

Build Loyalty with Islamic Relationship Marketing and Trust Through Satisfaction

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Abstract

This study examines and explains how loyalty is built with Islamic relationship marketing and trust through customer satisfaction. The success of a company in getting satisfied customers will have an impact on customer loyalty. Although relationship marketing research is a popular topic, research on relationship marketing from an Islamic perspective is very limited. Relationship marketing from an Islamic perspective is interesting because it is very relevant to be practiced in today's business development. The quantitative approach used in this study, the data collection method through questionnaires with non-probability sampling techniques, the number of respondents was 76, the data analysis technique used in this study was Path Analysis. The results showed that there was a relationship between Islamic relationship marketing and trust which had a direct effect on customer satisfaction. Islamic relationship marketing and trust directly affect loyalty, and consumer satisfaction has a direct effect on loyalty. Consumer satisfaction can play a role as a mediating variable between Islamic relationship marketing and trust on loyalty.

Keywords:

Islamic Relationship Marketing (IRM); Trust; Satisfaction; Customer Loyalty

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JEL: M10, M20, M31



1. Introduction

Customer satisfaction is a measure of marketing performance that is considered to be in the product and becomes an expectation, realizing the importance of satisfaction results in high loyalty, therefore companies are required to maintain customer bias, one of the keys to maintaining customers with relationship marketing. Relationship marketing is receiving great attention in western studies. Although relationship marketing research is a popular topic, research on relationship marketing from an Islamic perspective is very limited. Relationship marketing from an Islamic perspective is interesting because it is very relevant to be practiced in today's business development. In relationships with consumers that are fostered not only short-term relationships, but also long-term relationships. To achieve this, the company is not only oriented towards sales transactions, but also maintains good relationships with consumers. Islamic relations are practiced through vertical and horizontal interactions. Through the concept of tawhid, the vertical interaction between humans and creators is emphasized (Arham, 2010). Meanwhile, horizontal interaction highlights interactions between humans and other creations (Yusuf, 2015). Islamic Relationship Marketing (IRM) emphasizes Islamic values such as oneness (tawhid) which can be reflected in an honest attitude and feeling that Allah SWT has always been supervised in conducting business activities.

In a business context, Islamic marketing is a strategic business discipline that directs the process of creating, offering, and exchanging value from one initiator to stakeholders where the entire process must be in accordance with the principles of business in Islam (Sula & Kartajaya, 2006). Islamic Relationship Marketing (IRM) as measured by Islamic ethical behavior, social ties, structural ties, and financial or financial ties has been shown to significantly affect future customer retention or loyalty (Salleh, 2016). Every business entity, including the batik industry, really needs a relationship marketing process; this is all done to find the lifetime value of the customer so that it can be enlarged from year to year, with the aim of getting new customers at a relatively lower cost.

In the context of relationships with business partners, trust plays a very important role (Morgan, R. M., & Hunt, 1994). Trust plays an important role in every organizational relationship. Trust allows partners to be manage risk and be selfless in transactions. There is an element of trust in every transaction, although it varies between trading partners. Previous studies have found that trust can guides behavior in some business settings (Doney & Cannon, 1997; Morgan, R. M., & Hunt, 1994), and when trust is present, the risk of self-interest and market volatility is reduced. In addition, (Smith & Barclay, 1997) found that trust significantly influences the attitudes and behavior of suppliers towards buyers

In recent years the interest in understanding trust in organizations has increased, this is driven by evidence that trust has a number of benefits for organizations (Kramer, 1999). In some literature it is stated that trust promotes healthy teamwork and teamwork, improves communication and satisfaction, creates a more positive attitude (Mayer, R. C., Davis, J. H., & Schoorman, 1995) customer satisfaction provides many benefits for the company, and a greater level of customer satisfaction. In the long run, it is more profitable to retain good customers than to continually attract and nurture new customers to replace departing customers. Satisfied consumers will spread positive word of mouth and will indirectly become ambassadors for walking and talking advertising for a company, which will lower costs of attracting new customers as seen in the figure below regarding the benefits of customer satisfaction. Thus, to achieve good customer satisfaction, it is necessary to build a relationship outside the existing product context, by building relational relationships and

developing a good brand image so that consumers are more satisfied (Tse & Wilton, 1988).

