



The Influence of Products and Prices on Customer Loyalty At the Sharia People's Economic Bank Bakti Makmur Indah Main Branch Office in Sidoarjo

Abdul Majid Toyyibi

Institut Agama Islam Al Fithrah Surabaya, Indonesia

Email : abdulmajidtoyibi93@gmail.com

Muhammad Adi Satria

Institut Agama Islam Ma'arif Jambi, Indonesia

Email : adiisatria2022@gmail.com

Received: 04 February 2024

Reviewed: 22 February 2024

Accepted: 06 March 2024

Abstract

Sharia People's Economic Bank Bakti Makmur Indah Main Branch Office Throughout is one of the sharia banks that has great potential in developing an economy based on Islamic values. This research aims to determine the effect of product and price on customer loyalty at BPRS Bakti Makmur Indah Main Branch Office Throughout. The object of this research is the BPRS Bakti Makmur Indah Main Branch Office along with quantitative methods using multiple regression test techniques. The respondents in this research were 76 customers. The analytical method used is descriptive analysis, F test and T test with product (X1), price (X2), and customer loyalty (AND).

The results of this research show that product and price have a positive and significant effect on customer loyalty. This is proven by the statistical results of the simultaneous f test for the product variable, the calculated f value > f table ($31.473 > 3.12$) so that there is a positive and significant influence between the product and price variables simultaneously on customer loyalty or the hypothesis is supported.

Keywords: Product, Price, Customer Loyalty, Sharia People's Economic Bank.

Introduction

Competition in the business world is not a new problem in business, but it is commonplace. Business competition in the current era of globalization has become very tight and tough. This is caused by the increasing number of financial institutions, both banks and financial institutions non banks are emerging. In this way, the rise of financial institutions will increase their competitiveness by innovating products in providing services to their customers.

Sharia banks are banks that were established to meet the need for banking services, with banking techniques that are carried out as far as possible from those that conflict with the teachings of Islam as a comprehensive religion, providing clear directions on how to interact with humans in fulfilling their economic life needs using syar'i procedures. .

Sharia People's Economic Bank is required to determine the marketing strategy planning that will be used to face current competition. One that comes from the marketing strategy carried out by Islamic banks through the marketing mix strategy (marketing mix).

According to Kotler, the marketing mix (marketing mix) is a set of marketing tools that

companies use to continuously achieve marketing goals in target markets. The marketing mix consists of products, price, place, promotion. Implementing the right marketing mix can influence potential customers to become customers of the sharia bank.

A product is anything that a producer can offer to be noticed, requested, sought, purchased, used or consumed by the market to fulfill the needs or desires of the relevant market.

Product and price factors are two factors that influence prospective customers' considerations in purchasing decisions. The product factor itself is something that prospective customers pay attention to when making decisions. The products sold must be of good quality. Good quality will encourage Islamic banks to maintain their business and be able to compete with other competitors.

Apart from product factors, price is also an important factor. Determining product prices by sharia banks greatly influences prospective customers' purchasing decisions. Price according to Kotler, is the amount of value that consumers exchange for the benefits of owning or using a product or service whose value is determined by the buyer and seller through bargaining for the same price as the buyer. In this case, it shows that the price setting reflects the quality value of a product, in other words there is a match between price and product quality, so that it can encourage customer loyalty.

A product is something that provides benefits either in terms of meeting daily needs or something that consumers want to have. In a broad sense, products include anything that can be marketed, including physical objects, services, and ideas. Services themselves are products consisting of activities, benefits or satisfaction that are sold, such as haircuts, home repairs and tax preparation.

Products that are useful and good are as stated in the Qur'an in Surah Al Baqarah verse 168, as follows:

It means "O people, eat from the halal and good food found on earth and do not follow the steps of Satan, Satan is truly your real enemy."

Price is the amount of money needed to obtain the product. One of the marketing strategies that sharia banks can use in providing prices to potential customers is to provide prices that are cheaper than competitors. For banks based on sharia principles, interest is usury. According to Q.S. Al-Imran: 130:

It means: "O you who believe, do not eat usury by multiplying it and fear Allah so that you get good fortune."

According to Oliver, customer loyalty is a customer's deep commitment to re-subscribe or re-purchase selected products or services consistently in the future, even though the influence of the situation and marketing efforts have the potential to cause changes in behavior (Sangadji, 2019)

According to the results of previous research on "The Influence of the Services Marketing Mix on Customer Satisfaction and Loyalty of PT Pegadaian Mengawa Branch, Bandung, Bali". The results of this research show a significant influence from the service marketing mix consisting of product, price, promotion, place, both partially and simultaneously influencing customer satisfaction and loyalty at PT Pegadaian Mengawa Branch, Badung, Bali (Sulistiyawati, 2013).

