The Analysis of Islamic Branding Towards Customer Loyalty Impacts at Ismart Retail Ponorogo

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Abstract
Ismart Ponorogo is a retail store that is managed based on Islamic principles. Congregational ownership, managed professionally and centrally to maintain competitiveness in terms of distribution networks, products, prices and promotions. This research aims to test and explain the influence of Islamic brands on customer loyalty to Ismart Ponorogo. The research uses explanatory quantitative research methods conducted through data collection in the field in a quantitative approach. The assumptions used in this study are variables that can be measured using respondents' responses with questionnaires, the consumer population of Ismart Ponorogo, and a sample of 67 respondents, data analysis using linear regression statistical methods and hypothesis testing. Based on the results of the research shows that Islamic Brand can increase customer loyalty to Ismart Ponorogo. This research has a novelty compared to previous research in consisting of aspects of quantitative research approach with variable Islamic brands and customer loyalty that in previous research has never been raised to test Islamic brands at retail Ismart Ponorogo. In addition, this research is interesting to do because it uses aspects of the company based on sharia values, which generally have different characteristics than conventional companies.

Keywords: Islamic Brand, Customer Loyalty, Sharia Retail Shop

Abstrak

Kata Kunci : Merk Islam, Loyalitas Pelanggan, Ritel Syariah
1. Introduction

A growing number of modern retail business that appears in Indonesia, competition in retail business becomes increasingly tight. Thus, to be able to win the competition so that the customer does not leave, the businessman must be capable of competing retail business. One of the things that can be done is providing advantages in terms of design and system and be able to find out the needs of Muslim customer.

Global companies are aware that Muslim customers are easy targets for marketing their products. Religion's function in society becomes one of the most essential parts of a culture that has impacted and should be considered in the form of values, attitudes, and habits [1]. Islamic Branding is very related to the halal of the product. Safe products are halal certified products. One of the strategies they apply is Islamic branding using the Islamic identity (with the word Islam, Sharia, Islamic names, halal labels) in the marketing of their products. Islamic branding is factually used by products originating from Muslim countries, and non-Muslim countries that make products for Muslim consumers. Examples of Islamic branding are Nestle, KFC, CFC products, which come from non-Muslim countries but for Muslims to eat. They are willing to pay high fees to register their products to get halal certificate [2].

According to Islamic Branding is an action in which the manufacturers do not only produce goods, but they also build the truth in their sales as well as referring to life, and the buyer does not buy only necessities and comfort material, they also engage in worship. Islamic Branding consists of 3 classifications, namely: Islamic brand by compliance, by origin and by customer. In short, Islamic branding is factually used by products originating from Muslim countries, and non-Muslim countries that make products for Muslim consumers. Islamic Brand is about balancing between dunyawi (pertaining to the world) and ukhrawi (relating to the afterlife) [3]. The aim of this study is to see whether and how Islamic brands affect consumer loyalty to Ismart Ponorogo.

To achieve customer loyalty there are many ways that companies can do, one of which is Islamic Branding. Islamic Branding can create customer loyalty. Brands are a way to know the level of customer satisfaction with the product so they'll buy it again at a later time [4]. Ismart Ponorogo as one form of Islamic business requires an analysis to find out how much influence islamic brands have on customer loyalty. With Muslim-majority customers, the addition of the word Islamic to the brand is the right strategy to increase customer loyalty [5].

Ismart Ponorogo is a retail store that is managed based on Islamic principles. Some previous research show that the analysis of Brand image has a direct influence on customer loyalty at TITIN Trenggalek Restaurant [6]. Analysis tests the influence of religiosity as a moderating variable weakens the relationship between Islamic branding variables and consumer decisions [7]. People managed companies based on Islamic principles can create Islamic branding as a strategy to attract consumers' buying interest [8]. Academics divide the concept into four groups based on different meanings and explanations derived from traditional brand theory. i.e., Country of origin, target of audience, brand by Sharia compliance, brand as a relationship, and brand personality [9].

