

Effectiveness of Sharia Services and Buying Experience in Retail MSMEs Consumer Loyalty

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ABSTRACT

This research is intended to determine the role of sharia services and buying experience on Consumer Loyalty in Retail MSMEs. This research was conducted qualitatively based on descriptive. The data collection process uses interview techniques to collect information about the role of sharia services and buying experience on retail MSME consumer loyalty. The object of research is Retail SMEs in Jember Regency. The results of the interviews were analyzed descriptively according to the facts and perspectives of researchers related to the problem of consumer loyalty. The output of this research is the role model of sharia services based on buying experience to foster consumer loyalty of Retail MSMEs. The results of the research conclude that to grow consumer loyalty, one must pay attention to sharia services that are in accordance with the needs and desires of the intended consumers, namely sharia services and buying experience because an impressive shopping experience will make consumers want to shop again at the Retail MSMEs. Sharia services based on buying experience on consumer loyalty is a new concept in marketing management research and provides a better explanation of consumer behavior. The results of this study are taken into consideration for Retail MSMEs, where the impact of the Covid-19 pandemic requires innovation in providing services, including sharia services and buying experience.

Abstrak: Riset ini ditujukan untuk mengetahui Efektivitas Layanan Syariah dan Pengalaman Membeli Terhadap Loyalitas Konsumen UMKM Ritel. Penelitian ini dilaksanakan secara kualitatif berbasis deskriptif. Proses pengumpulan data menggunakan teknik wawancara untuk mengumpulkan informasi tentang peran layanan syariah dan buying experience terhadap loyalitas konsumen UMKM Ritel. Objek penelitian adalah UMKM Ritel yang ada di Kabupaten Jember. Hasil wawancara dianalisis secara deskriptif sesuai dengan fakta dan perspektif peneliti terkait masalah loyalitas konsumen. Keluaran dari

penelitian ini adalah model peran layanan syariah dan buying experience untuk menumbuhkan loyalitas konsumen UMKM Ritel. Hasil riset menyimpulkan bahwa untuk menumbuhkan loyalitas konsumen harus memperhatikan layanan syariah yang sesuai dengan kebutuhan dan keinginan konsumen yang dituju, salah satunya memberikan layanan syariah dan buying experience dalam memberikan pelayanan karena pengalaman berbelanja yang mengesankan akan membuat konsumen berkeinginan untuk berbelanja lagi pada UMKM Ritel tersebut. Layanan syariah dan experience merupakan konsep baru dalam penelitian manajemen pemasaran dan inovasi mengenai retail service. Hasil penelitian ini menjadi bahan pertimbangan pada UMKM Ritel, dimana dengan adanya dampak pandemi Covid-19 membutuhkan inovasi dalam memberikan pelayanan yang diantaranya adalah layanan syariah dan buying experience.

Kata kunci: retail service, syariah, buying experience, loyalitas konsumen

INTRODUCTION

Retail business is a business activity that sells retail goods in types of outlets such as kiosks, markets, department stores, boutiques and others (including sales with a delivery service system). Retail business is divided into two, namely Traditional Retail and Modern Retail.

The characteristics of a simple traditional retail business are as follows: 1) The place is not too wide. 2) The goods sold are not too many kinds and types. 3) The management/management system is still very simple. 4) Does not offer the convenience of shopping grandiose and excessive like modern retail. 5) There is still a price bargaining process with traders. 6) The products sold are also not displayed too openly so that customers do not know whether the retailer has the item they are looking for or not¹. Modern retail is basically a development of traditional retail. This retail format emerged and developed along with the development of the economy, technology, and people's lifestyles which made people demand more convenience in shopping. Retail MSMEs are traditional retailers and are starting to implement the existing system in modern retail.

Growing customer loyalty through Retail Service because consumers consume a certain product if the product is in accordance with their wishes². To be able to survive and develop, a retailer must be able to increase customer loyalty so that in the end it can compete with other companies. The application of Islamic marketing ethics is very important to achieve customer satisfaction³. Consumers who are dissatisfied with the shopping experience at a retail, tend not to make repeat purchases at that retail⁴. Therefore, retailers need to carry out various strategies in order to provide satisfaction to consumers and

¹ <https://groeduacademy.com/tag/ciri-ciri-ritel-tradisional/>

² J. A Schumper (1934). *The Theory of Economic Development* (1st ed.). Cambridge, Harvard University Press.