The next previous research was about "Analysis of the Influence of Price, Product Quality, and Service Quality on Customer Satisfaction (Study at Waroeng Special Sambal, Lampersari Branch, Semarang)". The results of this research show that all the independent variables tested have a positive and significant effect on customer satisfaction through the F test and t test, while the Adjusted R Square figure of 0.521 shows 52.1% of the variation in

customer satisfaction at Waroeng Special Sambal, Lampersari Semarang branch, which can be explained by these three independent variables, of which the remaining 47.9% is explained by other factors outside this research (Ferry, 2012).

The next previous research was about "The Influence of Product Quality and Price on Customer Loyalty (Study of Students at the National Development University "Veteran" Yogyakarta, Department of Business Administration, Class of 2009, Users of Nokia Brand Cell Phones)". Based on the results of partial testing (t test), it can also be seen that the independent variables (quality and price) have an effect on customer loyalty, with the calculated t values for each variable respectively being quality (5.974), price (5.161), loyalty (69,937). The t table value is at the level of 5.974 so that the calculated t value for each is greater than the t table (5.974) and the decision is to reject H_0 and accept H_a . This means that the product partially influences price on the loyalty of Nokia brand cellphone customers. Suggestions that can be given for development and determining policy in the future are that companies must pay attention to product quality, price, innovation so that consumers are satisfied and continue to use Nokia brand cellphones and do not switch to other cellphone brands (Nurhayati, 2011).

The problem formulation in this research consists of:

1. Does the product have a partial effect on customer loyalty at Sharia People's Economic Bank Bakti Makmur Indah Main Branch Office Throughout?
2. Does price have a partial effect on customer loyalty at Sharia People's Economic Bank Bakti Makmur Indah Main Branch Office Throughout?
3. Do products and prices have a simultaneous effect on customer loyalty at Sharia People's Economic Bank Bakti Makmur Indah Main Branch Office Throughout?

Research methods

The type and approach to research is a type of correlation with a quantitative approach. Quantitative is a type of research whose specifications are systematic, planned and clearly structured from the start until the creation of the research design (Siyoto, 2020). For data collection using primary data, data is obtained directly in the field, with a questionnaire data collection instrument that can be filled in by respondents. As for the respondents in this research, 76 respondents from Sharia People's Economic Bank Bakti Makmur Indah main branch office along Sidoarjo were categorized as customers who had been customers for more than 5 years.

Results

Validity test

Validity tests are carried out to measure the statements in the questionnaire. A statement is said to be valid if the calculated r is greater than r table (0.227) Table 1 Product Variables.

Table 1. Product Variables

Item	r count	r table	Information
Item 1	0,697	0,227	Valid
Item 2	0,729	0,227	Valid
Item 3	0,692	0,227	Valid
Item 4	0,742	0,227	Valid

Based on table 1 above, it can be concluded that in the product variable validity test It is known that all statements in the questionnaire are said to be valid, because the

calculated r is greater than the r table of 0.227 (r calculated > r table).

Table 2. Price Variables

Item	r count	r table	Information
Item 1	0,714	0,227	Valid
Item 2	0,673	0,227	Valid
Item 3	0,758	0,227	Valid
Item 4	0,702	0,227	Valid

Based on table 2 above, it can be concluded that in the price variable validity test, it is known that all statements in the questionnaire are said to be valid, because the calculated r is greater than the r table by 0.227 (calculated r > r table).

Table 3. Variable Customer Loyalty

Item	r count	R table	Information
Item 1	0,624	0,227	Valid
Item 2	0,759	0,227	Valid
Item 3	0,593	0,227	Valid
Item 4	0,639	0,227	Valid
Item 5	0,640	0,227	Valid
Item 6	0,782	0,227	Valid
Item 7	0,625	0,227	Valid

Based on table 3 above, it can be concluded that in the variable validity test customer loyalty It is known that all statements in the questionnaire are said to be valid, because the calculated r is greater than the r table of 0.227 (r calculated > r table).

Reliability Test

Reliability testing is a tool for measuring a questionnaire which is an indicator of a variable. A variable is said to be reliable if it has a value Cronbach's Alpha greater than r table (0.600). The following are the results of the reliability test in this research:

Table 4. Reliability Test

Variable	Alpha Cronbach	Information
Product	0,674	Reliability
Price	0,664	Reliability
Customer Loyalty	0,787	Reliability

Based on table 4 above, obtain the Cronbach's Alpha values on all variables above 0.600. Thus it can be concluded that all research variables have Cronbach's Alpha value greater than the value of 0.600, so that respondents' answers to these research variables can be used for measurement and subsequent research.