The rapid growth of Islamic finance in many Muslim countries, such as Malaysia, there is a need to look into the brand personalities of Islamic brands like banks and insurance companies. The proposed Islamic brand personality model could aid Islamic banks and insurers in attracting a lucrative Muslim market[10].
This research is different from previous research because the variable uses Islamic brands against customer loyalty in retail stores managed based on Sharia principles and has never been researched before. Previous research in consist of conceptual research study that draws on the author's extensive experience and knowledge of the Islamic market[3]. Halal brand related to consumer behavior, attitude, and perception were measured using a descriptive survey design over a period of time[11]. The elements affecting the brand image and consumer satisfaction on Islamic travel packages were investigated using a cross-sectional design and a quantitative method [12]. The object of this study is different from previous research because in this study analyzed Islamic brand to customer loyalty and respondents are consumers Ismart Ponorogo.

2. Method

Type of this research is quantitative research in which there are the dependent variable, independent variable. The independent variable in this study is Islamic brand, being the dependent variable in this study is the loyalty of customers. An explanatory quantitative research methods and surveys are used to collect data from a certain set of people. To investigate attitudes, trends, and other topics, various types of surveys or polls can be utilized. The quantitative research survey methods used in this study are useful for gathering data about attitudes, perceptions, attributes, actions, variable relationships, and testing hypotheses about the variables used in the past or present.

Independent variable is a variable or variables that influence who becomes the cause of change in the dependent variable or incidence, this variable is often represented by the variable X in this study there was one independent variable that is Islamic brand (X). Dependent variable is the variable that is affected or become affected to the independent variable. The dependent variable in this study was represented by the Variable (Y), is the loyalty of customers (Y). The technique rating Likert scale was used as an instrument. The questions are on a Likert scale, which is used to assess a person's or group's behaviors, beliefs, and expectations. The degree of approval or disapproval of respondents to each variable questioned is measured using five answer categories ranging from strongly agree to strongly disagree.

The samples are consumers who have made purchases at Ismart Ponorogo. Sample selected using purposive sampling method with quota sampling technique. Quota sampling is a sampling approach that collects data from a homogeneous set of people. It's a method in which two variables are employed to filter data from the population. It is simple to use and allows for quick comparison. In determining the number of samples, the author used the Slovin formula. Slovin formula is a formula or formula to calculate the minimum number of samples if the behavior of a population is not known for sure.

\[ n = \frac{N}{1 + Ne^2} \]

Description:

\( n \) : Sample size  
\( N \) : Population size  
\( e \) : Percentage of accuracy due to sampling errors that can still be tolerated is 10% (large population)

\[ n = \frac{200}{1 + 200 \times 0.1^2} \]
The number of populations in this study is as much as 200 consumers in a day of sales, stages of selection of this sample is done by knowing in advance the number of study population. This research sample approximately, n = 66,66: adjusted to 67 respondents. The reason for using an incidental sampling technique to select the sample is that the population is too large to include every person, and the presence and number of members are unknown.

The effects of circulating questionnaires and conducting interviews with parties involved in the study are used to create primary data. The understanding of primary data is the source of data that directly provide data to data collection. Some relevant statements distributed in the questionnaire by filing or making a list of questions addressed to respondents who logically related to the research issue, which is the impact of Islamic brands on consumer loyalty.

Data analysis activities include grouping data based on variables and categories of respondents, tabulating data based on all respondents' variables, presenting data for each variable analyzed, performing calculations to address the problem formulation, and performing calculations to test the hypothesis that has been proposed. The researchers collected data by distributing questionnaires to a predetermined group of people. The tool to gather data from the elements to be examined is a list of questionnaires, which was decided after the data collection method was determined.

