

The Urgency of Indonesian Islamic Fashionpreneur as Part of The World's Halal Industry

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Abstract

Indonesia is a country that has great potential to become the center of the world's halal industry. This is analogous to the largest Muslim population, and Indonesia is ranked fourth in the development of the sharia economy. On the other hand, this is also analogous to people's consumption patterns for clothing or fashion needs that are always evolving, and become part of human secondary needs. That way, we can maximize efforts to make Indonesia the center of the halal industry in the world, especially in the field of Islamic fashionpreneur. Currently, there are many Muslim fashion start-ups and Muslim fashion designers born in Indonesia. This is in line with human desire for an elegant style to beautify their appearance and increase their self-confidence. Based on the data and the reality on the ground, Indonesia has a huge opportunity to become the center of the world's halal industry through Islamic Fashionpreneur. Obstacles in Indonesia's development to become the center of the world's halal industry through Islamic Fashionpreneur, among which are raw materials that are difficult to obtain or cannot be provided domestically or still have to be purchased or imported from other countries. Besides, on average, most Muslim fashion craftsmen still use traditional technology and can be said to be "less up-to-date", plus the problem of being in the field of Islamic Fashionpreneur or just making it a hobby or filling spare time. Therefore, in this study using a qualitative field survey method, it was found a strategy to boost Islamic fashionpreneur so that they can make Indonesia the center of the halal industry in the world through Islamic fashionpreneur. Among them are, first, determining the positioning strategy, secondly, differentiation, and thirdly branding. Through these three strategies, it is hoped that Indonesia will survive as the center of the world's halal industry, which is supported by Islamic Fashionpreneurs.

Keywords: *Islamic Fashion, Fashionpreneur, Halal Industry*

INTRODUCTION

Indonesia is one of the countries that has a great opportunity to become the center of the world's halal industry. This condition is accompanied by its development of halal industry from year to year. Based on ICD Refinitive Development Report (2020), Indonesia's Islamic finance sector occupies the second position in the world, just below Malaysia. The Global Economic Indicator (2020) states that Indonesia is ranked 4th in the world for sharia economic development. In addition, Indonesia is in the top 10 for all sectors (Mukri Aji, Ahmad; Gustiawati Mukri, Syarifah; Asmahassanah, Salati; Rusmana, 2020) and halal industry (Salaam Gateway, 2021). The potential that exists in Indonesia is a form of impact from the very large number of Muslim population in Indonesia, i.e., 87.2% the total Muslim population of 263

million population and this number is projected to be 13% of the world's total Muslim population (World Population Review, 2021). The large Muslim population in Indonesia has an impact on the large demand for halal products. Indonesia is therefore referred to as an embodiment of the world halal industrial market. Moreover, the total expenditure spent by Indonesia on shopping for halal products reached USD 218.8 billion in 2017 (Kemenkeu RI, 2019). In its development, the halal industry covers several sectors, namely Islamic finance, halal food, halal fashion, Muslim-friendly travel, halal pharmaceuticals and cosmetics, halal media and recreation.

COVID-19 pandemic had an impact on the halal industry in general and the Muslim-Friendly Travel sector in particular, which decreased by 70% (Mukri Aji, Ahmad; Gustiawati Mukri, Syarifah; Asmahassanah, Salati; Rusmana, 2020). Based on the Global Economic Indicator (Global Islamic Economy Report, 2018), halal fashion sector is still controlled by the countries of the United Arab Emirates, followed by Turkey in the second position, and Indonesia in the third position. This is an achievement to be able to occupy the top three positions in the world in Halal Fashion sector. However, this achievement is considered not to be able to compensate for the existing potential considering that Indonesia is a country with the largest Muslim population in the world.

In general, Indonesia from time to time continues to show its development in fashion industry. This can be seen from the continued increase in the export value of domestic fashion products by 10.48%, from 11.28 billion dollars in 2012 to 16.24 billion dollars by the end of 2016. During the period of January-June 2017, transactions of fashion exports have recorded 7.9 billion dollars or the equivalent of Rp. 118.5 trillion (exchange rate of Rp.15,000). Indonesia's fashion export destinations include the United States, Switzerland, Japan, Singapore, and Germany (RI, n.d.). Edy P Irawady, Deputy for Industry and Trade Coordination, states that Indonesian Muslim community now has an interest in Islamic fashion and therefore the target to make Indonesia the center of world Muslim fashion is not just a fantasy and it must be realized quickly. Batik, woven, knitted and a combination of motifs and distinctive colors originating from various regions throughout Indonesia are cultural treasures that have great opportunities (Triyanto, Asiatun, 2013). Seeing the huge potential for selling power and demand, a research to discuss the development of Halal Fashion in Indonesia is needed.

