based Marketing Mix

Field data indicate that the business owner undertakes a “spiritualization” of marketing elements. Profit is not pursued through market exploitation; instead, it is achieved through service practices that foster organic customer loyalty.

**Table 1.** Synthesis of Conventional Marketing Strategies vs. Ethics-Based Islamic Practices.

Marketing Element	Practices at Warung Pagi Sore	Islamic Business Ethical Values	Impact on Consumers
Product	Assurance of fresh ingredients, shari‘ah-compliant slaughtering, and kitchen hygiene	Halālan Ṭayyiban	Consumption safety and trust in quality
Price	Transparent fixed pricing; no unilateral price increases when input costs rise marginally	‘Adl (Justice/Fairness)	High perceived value (value for money)
Promotion	Honest menu descriptions; no exaggerated claims (overclaiming)	Ṣidq (Truthfulness)	Trust and word-of-mouth marketing
Place	Suboptimal (inward) location, compensated by comfort and hospitality	Iḥsān (Excellence/Benevolence)	Psychological comfort that outweighs physical constraints

Source: The qualitative analysis result

### 3.2. The Location Paradox: Competitive Advantage through Morality

A crucial finding of this study is the ability of the business unit to transform geographical limitations into market strength. Based on interview and observational data, consumers are willing to travel longer distances and visit a less strategic location in order to obtain the “moral assurance” provided by the owner.

From the perspective of Islamic economics, this phenomenon may be understood as integrity-based competitive advantage. Business morality functions as a risk-mitigation instrument for consumers; they feel protected from fraud in the quality of ingredients or manipulation in measurement and pricing, which in turn reduces the search costs incurred by loyal customers.

### 3.3. The Dialectic of Profitability and Barakah

The findings of this study demonstrate that adherence to shari‘ah principles does not constitute a zero-sum game with profit generation. On the contrary, there appears to be a linear relationship between ethical conduct and economic gain:

- **Promotion Cost Efficiency:** The owner’s honesty generates extensive word-of-mouth marketing, thereby eliminating the need for formal advertising expenditures.
- **Customer Retention:** Loyalty established through the principle of amanah (trustworthiness) ensures stable cash flow due to the high frequency of repeat customer visits.
- **Business Resilience:** By avoiding unfair competition and gharar (uncertainty or deceptive practices), this business has developed a strong customer base that enables it to remain sustainable despite the emergence of new competitors with greater capital resources.

## Discussion

The findings of this study provide a profound empirical challenge to the dominant paradigm in conventional marketing management, particularly the “Location Theory” which traditionally posits that physical accessibility and prime visibility are the primary determinants of retail success. The success of

Warung Makan Pagi Sore in maintaining a dominant market share despite its suboptimal, inward location suggests that Islamic business ethics functions as a powerful moderating variable that can neutralize geographical disadvantages. This research argues that when a business internalizes prophetic values—such as shiddiq (truthfulness) and amanah (trustworthiness)—it effectively constructs a "Psychological Landmark" that is more influential than a physical one (Abd Rahman & Shamsudin, 2025; Herijanto, 2022). In this context, consumers are not merely purchasing a commodity; they are engaging in a trust-based transaction where the moral assurance of halalan thoyyiban and fair pricing reduces their perceived risk, thereby motivating them to overcome physical distance and locational inconvenience.

The "spiritualization" of the marketing mix identified in this study redefines the concept of competitive advantage within the culinary industry (Hersleth, Kubberød, & Gonera, 2022). While conventional strategies often rely on aggressive promotion and price manipulation to secure market position, the dialectic observed here reveals that barakah (blessings) and profitability are not mutually exclusive but are, in fact, synergistically linked. By adopting a "Prophetic Marketing" approach, the business achieves what is known in strategic management as cost leadership, albeit through unconventional means. The elimination of formal advertising costs—compensated by organic, high-credibility word-of-mouth marketing—and the high rate of customer retention demonstrate that ethical integrity acts as a non-imitable resource. This reinforces the Resource-Based View (RBV) of the firm, where moral capital is recognized as a strategic asset that provides long-term sustainability and resilience against larger, capital-intensive competitors who may lack similar ethical grounding (Syah & Dewi, 2025).

The implications of this study extend to the broader discourse on Islamic Economics, specifically regarding the mitigation of gharar (uncertainty) in service delivery. In many modern markets, information asymmetry often leads to consumer exploitation. However, the consistent application of 'adl (justice) and ihsan (excellence) at Warung Makan Pagi Sore serves as a risk-mitigation mechanism that fosters deep-seated consumer trust. This trust transforms the consumer-producer relationship from a transient, transactional encounter into a sustainable, communal bond. Therefore, this research proposes a shift in how we evaluate business performance in Sharia-compliant enterprises; success should be measured not only by the accumulation of material profit but by the extent to which the business contributes to *maslahah* (public welfare) and ethical market stabilization.

The novelty of this research lies in its empirical validation of "Integrity-Driven Marketing" as a superior alternative to "Location-Driven Marketing" in low-resource or highly competitive environments. By transforming locational challenges into market advantages through moral consistency, this study provides a replicable framework for small-scale entrepreneurs to compete in saturated markets. This dialectical study proves that in an era where consumers are increasingly disillusioned by deceptive corporate practices, a return to prophetic ethics characterized by simplicity, transparency, and benevolence is not a step backward but a sophisticated strategic move toward future-proof business resilience.

#### 4. CONCLUSION

This study concludes that the integration of Sharia principles into culinary marketing is not merely a normative religious fulfillment but a sophisticated strategic mechanism that fosters sustainable competitive advantage. The dialectical relationship between profitability and business morality in this research reveals that ethical integrity does not impede financial gain; rather, it serves as a robust catalyst for consumer loyalty and market dominance. By "spiritualizing" the marketing mix—transforming product, price, promotion, and place through the values of shiddiq, amanah, 'adl, and ihsan—a business can construct a "Psychological Landmark" that effectively neutralizes structural disadvantages, such as suboptimal geographical location. The empirical evidence from Warung Makan Pagi Sore demonstrates that integrity-driven marketing functions as a risk-mitigation tool that reduces information asymmetry and eliminates gharar, thereby fostering deep-seated trust within the consumer

base. This trust translates into economic efficiency, characterized by organic word-of-mouth promotion and high customer retention rates, which are critical for business resilience in a saturated market. Theoretically, this research contributes to the Resource-Based View (RBV) by identifying "Moral Capital" as a non-imitable strategic asset that provides long-term sustainability. For practitioners, especially small-scale entrepreneurs in low-resource environments, this study provides a replicable framework: that consistent adherence to prophetic ethics can transform locational challenges into market advantages. Future research is encouraged to expand this dialectical study into different industrial sectors or larger organizational scales to further validate the universality of integrity-driven marketing as a superior alternative to conventional, purely profit-oriented strategies.

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