The questionnaire list is then circulated to the sections that have been set up, and the questionnaire that has been filled out by the respondent is retrieved. Each item of the questionnaire with each different value, that is Answer "Strongly Agree"= 5, Answer “Agree” = 4, Answer “Less Agree” 3, Answer “Disagree” = 2, Answer “Strongly Disagree” = 1. After the data has been obtained, it is stored, viewed, and analyzed. The author used statistical tests in this analysis. The data was analyzed using the SPSS (Statistical Package for Social Science) version 23 computer software.

3. Result and Discussion

Respondents from this study are consumers who have made purchases more than once in Ismart in Ponorogo. Questionnaires were directly distributed as many as 67 questionnaires to the respondents. The following table summarizes the characteristics of respondents.

<table>
<thead>
<tr>
<th>No</th>
<th>Description</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. Male</td>
<td>32</td>
<td>47.8%</td>
</tr>
<tr>
<td></td>
<td>b. Female</td>
<td>35</td>
<td>52.2%</td>
</tr>
<tr>
<td>2</td>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. &gt;17 s/d 25 years</td>
<td>16</td>
<td>23.9%</td>
</tr>
<tr>
<td></td>
<td>b. &gt;25 s/d 32 years</td>
<td>23</td>
<td>34.3%</td>
</tr>
<tr>
<td></td>
<td>c. &gt;32 s/d 45 years</td>
<td>19</td>
<td>28.4%</td>
</tr>
<tr>
<td></td>
<td>d. &gt;45 years</td>
<td>9</td>
<td>13.4%</td>
</tr>
<tr>
<td>3</td>
<td>Job</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>a. College Student</td>
<td>14</td>
<td>20.9%</td>
</tr>
<tr>
<td></td>
<td>b. Private employees</td>
<td>17</td>
<td>25.4%</td>
</tr>
<tr>
<td></td>
<td>c. Government employees</td>
<td>9</td>
<td>13.4%</td>
</tr>
</tbody>
</table>

Respondents in this study are more dominated by female respondents that is as much as 35 respondents or equal to 52.2%. Most of the respondents were 25-32 years old as many as 23 people or by 34.3% Viewed from the type of work, as many as 18 respondents or 26.9% have jobs other than those in the choice of questionnaires or others, differ slightly from the job as a private employee as many as 17 respondents or 25.4%, while the rest as many as 14 respondents have job as students and students Viewed from the field of entrepreneur as much as 9 respondents or 13.4% run the business, as well as work in the field of civil servants or civil servants who ranged as much as 9 respondents or 13.4% and the majority have educational background of high school / vocational as much as 42 people or equal to 62.7%, When viewed from the income of respondents, most respondents have income about 0 s / d 2 million as many as 23 people or 34.3% of respondents, seen from the income that is > 2 to 4 million about 21 people or 31% of respondents, 3%, the rest > 4 s / d 6 million as many as 13 respondents or 19.4%, and 10 respondents or 14.9% have income > 6 million.

Islamic brand variables are measured using 7 item statement items using 5 points Likert scale that is 1 (strongly disagree) and 5 (strongly agree). A theoretical range weight of 7 to 35 with an average value of 15, while in actual range it has a range of 20 to 35 with an actual average of 28,16 and a standard deviation of 3,563. The average value of an Islamic brand variable’s answer to the actual range is above the theoretical range. This indicates that the respondents consider the Islamic brand is a good thing. The standard deviation score of 3,380 which, when compared to the average answer of 28,16, is 12% (<20%) indicates that the respondent's answer to Islamic brand variables tend to be the same.

Customer loyalty variable is measured using 5 item statement items using 5 points Likert scale that is 1 (strongly disagree) and 5 (strongly agree). The customer loyalty variable has a theoretical range weight of 5 to 25 with an average value of 10, while in actual range it has a range of 15 to 25 with an average value of 21,28 and a standard deviation of 2,854. The average value of the customer loyalty variable's answer to the actual range is above the average value of the theoretical range. This indicates that the respondents tend to have a high level of loyalty to the Ismart Ponorogo. The standard deviation value of 2,854 which when compared with the average answer of 21,28 is
16.33% (<20%), indicating that the respondent's answer to consumer loyalty variables tend to be homogeneous.