One of the factors that can shape customer loyalty is satisfaction. According to (Schnaars, 1991) basically the purpose of a business is to create satisfied customers. Customer satisfaction has a positive impact on loyalty. The creation of customer satisfaction can provide several benefits, including the relationship between the company and its customers being harmonious, providing a good basis for repurchasing, creating loyalty, and forming word-of-mouth recommendations that are beneficial for the company (Magdalena, 2014).

2. Research Method

This study uses a quantitative approach. The formulation of hypotheses in this study is based on constructs that are built from predetermined literature. five hypotheses were compiled in testing. Using SPSS 25 the analysis technique used is path path analysis, with a linear model that allows for a mediation relationship, mediation testing is carried out after testing the hypothesis. In testing the hypothesis, data was collected through a direct questionnaire to the research object, namely the buyer of batik in the wholesale market of Setono, Pekalongan. Sampling in this study is categorized in nonprobability sampling with purposive sampling technique. The sampling criteria in this study are respondents who have bought more than once within 6 months April to September 2020 and are over seventeen years old, are Muslim. A total of 76 questionnaires were distributed.

3. Results and Discussion

Validity and Reliability of the Research Instrument

The validity test was carried out with the help of the SPSS 23 program with a significance level of 5% or 0.05. If $r_{count} > r_{table}$, then it is said to be valid and vice versa. In this research, it can be done with a significance test that compares the calculated r value with the r table value for degree of freedom (df) = $n - 2$. In this case n is the number of samples. The number of samples in this study was 76. The magnitude of $df = 76 - 2$ or $df = 74$ with 5% alpha (0.05) obtained $r_{table} = 0.2257$. The results of the analysis can be seen in the table as follows:

Table 1. Instrument Validities

Islamic Relationship marketing			
Instrument	r score	r table	Description
X _{1.1}	0,677	0,2257	Valid
X _{1.2}	0,650	0,2257	Valid
X _{1.3}	0,633	0,2257	Valid
X _{1.4}	0,611	0,2257	Valid
Trust			
Instrument	r score	r table	Description
X _{2.1}	0,604	0,2257	Valid
X _{2.2}	0,604	0,2257	Valid
X _{2.3}	0,673	0,2257	Valid
X _{2.4}	0,598	0,2257	Valid
X _{2.5}	0,606	0,2257	Valid

X2.6	0,678	0,2257	Valid
Customer satisfaction			
Instrument	r score	r table	Description
Y _{1.1}	0,837	0,2257	Valid
Y _{1.2}	0,781	0,2257	Valid
Y _{1.3}	0,862	0,2257	Valid
Y _{1.4}	0,735	0,2257	Valid
Y _{1.5}	0,893	0,2257	Valid
Y _{1.6}	0,785	0,2257	Valid
Loyalty			
Instrument	r score	r table	Description
Y _{2.1}	0,802	0,2257	Valid
Y _{2.2}	0,769	0,2257	Valid
Y _{2.3}	0,741	0,2257	Valid
Y _{2.4}	0,661	0,2257	Valid
Y _{2.5}	0,738	0,2257	Valid
Y _{2.6}	0,728	0,2257	Valid
Y _{2.7}	0,695	0,2257	Valid
Y _{2.8}	0,814	0,2257	Valid

Source: Authors (2021), processed data SPSS 23

From table 1, the instrument validity test shows that the calculated r value of each question item is greater than the r table, this indicates that each question item in each variable is declared valid.

Table 2. Instrument Reliability Test Results

Variable	Cronbach's Alpha	Description
Islamic relationship marketing (X ₁)	0,782	Reliabel
Trust (X ₂)	0,765	Reliabel
Customer satisfaction (X ₃)	0,769	Reliabel
Customer loyalty (Y)	0,805	Reliabel

Source: Author (2021), processed data SPSS 23

The instrument reliability test shows the extent to which the measurement results remain consistent, if two or more measurements are made of the same symptoms using the same instrument. The criterion of an instrument is said to be reliable if it produces a Cronbach's Alpha value > 0.70. The results of the instrument reliability calculation show that the Cronbach alpha value for the Islamic relationship marketing variable is 0.782. For trust variable 0.765, customer satisfaction variable 0.769 and loyalty 0.805 All Cronbach alpha values are higher than 0.7 so that they can be analyzed as a reliable research instrument.