³ Melania, F. A., & Ridlwan, A. A. (2022). Pengaruh Penerapan Etika Pemasaran Islami Terhadap Kepuasan Pelanggan (Studi Pada Pelanggan Produk Chiztikk Surabaya). *Jurnal Iqtisaduna*, 8(1), 43–56. <https://doi.org/10.24252/iqtisaduna.v8i1.29069>

⁴ Barry Berman, & Evans, J. R. (2007). *Retail Management* (10th ed.). United States of America: Pearson Prentice Hall.

influence consumers to become loyal customers of the retailer because consumers believe and get an impressive Buying Experience. Strategies used to improve Traditional retail's competitive capabilities are: first, the S-O Strategy consists of Improving the quality of services according to sharia and research and development sharia. Second, the W-O Strategy consists of extracting capital according to sharia, Promotion according to sharia, Human resource quality development according to sharia and Increasing HR morale according to sharia. Third, the S-T Strategy consists from Optimizing services according to sharia. Fourth, the W-T Strategy consists of Sharia-compliant community development and collaboration with traditional retail others and modern retail according to sharia.

Trust can be built with a sharia system. Sharia is a provision in Islam, which is sourced from the Koran, the hadith of the Prophet Muhammad, ijma, and qiyas which regulates the relationship between humans and Allah or human-human relationships. Buying Experience is the experience that a person gets after purchasing a product. The buying experience greatly affects consumer loyalty to a product or service⁵. This can be seen from the trust and satisfaction of consumers for the products or services purchased. So that consumers will indirectly introduce the product to others.

Retail Service by includes Tangibles, Staff reliability, Staff responsiveness, Competence, and Empathy⁶. Tangibles, for example: Physical facilities, Appearance of personnel, Tools or equipment used to provide services, Physical representation of services, such as payment by credit card and other service facilities. Reliability of staff to provide the expected or promised service reliably and accurately. Such as: performance consistency and dependability. This means Service and quality management in retail must provide consistent and accurate service, meet policy standards, including Accuracy in filling, Maintain correct records; and Perform services at specified times, for example, opening hours or service.

Staff responsiveness to assist customers and provide timely service. This concerns the willingness or readiness of employees to provide services to help customers and provide timely services, such as: Sending transaction slips immediately, calling customers back quickly after requests, providing prompt service.

Competence is a guarantee of employees' ability to convey trust and confidence through company and product knowledge, as well as their interpersonal courtesy. Namely the knowledge and skills of contact personnel, Listening to customer needs and explaining desired products or services,

⁵ Kurniawan Yunus Ariyono, Sukma Irdiana, & Kusnanto Darmawan. (2022). Effect of Online Buying Experience on Customer Loyalty. *International Journal of Social Science*, 1(5), 549-552. <https://doi.org/10.53625/ijss.v1i5.1293>

⁶ Gilbert, D. (2003). *Retail Marketing Management, 2nd edition*. Prentice Hall, New Jersey.

Strengthening company reputation, Personal characteristics of contact personnel, Ability to respect confidentiality, and demonstrating financial and personal security. Empathy: having an understanding of what the customer needs as an individual human being in relation to psychological and physical needs, i.e. Recognizing repeat customers, Studying customers' specific requirements and anticipating their needs, Being considerate and providing individualized (customized) services, Ensuring that if any problems are identified, responsibility is taken, and several actions are taken to ensure service errors are compensated⁷.

Research result that Retail is to retain its customers in the face of intense competition, namely by expanding the quality of service, so that retailers will be able to stand out and create opportunities to strengthen customer loyalty⁸.

Identify that the dimensions, namely personal interaction, physical aspects, reliability and policy are considered important by consumers. Merchandise and store willingness to handle returns and exchanges emerged as the variables that most affected the store's overall service quality⁹.

Retail Service Quality is the ability of a retailer to be able to provide products and services desired by customers so that customers need to feel satisfied and do not need to move places to be able to meet their needs and desires¹⁰. In contrast to service quality in general, the retail sector does not focus on customer expectations and expectations but focuses on products, services, and purchasing experiences that occur during the transaction process¹¹.

