

## Syariah Positional Advantage and Satisfaction in Increasing Customer Loyalty

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**Abstract.** *This study aims to analyze the influence of Sharia Product Quality and Sharia Service Quality on Customer Loyalty with Customer Satisfaction as an intervening variable in the sharia clothing industry. The phenomenon of increasing awareness of Muslim clothing encourages the importance of testing the quality of sharia-compliant products and services that uphold Islamic values. The research method used is quantitative with path analysis techniques. Given the indication of heteroscedasticity in the data, hypothesis testing was conducted using Robust estimation to ensure the accuracy of the results. Data were processed using SPSS software by looking at the Wald Chi-Square value and the Sobel Test to measure the mediation effect. The results of the study show that: (1) Sharia Product Quality has a positive and significant effect on Customer Satisfaction with a coefficient of 0.224 ( $p=0.002$ ). (2) Sharia Service Quality has a positive and significant effect on Customer Satisfaction with a coefficient of 0.240 ( $p=0.000$ ). (3) Sharia Product Quality has a direct and significant effect on Customer Loyalty with a coefficient of 0.109 ( $p=0.001$ ). (4) Sharia Service Quality has a direct and significant effect on Customer Loyalty with a coefficient of 0.089 ( $p=0.010$ ). (5) Customer Satisfaction has a significant effect on Customer Loyalty with a coefficient of 0.244 ( $p=0.000$ ). Furthermore, the results of the Sobel Test prove that Customer Satisfaction significantly mediates the effect of Sharia Product Quality ( $Z=2.44; p=0.015$ ) and Sharia Service Quality ( $Z=2.75; p=0.006$ ) on Customer Loyalty. The nature of mediation in this study is partial mediation, which indicates that the quality of Islamic products and services can create loyalty directly, but the influence will be much stronger if customers feel satisfied first.*

**Keywords:** Customer Loyalty; Customer Satisfaction; Sharia Product Quality; Sharia Service Quality.

## 1. Introduction

In general, clothing is a basic need that must be met, in addition to food and shelter. Nowadays, clothing isn't just for body protection; many people also use it to enhance their self-esteem. Therefore, they choose clothing styles that enhance their sense of class (Ravita Dwi Yana, Suharyono, 2015). According to Statistics Indonesia (BPS), Indonesia is the country with the largest Muslim population in the world. In 2010, approximately 87.18% of Indonesians identified themselves as Muslim. Because the majority of the population is Muslim, this represents a significant market for the halal industry, fulfilling human physical and spiritual needs in accordance with Islamic law, encompassing market demand for goods and services. One such sector is Muslim fashion, where training for Islamic-inspired designers has made the Muslim-owned business sector highly sought after by the general public, both domestically and internationally.

This has impacted the rapid growth of the Muslim fashion business in Indonesia. Data from the SGIE indicates that by 2023, Indonesia will become the third-highest Muslim country in terms of revenue in Muslim fashion sales (State of the Global Islamic Economy Report, 2023). Despite achieving the third-highest ranking, this has not achieved the target set in the 2019-2024 Indonesian Shariah Economic Masterplan, which was to become a global center of the Muslim fashion industry by 2020 (State of the Global Islamic Economy Report, 2023). Various factors contribute to the failure to achieve this target, one of which is marketing issues (Setiawardani et al., 2024). Marketing is essential for selling a product. Understanding the importance of brand image, promotional pricing, and product quality is crucial to attracting consumers and encouraging them to purchase the product repeatedly. Marketing is a business function that identifies consumer needs and improves the quality of a company. Companies must be able to implement an appropriate marketing strategy aligned with the company's vision and mission.

A company's success in achieving its business goals depends on expertise in production, marketing, personnel, finance, and other areas required within the company. Various business sectors in Indonesia offer products and services with potential for development. However, organizations, both public services and businesses, must continue to actively participate in various changes to face the era of globalization and the challenges of life that arise constantly, as competition in the market becomes increasingly fierce. Changes in the company's environment, particularly in marketing, can pose both threats and opportunities for the company. If a company wants to remain viable and survive the competition, it must also continually seek new innovations to attract customers' attention to its products.

Furthermore, companies need to provide positive advantages to their products. Positional advantage in resource advantage theory has dimensions including excellence in products, services, and image (Morgan, 2012). To achieve the desired positional advantage, companies should apply the theoretical concept. The theoretical concept achieved must be in accordance with Islamic law. Sharia products that can achieve competitive advantage are the uniqueness of halal products, thoyyib product uniqueness, and the religion-centric attribute of product uniqueness (Nurudin et al., 2023). It was added that the *maslahah* image that can achieve competitive advantage is a company that uses its resources to soften its egotistical image by presenting itself as humanizing to customers, kind, and socially responsible (Dusuki & Abdullah, 2007). Sharia Positional Advantage itself In Indonesia, Sharia-compliant entities are strategically positioned to transform religious observance into real economic value through four key pillars: building instant trust for consumer loyalty, financial resilience based on stable risk-sharing in the face of crises, priority access to the global halal supply chain, and ethical alignment with sustainable investment (ESG) trends. This combination positions Sharia-compliant entities not merely as a moral alternative but as a more resilient, transparent, and competitive business model in a market increasingly conscious of social values and sustainability.