Hypothesis testing

A hypothesis is a temporary answer whose truth is to be tested through research. The hypothesis in this research consists of:

- H1: There is a partial product influence on customer loyalty BPRS Bakti Makmur Indah Main Branch Office Throughout.
- H2: There is a partial price influence on customer loyalty BPRS Bakti Makmur Indah Main Branch Office Throughout.
- H3: There is a simultaneous influence of product and price on customer loyalty BPRS Bakti Makmur Indah Main Branch Office Throughout.

This test was carried out to determine the significant level of influence of the independent variable on the dependent variable. The results of the t test using SPSS version 20 are as follows:

Table 5. Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	9.577	2.739		3.496	.001
Product (X1)	.582	.194	.347	2.994	.004
Price (X2)	.641	.188	.396	3.414	.001

a. Dependent Variable: Customer Loyalty (Y)
Source: Primary Data, Processed by SPSS 20

Hypothetical test results from the t test (partial) can be seen from table V, by comparing the calculated t value with the t table (1.993). The calculated t value for the product variable is 2.994, while the calculated t value for the price variable is 3.414. Meanwhile, the t table is 1.993. This means that each variable has a positive and significant effect on customer loyalty partially (Hypothesis is accepted), because each value obtained from each variable is greater than the table.

The F test is used to find out whether the independent variable influences the dependent variable or not. For more details, see the following table:

Table 6. ANOVA^b

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	258.383	2	129.191	31.473	.000 ^a
	Residual	299.657	73	4.105		
	Total	558.039	75			

a. Predictors: (Constant), Price (X2), Product (X1).



b. Dependent Variable: Customer Loyalty
(Y) Source: Primary Data, SPSS 20

Hypothesis results from f testing (simultaneous) can be seen from table 6 by comparing the calculated f value with table f (3.12). The calculated f value is 31.473, this means that the product and price variables have a positive and significant effect simultaneously (Hypothesis is accepted).

Discussion

The results of statistical analysis of the t test or partial test of product variables show that the product has a positive and significant effect on customer loyalty. This is proven by the statistical results of the partial t test for the product variable, the value of t calculated $>$ t table ($2.994 > 1.993$) so that there is a positive and significant influence between the partial product variable on customer loyalty or hypothesis **accepted**.

Sharia banking products are the same as conventional banking products, the products produced by sharia banking are not in the form of goods but in the form of services. The service products produced by sharia banking must refer to sharia values or are permitted in the Al-Quran, but in order to be more attractive and increase customer loyalty to the banking services produced, these products must continue to carry out differentiation or diversification strategies so that they want to switch and start use sharia banking services. Besides that, Islam teaches to pay attention to the quality and existence of the product. The quality of the products being sold must be clear, so that consumers can easily assess them. (Rusdi, 2019)

Sharia People's Economic Bank Bakti Makmur Indah Main Branch Office products are as long as they are in accordance with Islamic economic principles, this can be seen from the respondents' answers regarding the statement that the products provided by BPRS Bakti Makmur Indah Main Branch Office as long as they are in accordance with customer needs and objectives, amounting to 65.8%. In this case, it means that the products at the BPRS Bakti Makmur Indah Main Branch Office throughout have met consumer needs.

The results of statistical analysis of the t test or partial test of the price variable show that the product has a positive and significant effect on customer loyalty. This is proven by the statistical results of the partial t test for the product variable, which shows that the calculated t value $>$ t table ($3.414 > 1.993$) so that there is a positive and significant influence between the partial price variable on customer loyalty or hypothesis **accepted**.

Determining prices is one of the strategies of companies or institutions to generate profits or profits. The principles of sharia banking are part of Islamic teachings related to Islamic economics, which regulates the prohibition of usury in its various forms, and uses a system, including the principle of profit sharing. (Financial Services Authority, 2017) With the principle of profit sharing, sharia banking can create healthy and fair investments because all parties can share both profits and potential risks that arise, thereby creating a balanced position between the bank and its customers. For banks based on sharia principles, interest is usury. In accordance with Q.S. Al Imran: 130. (Department of Religion, 2010)

It means: O you who believe, do not eat usury by multiplying it and fear Allah so that you get good fortune.

