The Influence of Sharia Perception, Price, Location, Value Creation and Brand Trust on Loyalty of Modern Supermarket Customers

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Abstract:

The purpose of this study is to ascertain how factors such as value creation, brand image, brand trust, sharia perceptions, price, and location impact customer loyalty in supermarkets. Moreover, to determine which elements have the greatest impact. In this study, 300 people were interviewed, mostly grocery customers. Use the purposive sampling approach. Multiple regression analysis is the method used for data analysis. The findings demonstrated that 55% of consumer loyalty in supermarkets is influenced by brand perception, value creation, brand image, brand trust, pricing, and location. Sharia perceptions are favorable when the sig. 886 value is more than 0.05. With a sig. 115 value > 0.05, value creation has a favorable impact. With a sig value of 000 < 0.05, brand image is positively impacted. With a sig value of 0.03 < 0.05, brand image has a favorable impact. With a sig value of 0.01 < 0.05, price has a positive influence, and location has a positive effect with a sig value of 0.00 < 0.05. Consumer loyalty to supermarkets is simultaneously influenced by value creation, brand image, brand trust, perception of Sharia, pricing, and location with a sig value of 0.00 < 0.05.

Keywords: sharia perception, value creation, brand image, brand trust, price, location, loyalty.

Introduction

The retail business in Indonesia continues to experience growth, both within and outside the country. This retail business is also quite a promising one, in view of human needs that are currently increasingly unlimited. Shifting shopping patterns

are due to consumers nowadays increasingly wanting convenience in shopping, certainty in price, satisfactory service, availability of quality product fittings, strategic location, and promotions that attract buying interest. This is what then causes the modern retail industry to develop very quickly (Adinugroho et al., 2022).

The existence of Tip Top, which has been established for more than 35 years, brings its own uniqueness to make a color among other retail companies, this raises questions among retail businesses and the public how sharia perception, price, value creation, brand trust, brand image and place can has an effect on consumer loyalty, where the perception of sharia becomes a variable to see supermarkets in terms of their Islamic aspects, considering that supermarkets label themselves as supermarkets with Islamic principles and how these supermarkets can compete with other large retail companies for quite a long time, while considering value creation, there are factors to take into account in order to build customer loyalty, specifically the emotional connection between the customer and the business. As noted by Barnes, the emotional bond between devoted consumers and the business is a crucial component of customer loyalty that is frequently disregarded or hardly quantified. And the dimensions of experiential/hedonic value and symbolic/expressive value are dimensions related to the emotions felt by customers when interacting with the company (Walukow, 2014).

Consumers will be more certain about their choice and more likely to have confidence in the brand, like the brand, and regard it as an extension of themselves if a brand is able to meet or even surpass customer expectations and provide quality assurance at every chance for its use (brand image). Consumer brand loyalty is determined by brand trust, and trust has the capacity to forge valuable connections. These variables should be understood by companies that want to build customer loyalty. Factors that support high consumer loyalty can also be seen in the choice of a strategic location, where choosing a location is the most expensive investment because it can be claimed that location affects how busy a place is with guests. Because a supermarket is nearby, business locations that are strategically placed or on the side of the road are sufficient to draw customers. It does cost money to secure a crucial site. The success of a business is largely dependent on its location, which includes elements like high visibility, accessibility, convenience, curb appeal, and parking (Fitri, 2022).

While picking a restaurant, cost is also a crucial factor. The relationship between demand and supply, declining customer loyalty, the sales mix, competitive prices, overhead costs, psychological factors, and the necessity to turn a profit are all factors that have an impact on the prices charged in restaurants. Taking into account the above-mentioned factors, it is possible that this supermarket can continue to maintain its existence as a supermarket with a business system that is in accordance with Islamic teachings. In maintaining customer loyalty, it is enough to attract attention to be disclosed and traced because making customers loyal is not easy. The level of loyalty among customers is something that is often a concern for companies when carrying out marketing activities for their products. This is because companies need to build loyalty through communication with customers. Loyalty is customer loyalty and positive feelings towards the company, which are indicated by the customer's regularity in making repeated purchases and the duration of using a product. These habits are subjectively motivated and difficult to change. Loyal customers will continue their relationship with the product (Hendry, 2006).

Literature Review

Consumer Loyalty

Client loyalty is the degree of the association between a person's tendency to make repeat purchases from an entity (a brand, service, store, or supplier) and their relative attitude toward that entity. Consumer loyalty highlights the series of consumer purchases, including the percentage and likelihood of purchase. In order to gauge repeat purchases, customer loyalty is crucial (Muhammad, 2015).