The existing potentials must always be supported by halal fashion products that can be accepted by consumers in general and which certainly maintains halalness of the products. Therefore, this study describes to what extent the urgency of Indonesian Islamic fashionpreneur as part of the world's halal industry by looking at the potentials that exist in Indonesia.

RESEARCH METHODS

This study uses a qualitative descriptive technique with a phenomenological approach. The halal fashion industry and the potentials for developing halal fashion in Indonesia are described through literature studies from various resources such as scientific articles and other documents as the supporting data; therefore, there is no need to go directly to the field. The data are analyzed and discussed in order to get systematic, factual, and accurate research results based on the facts and characteristics of a particular population or area. The urgency of Indonesian Islamic fashionpreneur as part of the world's halal industry is therefore identified. The testing process of this research data is carried out in three stages: data reduction, data arrangement, and the data proof. The data reduction stage was carried out by selecting the data obtained through simplification based on research reviews. The data arrangement was carried out based on the research theme, namely the urgency of Indonesian Islamic Fashionpreneur. The data proof is

intended to draw conclusions based on the data analysis. It is done by triangulation, which is to compare one data source with other data sources (Neuman, W.L., Djamba, 2014).

RESULTS AND DISCUSSION

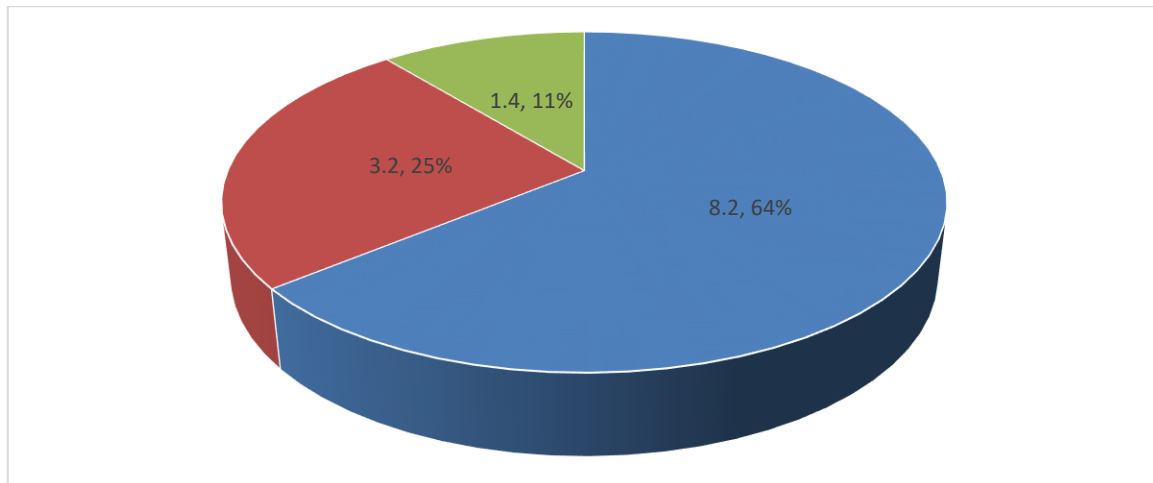


Chart 1. The Urgency of Indonesian Islamic Fashionpreneur

The chart shows the respondents' assumption on the urgency of Indonesian Islamic Fashionpreneur to be part of the world's halal industry. From 116 respondents, 64% know about Islamic Fashion, 25% of halal industry, and 11% does not know the term of Islamic Fashionpreneur. This means that respondents are very aware of Islamic Fashion as part of their lifestyle, as well as religious social identity in Indonesia (Rusmana et al., 2020). This becomes a starting point to develop Islamic Fashion industry in the future in the hands of Islamic fashionpreneurs. This explanation is strengthened by the following discussion and theories.