Prices at BPRS Bakti Makmur Indah Main Branch Office as long as they are in

accordance with Islamic economic principles, Bakti Makmur Indah Main Branch Office as long as they provide competitive profit sharing and consult with customers in determining profit sharing. This can be seen from the respondents' answers regarding the statement in determining profit sharing in accordance with Islamic sharia, 48.7%. The results of statistical analysis of the f test or simultaneous test show that product and price have a positive and significant effect on customer loyalty. This is proven by the simultaneous f test statistical results for the product variable gets the f value count $> f$ table ($31.473 > 3.12$) so there is a positive and significant influence between product and price variables simultaneously on customer loyalty or hypothesis **supported**.

The results of this research support previous research conducted by Eka Sulistyawati, entitled "The Influence of the Services Marketing Mix on Customer Satisfaction and Loyalty of PT Pegadaian, Mengawa Branch, Bandung, Bali". The results of this research show a significant influence from the service marketing mix consisting of product, price, promotion, place, both partially and simultaneously influencing customer satisfaction and loyalty at PT Pegadaian Mengawa Branch, Bandung, Bali. (Sulistyawati, 2019)

Products and prices have a big influence on customer loyalty. This is proven by the results of the simultaneous f test statistics for the product variable, the calculated f value $> f$ table ($31.473 > 3.12$), because products and prices are the most important parts of a company, this is customer satisfaction and makes customers loyal to the company. So the company will continue to maintain customer loyalty by improving product quality at the BPRS Bakti Makmur Indah Throughout Main Branch Office.

Conclusion

The product variable has a positive and significant influence on customer loyalty. This is proven by the statistical results of the partial t test for the product variable, which obtained a calculated t value $> t$ table ($2.994 > 1.993$).

The price variable has a positive and significant influence on customer loyalty. This is proven by the statistical results of the partial t test for the product variable, which obtained a calculated t value $> t$ table ($3.414 > 1.993$).

The product variable and price variable have a positive and significant influence on customer loyalty. This is proven by the simultaneous statistical results of the f test for the product variable, which shows that the calculated f value is $> f$ table ($31.473 > 3.12$).

Bibliography

- Adi, A. F. R., & Yoestini, Y. (2012). Analysis of the Influence of Price, Product Quality and Service Quality on Customer Satisfaction (Study at Waroeng Special Sambal, Lampersari Branch, Semarang) (Doctoral dissertation, Faculty of Economics and Business).
- Arbi. M. Syarif, (2019), Get to know Banks and Nonbank Financial Institutions, Jakarta: Bridge.
- Hurriyati. Ratih, (2018), Marketing Mix And Customer Loyalty, Bandung: Alfabeta.
- Kasmir, (2018), Banking management, Jakarta: PT. Raja Grafindo Persada, 2008
- Kotler. Phillip, (2018), Marketing Principles 12th edition, Jakarta: Erlangga.
- <https://ojk.go.id/id/kanal/syariah/tentang-syariah/Pages/Prinsip-dan-Konsep-PB-Syariah.aspx>
- Sangadji, Etta Mamang. (2019), Consumers: A Practical Approach accompanied by a Collection of Research Journals, Yogyakarta: ANDI.
- Shiyoto. Sandu, (2020), Basic Research Methodology, Yogyakarta: Literacy Media Publishing.
- Sulistyawati. Eka, (2019). The Influence of the Services Marketing Mix on Customer Satisfaction and Loyalty of PT Pegadaian, Mengawa Branch, Bandung, Bali, Bali, Bale

- University Bandung.
- Sudaryono, (2021), Marketing Management Theory and Implementation, Yogyakarta: CV Andi Offset.
- Swastha, (2021), Sales Management 3rd Edition, Yogyakarta, BPFE. Zulaicha. Students, The Influence of Products and Prices on Consumer Purchasing Decisions at Morning Bakery Bata, Flight. 4, No. 2, December 2016.
- Putra, I. G. N. A. L., & Sulistyawati, E. (2013). The Influence of Services Marketing Mix on Customer Satisfaction and Loyalty at PT Pegadaian (Persero) Mengwi Badung Branch (Doctoral dissertation, Udayana University).
- Department of Religion of the Republic of Indonesia (2010). Al-Qur'an and its Tafsir. Jakarta: Eternal Lantern, 220.
- Rusdi, M. R. M. (2019). Conventional Banking Versus Sharia Banking in Its Sociological Reality. Publication Journal, 1(1).
- Risky, N. (2011). "The influence of product quality and price on customer loyalty (Study among students at the National Development University "Veteran" Yogyakarta, Department of Business Administration, Class of 2009, users of Nokia brand cellphones)" (Doctoral dissertation, UPN).