A good retail service quality is where a customer is interested in visiting, feels comfortable, makes a purchase, and gets all the products needed or desired by getting good service and the customer is satisfied and wants to make repeat purchases at the retailer¹². Every retail service quality that is well

⁷ Fatimah, F. (2015). Strategi Pemasaran Berbasis Syariah Bagi Ritel Tradisional Agar Mampu Bersaing Dengan Ritel Modern. *Jurnal Manajemen Dan Bisnis Indonesia*, Vol 1. No. 2

⁸ Didarul Alam, M. M. (2020). The Effect of Service Quality on Customer Loyalty of Generation Y – An Empirical Investigation on Superstores in Bangladesh. *Malaysian Management Journal*, 22(December), 153–174. <https://doi.org/10.32890/mmj.22.2018.9677>

⁹ Gopalan, R., Sreekumar, & Satpathy, B. (2015). Evaluation of retail service quality – A fuzzy AHP approach. *Benchmarking*, 22(6), 1058–1080. <https://doi.org/10.1108/BIJ-05-2013-0052>

¹⁰ Meng, J., Summey, J.H., Herndon, N.C. and Kwong, K. K. (2009). Some retail service quality expectations of Chinese shoppers. *International Journal of Market Research*, Vol. 51 No.2.

¹¹ Mehta, S.C. A. K. Lalwani, and S. L. H. (2000). Service Quality in Retailing: Relative Efficiency of Alternative Measurement Scale for Different Product - Service Environments. *International Journal of Retail & Distribution Management*, 28(2), pp.

¹² Dabholkar, P. A., Thorpe, D. I., & Rentz, J. O. (1996). A Measure of Service Quality for Retail Stores: Scale Development and Validation. *Journal of the Academy of Marketing Science*, 24, 3-16. <https://doi.org/10.1007/BF02893933>

established will definitely have a positive impact on both parties, both sellers and buyers. This means that there is always a solution to every problem in the transaction process from beginning to end.

The results of the study that the buying experience greatly affects consumer loyalty to a product or service¹³. Sharia service is positively related to loyalty¹⁴ (Dandis et al., 2021). Continuous improvement of the quality of Sharia-based services due to a direct correlation with customer satisfaction and loyalty. So managers should pay special attention to the quality of services provided by their employees and develop their skills through training and education programs based on Islamic principles¹⁵.

Loyalty is a state of mind that predisposes an individual to a particular retailer and leads to a higher proportion of spending than usual buying what the retailer has to offer¹⁶. Literally loyal means loyal or loyalty can be interpreted as a loyalty. Efforts made to create customer satisfaction are more likely to influence a consistent attitude. Loyalty is a buying behavior response that can be revealed continuously by decision makers by paying attention to one or more alternative brands from a number of similar brands and is a function of psychological processes.

Customer loyalty is the driving force or success of a business¹⁷. Efforts to retain customers which are an important part in creating customer loyalty are not simple things, because companies must integrate all business dimensions and determine how best to create value for their customers, so that it will build customer loyalty and the company's duty to maintain it.

This study provides an additional side about how Sharia service and buying experience in growing Consumer Loyalty and is qualitative. The process of collecting data by interviewing how the owner or manager in growing Consumer Loyalty through the role of Sharia service and buying experience, also interviewing consumers about the role of Retail Service based on buying experience on their loyalty. The results of the analysis will provide model

¹³ Kurniawan Yunus Ariyono, Sukma Irdiana, & Kusnanto Darmawan. (2022). Effect of Online Buying Experience on Customer Loyalty. *International Journal of Social Science*, 1(5), 549–552. <https://doi.org/10.53625/ijss.v1i5.1293>

¹⁴ Dandis, A. O., Wright, L. T., Wallace-Williams, D. M., Mukattash, I., Al Haj Eid, M., & Cai, H. (2021). Enhancing consumers' self-reported loyalty intentions in Islamic Banks: The relationship between service quality and the mediating role of customer satisfaction. *Cogent Business and Management*, 8(1), 1–26. <https://doi.org/10.1080/23311975.2021.1892256>

¹⁵ Dandis, A. O., Wright, L. T., Wallace-Williams, D. M., Mukattash, I., Al Haj Eid, M., & Cai, H. (2021). Enhancing consumers' self-reported loyalty intentions in Islamic Banks: The relationship between service quality and the mediating role of customer satisfaction. *Cogent Business and Management*, 8(1), 1–26. <https://doi.org/10.1080/23311975.2021.1892256>

¹⁶ Gilbert, D. (2003). *Retail Marketing Management*, 2nd edition. Prentice Hall, New Jersey.