The Development of Islamic Fashionpreneur in Indonesia

The term Islamic Fashionpreneur may still be unknown to most people, especially for those who are not involved in the industrial world. However, the basic concept of Islamic Fashionpreneur is a form of development of the concept of the fashion industry that is packaged in Islamic law. Therefore, the provided products, business activities, orientation, and other aspects must be in Islamic law. Islamic Fashionpreneur combines the concept of Islamic business and Muslim fashion. In other words, it is a combination of Islamic Fashion and Entrepreneur. This idea started when Indriya, an academic and designer, compiled a syllabus for elective courses which was inaugurated as part of the curriculum of the Indonesian National Qualifications Framework (KKNI) in 2018, at the Department of Islamic Economics, Faculty of Islamic Religion, Universitas Ibn Khaldun Bogor, Academic Year 2018/2019. This term was used by several Indonesian Muslim fashion designers coordinated by her and some scholars. The name of Indriya was firstly used as a booth name when participating in Hong Kong Fashion Week Fall Winter in January 2019. Indonesia was taken as the initial name, i.e., Indonesia Moslem Fashionpreneur (Indriya, 2019). Since then, the term Islamic Fashionpreneur has become the name of the course, and further developed by some research on the field of Muslim Clothing at the Study Program as well as at FKIP Fashion Design, Vocational Education Study Program, Universitas Ibn Khaldun, Bogor. The concepts were also successfully presented at AICIS Palu 2018 (Indriya, 2018), Ministry of Industry's academic expert team, and also received a grant from Ministry of Religion research in 2019 with journal and reference books as the outputs (Mukri Aji, Ahmad; Gustiawati Mukri, Syarifah; Asmahassanah, Salati; Rusmana, 2020).

Rasulullah SAW taught us to have good morals (*Akhlaqul Karimah*) according to Islamic law, including how to dress correctly according to Sharia. Islamic Fashion is a way of dressing with a view to Islamic law, in which it is required to cover genitals as a sign of obedience in carrying out the rules made by Allah SWT as explained in Q.S. Al A'raf verse 26 which means "O Children of Adam! verily We have sent down unto you a garment covering your shame and as an adornment; and the garment of piety - that is the best. That is of the signs of Allah, that haply they may be admonished."

In the way of dressing, there are differences between men and women with their own *aurat* limits. For example, women are required to wear a headscarf to cover their hair, which is one of the *aurat*. This is what distinguishes men and women and it is forbidden for Adam to dress like a woman or vice versa (Aji & Mukri, 2020).

The history of Muslim fashion in Indonesia began in the 19th century when the Wali Songo spread the teachings of Islam in Indonesia (Sunyoto, 2015). At that time, even though women had embraced Islam, they did not wear hijab as an obligation as Muslims. Therefore, there were movements that aim to find ways to allow the wearing of headscarves in the community, such as the Padri movement in Minangkabau, as well as from other Islamic organizations. The movements are not forced, it only requires its own initiative from the community. At that time, they only use a long thin cloth to cover their head.

During the independence period and the old order period, there were problems in the use of hijab. The authorities did not allow female students of junior high/high school or civil servants to wear hijab. Hijabs are only worn by santriwati (female student at Boarding School). Until in the 1980s, Muslim fashion began to show its golden age. This can be seen from the students who were finally able to wear hijab after the long struggle of Islamic women activists in urban areas. At that time, they wore hijab accompanied by Muslim clothing called abaya (Ahmad Mansyur Suryanegara, 2016). Abaya is a long, loose overgarment but looks elegant that covers almost all of the body. The hijabs they wear were still the same as those worn by santriwati.

In the 1990s, Muslim fashion brands began to appear with several clothing designs offered to meet market needs. APPMI (Indonesian Fashion Designer Entrepreneurs Association) even established a special division for Muslim clothing in 1996.