## 2. Research Methods

This research is explanatory research. Sugiyono (2013) states that explanatory research is research that is intended to explain the position of the variables being studied and the relationship between one variable and another.

## 3. Results and Discussion

### 3.1. The Influence of Sharia Product Quality on Consumer Satisfaction

The test results show that the quality of sharia clothing products has a positive and significant influence on customer satisfaction with a coefficient of 0.224 and a significance level of  $0.002 < 0.05$ . This indicates that customer satisfaction is largely determined by the physical attributes of the clothing sold, such as the use of opaque materials, neat stitching, and designs that comply with the principle of covering the genitals without leaving a fashionable impression.

Customers feel satisfied when the clothing they purchase is not only comfortable for their activities but also provides spiritual peace because it meets sharia standards. The cool and durable quality of the material adds value, making customers feel they're getting a good value for their money.

### 3.2. The Influence of Sharia Service Quality on Consumer Satisfaction

The Sharia service quality variable was shown to have a very strong influence on satisfaction with a significance value of  $0.000 < 0.05$  and a coefficient of 0.240. In the context of clothing sales, friendly service, honesty in explaining the condition of the material (not covering up flaws), and staff patience when helping customers choose sizes are key factors.

Service based on Islamic values, such as the use of polite language and good manners, creates a lasting impression on customers. Interestingly, in this study, the friendliness of the store staff had a greater impact on customer satisfaction than the clothing itself.

### 3.3. The Influence of Sharia Product Quality on Consumer Loyalty

Tests show that clothing quality has a direct and significant effect on loyalty, with a coefficient of 0.109 and a significance level of  $0.001 < 0.05$ . This means that customers who perceive high-quality clothing are more likely to become loyal customers without necessarily experiencing a deep sense of satisfaction first.

This loyalty stems from the belief that the store's clothing selection consistently maintains consistent standards of materials and styles. Customers who find the cut or size of their syari clothing here are less likely to switch to another store due to the risk of differences in size or material quality.

### 3.4. The Influence of Sharia Service Quality on Consumer Loyalty

Sharia service quality also has a positive effect on loyalty, with a significance level of  $0.010 < 0.05$  and a coefficient of 0.089. Long-term relationships between customers and clothing stores are often built through good personal interactions.

Transparent inventory and easy returns for defective products (in accordance with Sharia principles) foster a sense of security. This encourages customers to return each time the store releases a new collection, as they feel valued and secure in their transactions.

### 3.5. The Influence of Sharia Service Quality on Customer Loyalty

Customer satisfaction is the strongest factor in driving loyalty with a coefficient of 0.244 and a significance of  $0.000 < 0.05$ . This finding confirms that customers of sharia clothing who feel very satisfied—whether because the clothes are good or because the clothes are not good—are satisfied. Customers with excellent service and quality products are most likely to become loyal customers. Satisfaction acts as a bridge that transforms one-time buyers into repeat customers who are willing to promote the store's clothing collection to others through positive reviews or word-of-mouth recommendations.

#### 4. Conclusion

Sharia product quality: not just good, but blessed. Product quality, in the Sharia concept, is a complete package. Like food, not only must it taste delicious (physical quality), but the ingredients and processing methods must also be truly halal and not harmful to others (Sharia quality). The findings of this study indicate that when a business is serious about maintaining the quality of its products to comply with religious rules, consumers will feel very secure. This sense of security is a very valuable first step in a business, because consumers feel the money they spend is commensurate with the benefits and peace of mind they receive. Sharia service quality: Serving with heart and honesty. The essence of Sharia service is "humanizing people." Here, employees are not only required to be fast, but also to be honest (not hiding anything), trustworthy (keeping promises), and polite. Our discussion shows that honest service has a "magical" effect on customers' feelings. Today's customers are tired of sweet promises in advertising; they crave proof of honesty. When they find this in Sharia service, they will feel deeply valued, not just as "walking wallets," but as brothers. Customer satisfaction: the point where expectations meet reality; satisfaction is like a "green light" from the consumer. Research shows that customer satisfaction arises when the combination of a quality product and genuine service is truly felt. From a sharia perspective, this level of satisfaction goes beyond mere pleasure, reaching the level of peace of mind. Consumers feel satisfied because they don't feel cheated, don't feel disadvantaged, and feel their needs are met in a good manner. Without this sense of satisfaction, business relationships will end. Customer loyalty: the sweet fruit of trust, loyalty, or faithfulness, is the desired finish line for all entrepreneurs. Loyal customers aren't just repeat buyers, but also those who have "fallen in love" and become advocates for your brand. This research concludes that loyalty cannot be forced; it arises naturally from consumers' satisfaction with consistent sharia-compliant products and services. Loyal customers are your most valuable asset because they won't easily leave just because a competitor lowers their prices. They stay because they believe in the integrity and blessings of your business.

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