**Table 2. Data Validity Test Result**

<table>
<thead>
<tr>
<th>Islamic Brand 1</th>
<th>Pearson Correlation</th>
<th>Sig (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamic Brand 2</td>
<td>.812**</td>
<td>.000</td>
<td>600</td>
</tr>
<tr>
<td>Islamic Brand 3</td>
<td>.569*</td>
<td>.000</td>
<td>67</td>
</tr>
<tr>
<td>Islamic Brand 4</td>
<td>.540*</td>
<td>.000</td>
<td>67</td>
</tr>
<tr>
<td>Islamic Brand 5</td>
<td>.425*</td>
<td>.000</td>
<td>67</td>
</tr>
<tr>
<td>Islamic Brand 6</td>
<td>.427*</td>
<td>.000</td>
<td>67</td>
</tr>
<tr>
<td>Islamic Brand 7</td>
<td>.366**</td>
<td>.000</td>
<td>67</td>
</tr>
<tr>
<td>Islamic Brand 8</td>
<td>.762**</td>
<td>.000</td>
<td>67</td>
</tr>
</tbody>
</table>

**Correlations**

<table>
<thead>
<tr>
<th>Loyalty Kons 1</th>
<th>Pearson Correlation</th>
<th>Sig (2-tailed)</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty Kons 2</td>
<td>.722**</td>
<td>.000</td>
<td>67</td>
</tr>
<tr>
<td>Loyalty Kons 3</td>
<td>.539**</td>
<td>.000</td>
<td>67</td>
</tr>
<tr>
<td>Loyalty Kons 4</td>
<td>.543**</td>
<td>.000</td>
<td>67</td>
</tr>
<tr>
<td>Loyalty Kons 5</td>
<td>.616**</td>
<td>.000</td>
<td>67</td>
</tr>
<tr>
<td>Loyalty Konsumen</td>
<td>.838**</td>
<td>.000</td>
<td>67</td>
</tr>
</tbody>
</table>

**Source: data analyzed (2021)**

**Table 3. Data Reliability Test Result**

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Cronbach’s Alpha</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Islamic Brand</td>
<td>0.783</td>
<td>Reliable</td>
</tr>
<tr>
<td>2</td>
<td>Customer Loyalty</td>
<td>0.816</td>
<td>Reliable</td>
</tr>
</tbody>
</table>

The reliability test results show that each variable that is Islamic branding (X), consumer satisfaction (Z), and consumer loyalty (Y), is stated reliable because it has Cronbach’s alpha value > 0.70.

Table 4. Normality Test Result

<table>
<thead>
<tr>
<th>Unstandardized Residual</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
</tr>
<tr>
<td>Normal Parameters⁴ᵃᵇ</td>
</tr>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Std. Deviation</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
</tr>
<tr>
<td>Absolute</td>
</tr>
<tr>
<td>Positive</td>
</tr>
<tr>
<td>Negative</td>
</tr>
<tr>
<td>Test Statistic</td>
</tr>
<tr>
<td>Asymp. Sig. (2-tailed)</td>
</tr>
</tbody>
</table>

Source: data analyzed (2021)

From the table shows that the value of Asymp. Sig. (2-tailed) of 0.053 is above than 0.05, so it can be concluded that the data used in this study is normally distributed.