In 2000s, more trends were created. One of them was known as "*kerudung gaul*". However, this style received little attention because it used a veil accompanied by clothes that showed the curves of the body. It can be said that this was a mixture of religious and social conditions. In addition, Indonesian Fashion Designers had also created fashion called Instant Hijab and Instant Veil. It was said to be instant because it offered easiness to wear (practical) so that consumers do not need supporting accessories such as pins and or bandanas to support them in its usage. Indonesian Muslim designers also developed their own fabrics. Indonesia imports fashion styles from foreign cultures. External factors were undeniably influential on Indonesian culture, including Muslim clothing. However, local culture was more influential on Islamic fashion. It was just that the designers were less confident when in fact they were skillful to compete with foreign cultures. (RI, n.d.).

Today, Muslim fashion is growing with many other trends and styles. Muslim clothing is not only a must for Muslims but also has become a lifestyle and can reflect individual and communal identities. This is where the concept of Islamic Fashionpreneur grows and develops in Indonesia.

Barriers to Islamic Fashionpreneur in Indonesia

Compared to other countries, Indonesia seems to have more advantages in the model of Muslim clothing design because Indonesia has various models of hijab. Unlike the Middle East

whose majority uses black hijabs, Indonesia has more various models and colors. The diversity of this model leads to the conclusion that Indonesia accepts modernization, diversity, difference and tolerance (Indriya R. Dani, 2010).

With the development of Islamic Fashionpreneur in Indonesia, there are some challenges in advancing this fashion. First, the raw materials such as cotton and silk are still mostly imported. Second, some designers do not have the ability to utilize technological developments. This can cause several obstacles such as reduced competitiveness, time consuming, longer production processes, and etc. Third, Human resources involved in this business consider it just as a hobby or to spend their spare time without being serious about developing their business, even though their goals can be more than that. Fourth, until now, some Small and Medium Industries (SMEs) were hampered by the sale of their products. The quality of products is good but the marketing is not adequate. Fifth, it is the classic problem of capital. SMEs have difficulty in finding capital to avoid excessively high interest rates from banks (Gustiawati et al., 2021).

The Role of Indonesian Islamic Fashionpreneurs in the Development of the World's Halal Industry

Halal industry can be interpreted as an activity to process goods or objects by Islamic regulations (Hardisa, 2019). It should also be noted that the Islamic economy is not limited to Islamic financial sector, but also the real sector and the production sector including the Islamic fashion, which is one of the potential halal industry sectors. Many Muslim fashion designers are able to compete worldwide.

In the halal fashion sector or Muslim fashion, Indonesia has the title of the second highest country after the UAE (State of The Islamic Economy Report, 2020). The development of technology can encourage the growth of various Islamic industrial sectors. The countries that can utilize such technology are Thailand and Pakistan. Both countries have succeeded in developing a halal scan application whose ability is to check whether a product is halal or not through the barcode. This can be used as a reference for Indonesia to be further developed and become a leading country in halal industry through Islamic Fashionpreneur.

During Covid-19 pandemic, fashion industry has also been affected although not as much as other sectors. For example, during the holy month of Ramadan, it is the time to make sales every year, especially in countries with a majority Muslim population. In this pandemic, online sales are the right step to deal with the difficulties, especially for various brands that are still developing. According to Standard (2021), certain brands can even take advantage of the rising popularity of Muslim fashion, with the increasing search by 90% in the internet since 2019.

Muslim fashion in Indonesia is thriving online, with a platform recently launched namely Evermos, which raised US\$8.25 million in series A funding. Until now it is believed to be ready to compete with Hijup and Tokopedia. According to the same report, it is found that in 2019 Indonesian fashion industry was able to rank the top 5 Muslim consumer markets for Modest Fashion and the top 5 exporting countries to the OIC (2019). This shows that Indonesia has a big role in driving the world's halal industry, especially in Muslim fashion sector (Standard, 2021).

Strategy for developing Islamic Fashionpreneur in Indonesia

The development of science and technology is a major factor influencing the development of today world business strategy. Business development can be said as an activity carried out to deal with changes to a better direction; therefore, consumers are satisfied with what is given (Nurul, E, 2019). With the business development, a company has the opportunity to compete with the times in meeting the ever-changing wants and needs of the market and the opportunity to get new customers. Muslim fashion is a potential area for business in Indonesia. There are many opportunities to sell products in order to develop their business in Indonesia for SMEs

Muslim Fashion. However, these opportunities are also accompanied by various challenges and obstacles.