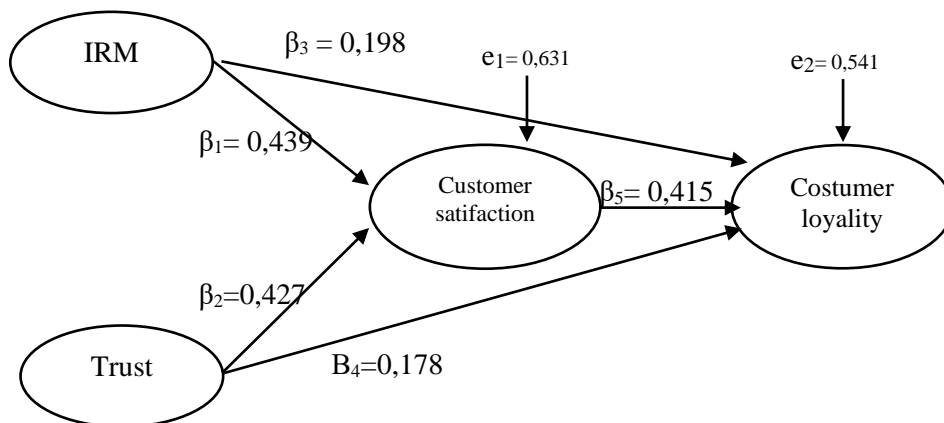
Path analysis is an extension of multiple linear regression analysis. There are two path analysis used in this research, the first path analysis is to test Islamic relationship marketing and trust has an effect on satisfaction. While the second path analysis in this study is to test Islamic relationship marketing has an effect on loyalty, trust has an effect on loyalty and

satisfaction has an effect on loyalty.

The results of the first path test are the correlation of Islamic relationship marketing variables and trust with customer satisfaction, in the first line analysis also produces a beta value of 0.439 Islamic relationship marketing variables with a significance level of $0.000 < 0.05$, this shows that Islamic relationship marketing has a positive effect on customer satisfaction. Likewise, the trust variable produces a beta value of 0.427 with a significance level of $0.00 < 0.05$. R square is the percentage variation in the dependent variable explained by the independent variable. If the value of R square is 1, then the independent variable is used fully in predicting the dependent variable. In testing the first hypothesis, an R square is obtained of 0.39.2. From this value it can be interpreted that the Islamic relationship marketing and trust variables explain 39.2% of customer satisfaction and other variables besides Islamic relationship marketing and trust explain 60.8%.

The results of the second pathway test calculate the correlation between Islamic relationship marketing variables, trust and customer satisfaction with loyalty. in the second path analysis produces a beta value of 0.198 for the Islamic relationship marketing variable with a significance level of $0.034 < 0.05$, this indicates that Islamic relationship marketing has a positive effect on consumer loyalty. Likewise, the trust variable produces a beta value of 0.178 with a significance level of $0.000 < 0.05$. Then the consumer satisfaction variable produces beta 0.415 with a significance level of $0.000 < 0.05$. The results of the path analysis show that all pathways have a significant effect on the dependent variable. The R square for the second line produces a value of 0.502. From this value it can be interpreted that the Islamic relationship marketing, brand image and customer satisfaction variables explain 50.2% of consumer loyalty and other variables besides Islamic relationship marketing, trust and satisfaction explain 49.8%.

model 1



Mediation Test

Testing the mediation hypothesis is carried out using a procedure developed by (Sobel, 1982). The Sobel test is a test tool used to determine the significance of the indirect relationship of the exogenous variables of Islamic relationship marketing and trust to the endogenous variables of consumer loyalty through customer satisfaction as an intervening variable. This research examines whether there is a mediating effect of Islamic relationship marketing and trust in research, testing mediation estimates two regression equations.

The first is to examine the effect of Islamic relationship marketing on loyalty through consumer decision. The value of the influence of the Islamic relationship marketing variable on consumer loyalty through customer satisfaction is obtained from the multiplication of the value of β_1 and β_5 , namely $0.439 \times 0.415 = 0.182$. This shows that the value of the indirect effect of the Islamic relationship marketing variable on customer loyalty through customer satisfaction is 0.182.