¹⁷ Griffin, J. (2005). *Customer loyalty: Menumbuhkan dan mempertahankan kesetiaan pelanggan*. Jakarta: Erlangga.

recommendations to foster consumer loyalty. The object of research is Retail SMEs in Jember Regency. The purpose of the study was to determine the role of Sharia service and buying experience on Consumer Loyalty in Retail MSMEs.

METHODS

This research was conducted qualitatively based on descriptive. The data collection process uses interview techniques to collect information about the role of Sharia service and buying experience on retail MSME consumer loyalty. The object of research is Retail SMEs in Jember Regency. The results of the interviews were analyzed descriptively according to the facts and perspectives of researchers related to the problem of consumer loyalty. The output of this research is the role model of retail service based on buying experience to foster consumer loyalty of Retail MSMEs.

The interview process will explore the role model of sharia services and buying experience to grow retail MSME consumer loyalty. Sources of informants are the owners and consumers of Retail SMEs. The number of informants is 2 people and is sufficient to represent the information needed from Retail MSMEs to grow consumer loyalty. Informant 1 is a Retail MSME owner and has been a Retail MSME actor for more than 10 years. Informant 2 is a customer who is loyal to one of the Retail MSMEs. The interview process uses structured questions. The questions asked include the services provided, understanding of consumer needs and wants, types and quantities of goods available, prices and strategies that have been implemented. All of these questions will provide an overview of the role of Sharia service and buying experience on the loyalty of Retail MSME consumers.

RESULT AND DISCUSSION

The results of the interview show the role of sharia services and buying experience to foster consumer loyalty for Retail MSMEs. The first question given is the retail understanding of sharia services. Informant 1 explained that sharia services are services based on Islamic principles so that sharia services will increase consumer confidence in retail. The second question is the services provided by Retail SMEs. Informant 1 explained that good service to consumers is important. Sharia services that has been provided to consumers is to provide services to consumers with a friendly attitude and be responsive if there are consumers who need help, also all consumer complaints are responded to immediately. However, the sharia services provided is often constrained by the presence of employees who have not been consistent in providing good service to consumers. Sometimes employees are not friendly in providing services and have not been responsive to consumer needs. Another obstacle faced by Retail MSMEs is the cost to build facilities to increase consumer convenience in shopping and provide training to employees. The role of sharia services is

needed to increase customer loyalty in accordance with the results of the study¹⁸ that Retail service affects consumer loyalty.

Informant 1 also explained that it is often difficult to understand and fulfill the needs and desires of consumers because of the fast changing needs and desires of consumers. According to informant 1, to be able to know and understand consumer needs and wants, Retail MSMEs must conduct regular surveys. The survey is carried out by observing what trends exist in the community and what is needed by the community and distributing questionnaires. However, to do this requires time and money, while retail MSME actors often experience limitations in capital, so instead of using the money for surveys, it is better to use it to buy goods. Meanwhile, the fulfillment of the completeness of the type and number of goods available is constrained by the capital owned, even though the results of the research¹⁹. States that retail service and merchandise offers affect consumer loyalty and research results states that retail services and merchandise offers affect sales turnover and consumer loyalty²⁰.

Informant 1 stated that the strategy that had been implemented often did not meet the target due to an error in determining the strategy. The next interview was to informant 2 who is a loyal consumer of a Retail MSME.

The results of interviews with informant 2 are that consumer loyalty is influenced by the service received by consumers, feelings of comfort and attention from retail employees. Consumers do not care about what facilities are available in the retail. Consumers expect retail to provide goods according to consumer needs and desires at a standard price or cheaper than other retailers. And consumers will still choose to buy at retail SMEs that sell goods at the cheapest prices.

Informant 2 also explained that the completeness of the type and quantity of goods affected consumer loyalty. Because consumers will move to other retailers if the goods they are looking for are not available or their choices are limited. Research result states that personal interaction, physical aspects, reliability and policies are considered important by consumers so that merchandise and inventory are the variables that most affect the overall service quality²¹.

Retail service has a role in retail MSME consumer loyalty. Research result stated that retail service affects consumer loyalty^{16, 17,18}. From the results of this

¹⁸ Bakewell, C. and Mitchell, V. W. (2004). Male consumer decision-making styles. *International Review of Retail, Distribution and Consumer Research*, 14(2), 223.