Perception of Sharia

Sharia perceptions are views and thoughts that are accepted by humans through sight, hearing, appreciation, feeling, and smell and that are related to the social philosophy of Muslim society and to morals or social ethical values that are firmly held by Muslim society. In terms of perceptions of sharia, people need to know the differences in sharia concepts beforehand compared to conventional ones (Dwiyanda, 2015).

Value Creation

Creating value is an obligation for every company that wants to excel in competition. If companies do not create value, they will lose various advantages. Especially losing customers because the value expected by customers is less than the value they receive (Tannady et al., 2022). The most crucial role for marketers is to add value for consumers, particularly when launching new goods and services or businesses. The most important thing that must be known by marketers is the need and expectation of customers. If the needs and desires of customers are known by the company, it is likely that the reciprocity that will occur is positive behavior from customers towards the company (Rizki et al., 2022).

Brand Image

Tjiptono defines a brand as a distinctive symbol that is utilized in the trade of goods and services. This sign might be in the shape of a picture, name, word, letters, numbers, color arrangement, or a combination of these components. A brand is also a seller's assurance to customers that they will regularly receive a particular set of features, advantages, and services. Also, a strong brand offers customers certain assurances and services (Sari et al., 2021).

Brand Trust

Delgado defines brand trust as the anticipation of a brand's dependability and intent. As a result, brand reliability and brand intentions are both reflected in brand trust. The brand's reputation is impacted by three variables. The three components that make up the interaction between brands and consumers are related by these three variables. The brand itself, brand-creating businesses, and consumers make up the three variables. The argument is then made that brand loyalty will result from consumer trust in the company (Setiyaningrum, 2019).

Price

The amount of money paid for a good or service is its price. The value that consumers exchange for the benefits they gain from owning or using an item or service is often referred to as pricing. When making a purchase, buyers focus on price. Even as customers, we associate value with price (Tannady & Purnamaningsih, 2023).

Place

The reasons for the site selection decision are more important to consider. Considering that more and more retailers are opening new locations, while the best location is very difficult to find, an outlet that has the right location tends to be more successful than other outlets that are in less strategic locations, even though the two have something in common or are similar. Location is the placement of a retail store in a strategic area so as to maximize profits (Suyoto & Tannady, 2022).

Methodology

All grocery patrons make up the study's population. In this study, the purposive sampling method was used with nonprobability sampling. By distributing questionnaires and conducting interviews, this study will collect data. employing multiple regression analysis, hypothesis testing, classical assumption tests, data quality tests, and descriptive statistical tests to examine the data.

Case studies

The F test's findings can be utilized to ascertain the effects of the independent variables (value creation, brand image, brand trust, sharia perception, pricing, and location) on the dependent variable (supermarket consumer loyalty). The calculation results in an f-count value of 59.604. It can be seen that f-table = 2.040895 with a significance level of 5% and df1 = 6 and df2 = 293 has been calculated. Since the f-count number (59.604) is more than the f-table value (2.040895). In light of this, it can be said that the six independent variables of value creation, brand image, brand trust,

perception of Sharia, pricing, and location strongly influence the variable of customer loyalty in supermarkets. so that it is possible to employ the regression model that was obtained. Hence, it can be said that Ha is accepted whereas Ho is rejected. It indicates that the independent variables (value creation, brand image, brand trust, sharia perception, pricing, and location) and the dependent variable are both influenced simultaneously or jointly (supermarket consumer loyalty).

The findings of this study suggest that consumer loyalty is not significantly impacted by the Sharia perception variable (X1). The results of the hypothesis test, which demonstrate that the significant value of the value creation variable is bigger than the value of (0.886 > 0.05), support this. In the research conducted by Muhammad Nasrullah, religion did not have a significant effect on consumer satisfaction in buying products, which is directly proportional to the research the researchers conducted. In this study, the level of religiosity does not indicate that it can be used as a benchmark for consumers to shop for a product, but rather the price that consumers prioritize to buy a product. Research conducted by Dwiwiyati Astogini also has research that is in line with this study, when buying decisions for halal products are not significantly influenced by the religion variable. This study is also directly proportional to the research that the author examined. In the journal above, consumers who buy products are not too concerned with the issue of halal labels because they buy a product that they already know or use often, so when buying goods, they need, they often ignore the halal label on the product packaging they use. For example, consumers only buy products that they often use, so the halal label is often ignored, and they also trust the supermarket itself by only selling halal products.