With the t value of $4.227 > 0.1665$, this shows that customer satisfaction mediates the effect of Islamic relationship marketing on consumer loyalty. The value of the influence of the trust variable on consumer loyalty through customer satisfaction is obtained from the multiplication of the value of β_2 and β_5 , namely $0.427 \times 0.415 = 0.177$. This shows that the value of the indirect effect of the trust variable on loyalty through customer satisfaction is 0.177. With the t value of $4,140 > 0.1665$, this shows that customer satisfaction mediates trust in consumer loyalty.

Discussion

This study tries to propose and test the effect of Islamic relationship marketing, trust and customer satisfaction on consumer loyalty. In addition, this study also investigates the influence of the mediating relationship between Islamic relationship marketing and trust on consumer loyalty mediated by the variable customer satisfaction. The result show that the higher the level of customer satisfaction, the higher customer loyalty (Kotler and Amstrong, 2006). The results of the first path research show that Islamic Relationship Marketing has an effect on customer satisfaction, Islamic Relationship Marketing itself is shown by Islamic ethical behavior, social ties, structural ties, and financial or financial ties. All advantages or benefits in a relationship are obtained through Islamic Relationship Marketing which is applied in the batik industry in Central Java. The results of this study further strengthen and clarify that Islamic Relationship Marketing contributes to customer satisfaction.

The influence of the variable customer trust on customer satisfaction shows a positive influence or has a unidirectional relationship, which means that if customer trust increases, it will increase customer satisfaction. Customer trust is closely related to customer satisfaction with a product, service and service. Customer trust arises because of the satisfaction obtained by customers from the results of the perceived performance of products, services and services. The results of this study support the findings in research conducted by Bricci et al., (2016) which show that customer trust has a direct positive effect on customer satisfaction in the distribution sector in Portugal. The results of this study are also in line with the results of Gul (2014) research which proves that the trust variable has a significant effect on satisfaction.

The second line test results show that customer satisfaction also affects Customer Loyalty where people are satisfied with the trust instilled and maintaining good relations with the company resulting in customer loyalty to a company. The results of the study the direct influence of the Islamic relationship marketing variable on customer loyalty shows a positive influence. The results of this study further strengthen and clarify that Islamic relationship marketing contributes to customer satisfaction to be more loyal to the company. This result in line with the results of previous studies (Faraj Aldaihani, Bin Ali, Hashim, & Basha, 2020; Huang, 2015; Omar & Ali, 2010; Salleh, Abdullah, & Razali, 2012).

The test results show that satisfaction has a significant effect on loyalty. Theoretically, delivering customer value through satisfaction ultimately makes customers loyal, both in the form of providing recommendations and making repeat purchases. Likewise, some research

states that the value of consumer sacrifice indirectly affects consumer satisfaction and the desire to buy back behavior intention (BI) (Abdur Rehman, Osman, Aziz, Koh, & Awais, 2020; Cronin, Brady, & Hult, 2000).

The results of this study explain that to increase customer loyalty, companies must build trust and maintain marketing relationships with customers so that customer satisfaction can be achieved and maintain this level of satisfaction in the long term. To increase customer satisfaction, companies must add value that can get them what they expect, by building Islamic marketing relationships and maintaining customer trust so they can survive and lead to repeat purchases and make loyal customers (Al Abdulrazak & Gbadamosi, 2017; Aldaihani & Ali, 2019; Decker & Mohammed, 2014; Hidayat, Akhmad, & Machmud, 2015).

4. Conclusion

This study propose and investigates how to build loyalty from intangible assets, Islamic relationship marketing and trust. Using the Resource Based View (RBV) as a theory that identifies a company's strategic advantage based on a combination of assets, expertise, capacities and special intangible assets owned by the company and analyzes data on loyalty, customer satisfaction, Islamic relationship marketing and In trust, it can be concluded that building loyalty must go through a long process, and Islamic relationship marketing and trust variables have a contribution to achieve customer satisfaction which leads to loyalty, This is evident from the path analysis results which show a positive influence between the variables used. In the new era of normalcy, a number of loyalty building programs can be carried out by business people, by maintaining trust and good relationships. Some recommendations for future research are adding tangible variables, because this study does not use them, besides that the sample size and area coverage also need to be expanded.

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