¹⁹ Yavas, U., & Babakus, E. (2009). Retail store loyalty: A comparison of two customer segments. *International Journal of Retail & Distribution Management*, 37(6), 477-492. <https://doi.org/10.1108/09590550910956223>

²⁰ Tlapana, T. (2021). the Impact of Store Layout on Consumer Buying Behaviour: a Case of Convenience Stores From a Selected Township in Kwazulu Natal. *International Review of Management and Marketing*, 11(5), 1-6. <https://doi.org/10.32479/irmm.11583>

²¹ Gopalan, R., Sreekumar, & Satpathy, B. (2015). Evaluation of retail service quality - A fuzzy AHP approach. *Benchmarking*, 22(6), 1058-1080. <https://doi.org/10.1108/BIJ-05-2013-0052>

study, it is clear that to grow the loyalty of retail MSME consumers, they must pay attention to retail services that are in accordance with the needs and desires of the intended consumers, namely retail services based on buying experience because an impressive shopping experience will make consumers want to shop again. The strategic model of the role of sharia services and buying experience on retail MSME consumer loyalty is shown in Figure 1

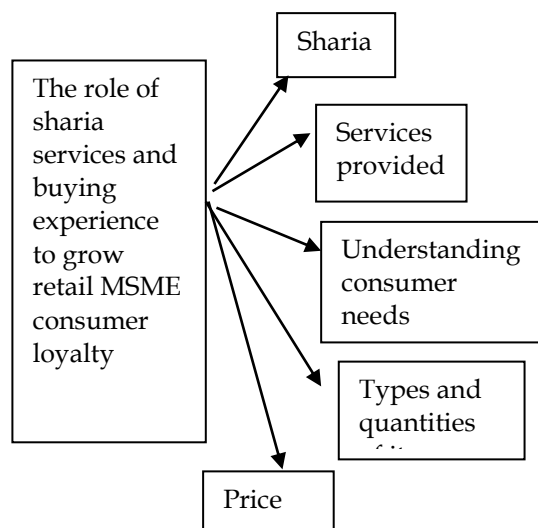


Figure 1 The Role of Sharia And Buying Experience-Based Retail Service is Very Important in Growing Retail MSME Consumer Loyalty.

The results of the interview show the sharia services and buying experience:

Figure 1 shows that the role of sharia services and buying experience is very important in growing retail MSME consumer loyalty. The role of sharia services and buying experience is illustrated through services that are Shariah-compliant, services are provided to consumers where all store employees are trusted by consumers, always responsive when consumers need help even though consumers do not ask for help. Retail MSMEs always understand the needs and desires of consumers even though they are changing rapidly. This is because Retail MSMEs always conduct surveys in a planned and regular manner. The type and amount of goods available at retail must be considered because consumers can move to other retailers if the goods they are looking for run out or if the number of goods available does not meet consumer needs. Of the several retail services provided by Retail SMEs, the most influencing consumer loyalty is price. Consumers in choosing retail are still the first to look for retailers that offer the cheapest prices, although there are some consumers who prioritize other factors besides price. However, consumers who prioritize other factors besides price are fewer in number than those who prefer to choose retailers that offer lower prices

CONCLUSION

The role of sharia services based on buying experience is very important in growing consumer loyalty. The results of this study are able to provide an overview of how to grow consumer loyalty through retail services based on buying experience. The limitation of this research is the focus on how the function of sharia services based on buying experience in growing consumer loyalty. It aims to further elaborate on what has been done to foster consumer loyalty. Consumer loyalty can be grown with a buying experience-based sharia services that is in accordance with the character of the intended consumer. This study provides a model for growing consumer loyalty through sharia services. Research can be continued through different approaches including quantitative and comparative statistical analysis with similar companies.

The five components become a model for growing consumer loyalty through sharia services based on buying experience. Implementation is done consistently to maintain customer loyalty. The results of this study conclude that buying experience-based sharia services can foster consumer loyalty. This can be measured quantitatively through the profitability ratio of Retail MSMEs. Sharia services and buying experience can foster consumer loyalty. Therefore, this must be a serious concern for Retail MSMEs in order to develop and compete.

Author's Contribution

Feti Fatimah: Contribute to formulating research ideas, collecting data, processing data, and interpreting data.

Haris Hermawan: Contributing to writing systematics, research methods, analyzing interpretation results, and the language proofread.

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Declaration of Competing Interest

We declare that we have no conflict of interest.

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