Table 5. Hypothesis Test Result

<table>
<thead>
<tr>
<th>Variable</th>
<th>Equation 1</th>
<th>Coefficient Value</th>
<th>t- statistics</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Islamic Brand</td>
<td>b1</td>
<td>0,422</td>
<td>4,938</td>
<td>0,000</td>
</tr>
<tr>
<td>R Square</td>
<td></td>
<td>0,273</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj R Square</td>
<td></td>
<td>0,262</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td></td>
<td>24,838</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig.</td>
<td></td>
<td>0,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: data analyzed (2021)

Based on the results of regression in the table above can be seen that the first hypothesis obtained coefficient b1 value of 0,422 with significance value 0,000 < 0,05 which means there is positive influence between variable of Islamic brand to customer loyalty. The test results are in line with the hypothesis that has been made where the Islamic brand influence on customer loyalty and show that the hypothesis one received, so it can be concluded that the increased value of Islamic brand then the loyalty of consumers will also be increase.

The hypothesis which states that Islamic brand has an influence on customer loyalty empirically proven to be supported. This result shows that when a retail or product have Islamic brand such as Islamic name, Islamic system, etc. will significantly increase the brand loyalty. The results of testing on the hypothesis shows that Islamic brand has a positive effect on customer loyalty. This shows that the higher the value of Islamic brand used in sales services then the loyalty of customers will also be higher and conversely the lower the Islamic brand of a sales service then the customer loyalty will also be decreased. This finding supported by a study of Indonesian consumers in the context of toiletry product purchases, the study found that religiosity and product involvement have no significant influence on Islamic brand purchase intention. Meanwhile, it is only value consciousness that has positive and significant influences on Islamic brand purchase intention. [13]
In this study, the level of consumer confidence in Islamic branding is quite high, as illustrated by the results of the existing hypothesis test, consumers believe in the Islamic brand concept used Ismart Ponorogo because what Ismart Ponorogo offers is different from other mini market. This result relevant with findings of the analysis of Halal brand personality and brand loyalty among millennial modest fashion consumers in Malaysia. Brand personality has been studied on various product brands, limited research has been done on Muslim products, especially modest fashion apparel. Because modest fashion is considered as Muslim products in Malaysia, this paper aims to examine the relationship between Halal brand personality and brand loyalty with the aim of providing a better understanding of the Islamic marketing concept [14].

The Brand of Islam must show conformity with the principles of Islamic Shari’ah and halal of a product, and also do not forget to add the concept of Islamic attribute as base of external of distinguish between common brand with brand of Islam. These results support previous research conducted that all attempts at Islamic branding must be inclusive. One of the reasons financial services brands aren't as popular as other categories is consumer skepticism. Consumers must believe that the brand really respects and empathizes with Islamic ideals in all facets of its operations, rather than only putting on a display[15].

The theoretical significance based on the results of this study includes the development of knowledge in the field of business from Islamic perspective, especially marketing management integrated with Islamic science. In addition, to support the results of previous research, this study will provide an overview of Islamic brand marketing so that retail business can get loyal customers. While the implications of management practices from the results of this study are to optimize the number of product sales and increase the number of customers of related business.

4. Conclusion

This study aims to obtain empirical evidence about the influence of Islamic brand on customer loyalty. It can be concluded that Islamic brand proved to have a positive effect on customer loyalty. If the Islamic brand increase, so the individual will be loyal to a particular brand, especially on Ismart Ponorogo. The findings of this empirical study will make a major contribution to the body of information in the areas of partnership branding, Islamic business ethics, and sharia-compliant business. Customers of Ismart Ponorogo are quite affected by Islamic Branding conducted by Ismart Ponorogo, and the customers have a high level of loyalty to Ismart Ponorogo and supported by the results analyzed show that Islamic Branding affects the loyalty of ismart Ponorogo customers. Future study may evaluate empirical evidence based on the finding in the literature that Islamic brand is a powerful determinant of customer relationship aspects..Considering the importance of this research topic for the development of management science, especially marketing management theoretically and practically, then the suggestion that can be given for the next research is to increase the time of data collection phase, so that the number of samples obtained more and more able to represent the number of population so that the result can be more generalized, as well as adding other independent variables other than the Islamic brand and considering other moderating variables in addition to customer satisfaction that can affect the relationship of Islamic brand with customer loyalty such as purchasing decisions and others.
References