In determining the development strategy of Muslim Fashion Industry in Indonesia, it is necessary to pay attention to several factors.

a) Product-based strategy

Product-based strategy is closely related to brand imaging and product innovation to ensure that Muslim fashion products are not monotonous. It can keep up with the development and is always innovative.

b) Market-based strategy

Market-based strategy pays attention to the needs and desires of customers or society in general.

c) Brand-based strategy

Brand-based strategy is carried out by collaborating with other parties

By paying attention to the factors in determining the strategy and SWOT analysis of Muslim Fashion industry in Indonesia implied in various previous discussions, the following strategy is believed to be appropriate to develop Muslim Fashion in Indonesia.

First, the designers would do well to improve their designs according to what is needed and the pattern of public demand in facing the pandemic. For example, casual fashion designers should not only provide casual clothes, but also create comfortable clothes to work, play and spend time at home. According to Jones Lang Lasalle, a fashion to wear at home had never existed, and the effects of this pandemic have made the trend decline. The social media is filled with advertisements for casual clothes such as dress pants and yoga pants (Cholsy, Hayatul. Aprillia, Firmonasari. Wening, n.d.)

Second, the marketing strategy for Muslim Fashion products should be based on digital marketing to reach a wider market and adapt to pandemic conditions. However, it does not mean ignoring offline store-based marketing. Marketing strategy is still needed through collaboration with various wholesale centers in Indonesia such as JMP, ITC, Tanah Abang, and PGS because of the large potential demand, brand imaging and strong community perspectives.

Third, culture and ethics are things that must be considered in the destination market. Ethics is very important and should be taken into account in the field of fashion to make products well received and welcomed by the consumers in the target market. However, this needs to be combined with the uniqueness of the brand or manufacturer to increase value considering Indonesia has various cultural diversity as its own selling points.

In addition, procurement from the government and entrepreneurs is needed to empower natural resources and human resources for material needs related to Islamic Fashionpreneur. Government or business actors can get maximum profit through the procurement of materials from their own country to reduce imports. One of the ways is to start empowering useful natural resources to support the needs of fashionpreneur start-ups in getting their material needs. However, this must be adapted to the geographical conditions of Indonesia.

Islamic Fashionpreneur Solution in Indonesia

From the issues described above, there are some problems that must be overcome in order to support Islamic fashionpreneurs in Indonesia as the center of halal industry in the world.

First, the problem of raw materials; it still rely on imports and have not been procured domestically. This becomes an obstacle for SMEs Muslim fashion because of the difficulty in import activities, the long-time process of delivery, and the expensive costs. Procurement by both the government and the private sector and empowerment of raw materials to support Muslim fashion SMEs in obtaining their raw materials domestically is crucially needed. It is hoped that there is a win-win solution, both for the government and the private sector which

will later become the empowerment or management of the existing human resources. However, the procurement of supporting materials for Muslim clothing must be adapted to the geographical conditions of Indonesia.

Second, there are several obstacles such as designers who still rely on traditional technology in their manufacture and need a lot of time and energy, the problem of limited human resources that makes Islamic Fashionpreneur as a side job or just to fill spare time, and the difficulty of SMEs in marketing. The solution should be done through counselling and further training on Islamic fashionpreneurs. The counselling and training should include the use of THE supporting technology for production and product marketing, as well as increasing motivation through the main goal of making Indonesia the center of the world halal industry through Islamic Fashionpreneur.

CONCLUSION

The opportunity for Indonesia to become the world's halal industry through Islamic Fashionpreneur is very large, considering Indonesia is the largest Muslim population in the world and being ranked 4th in the world for sharia economic development. Indonesia is in the top 10 in all sectors. From the obstacles and solutions that have been described, the traditional method is still a big problem. The traditional method can indeed be said to be very time consuming in the production process and takes more effort as well as thought. On the other hand, the traditional manufacturing process has a wide market and a much higher selling value in the heart of the international consumers. This high selling price is in line with a very long and complicated process due to the traditional method.

For this reason, some strategies to boost Islamic Fashionpreneur to make Indonesia the center of the halal industry in the world through Islamic Fashionpreneur are proposed as follows: determining the positioning strategy, differentiation, and branding. Through these three strategies, it is hoped that Indonesia will survive as the center of the world's halal industry, which is supported by Islamic Fashionpreneurs.

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