According to the study's findings, the value creation variable (X2) has no appreciable impact on customer loyalty. The results of the hypothesis test, which demonstrate that the significant value of the value creation variable is bigger than the value of (0.115 > 0.05), support this. Rita Kusumadewi's research looked at how cost/sacred value, experiential/hedonic value, symbolic/expressive value, and instrumental value function all affected how loyal customers behaved. That value creation has a positive coefficient but is not significant to the dependent variable with the interpretation of the value creation correlation coefficient as a value of α (0.159 > 0.05). This study is consistent with the author's own research. It differs from the studies done by Balqis Diah, though. Customer satisfaction is significantly positively correlated with customer creation. According to the author of this study highlighting the significance of businesses taking into account the items that consumers actually want, businesses must not simply concentrate on the value they provide. So, in this case, the supermarket should know in advance the needs of consumers so that it can create value for the products it sells.

According to the study's findings, brand image (X3) has a considerable impact on customer loyalty. This is supported by the findings of the hypothesis testing, which indicate that the brand image variable has a significant value of (0.00 < 0.05). It may be stated that the brand image coefficient partially has a positive and substantial effect because it has a significant value in Aris Prabowo's study of 0.027 < 0.05 and a positive coefficient. The link with this research is that Tip Top and Aqua have both become well-known brands, and people already know about the distinctive characteristics between the two. As a result, the brand image has been attached to both companies with their respective perceptions. This research also has similarities with previous studies. Aqua and Ades are known to the public as well-known brands in mineral water products. So that the image that is created in the community when they buy mineral water is the brand of the two products.

According to the study's findings, the brand trust variable (X4) significantly affects consumer loyalty. The results of the hypothesis test, which indicate that the significant value of the brand trust variable is (0.003 < 0.05), support this. It may be deduced that the brand trust coefficient partially has a positive and substantial influence because it has a significant value in a prior study of 0.040 < 0.05 and a positive coefficient. In this study, consumer trust in brands is embedded in the minds of consumers because both companies are trying their best so that the products they create can continue to compete in the market. Likewise, supermarkets that continue to try to make their consumers believe that the products they sell are quality and halal products.

According to the study's findings, consumer loyalty is significantly influenced by the price variable (X5). The results of the hypothesis testing, which indicate that the significant value of the price variable is (0.001 < 0.05), support this. The price variable shows a positive coefficient in Ongky Martha Dwiyananda's study published in this publication, although it is not significant. The outcomes of a significance of 0.884 > 0.05 show this. According to the author, this occurs because the price variable in this journal is used to measure the sustainability of traditional retail, where traditional retail prices are cheaper than modern retail. In contrast to supermarkets, which are included in the category of modern retail, supermarkets still have low prices compared to competitors around them.

According to the study's findings, the location variable (X6) significantly affects customer loyalty. The findings of the hypothesis testing, which demonstrate that the location variable's significant value is (0.000 < 0.05), support this. Location has a significant value with a significant value of (0.001 < 0.05) and a positive coefficient in the research done by the previous researcher, therefore it can be said that the location coefficient partially has a positive and significant effect. The Sonder Minahasa Bentenan Center reportedly looked on how factors such product quality, pricing, marketing, and location affected consumers' decisions to buy products. The geography variable has no discernible impact on purchase choices in this journal. Where, according to the author, the location variable in this journal can be insignificant is because consumers see the distance and means of transportation to get to a shopping center, so if the distance and means of transportation are inadequate, consumers will think again about shopping at that place. Unlike supermarkets, which are right on the main road and are traversed by many public vehicles, making it simpler for customers who wish to do their grocery shopping.

Conclusion

According to the study's findings, brand image, brand trust, pricing, and location all have a small but substantial impact on consumer loyalty in supermarkets. Brand image had a significant value of 0.000, brand trust had a significant value of 0.003, and price had a significant value of 0.001. According to the study's findings, the value creation variable and the Sharia perception variable both partially had no impact on customer loyalty in supermarkets, with significant values of 0.115 and 0.886, respectively. According to the findings of the f test, there was a significant relationship between the independent variables of value creation, brand image, brand trust, Sharia perception, price, and location on consumer loyalty variables in supermarkets. The probability value was found to be 0.000 < 0.05. According to this study, the factors of value creation, brand image, brand trust, perception of Sharia, pricing, and location have a somewhat substantial impact on consumer loyalty in supermarkets, which is demonstrated by a 55% increase.

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