

The Effect of Customer Value on Customer Loyalty through Customer Satisfaction as Intervening Variable in Khadijah Store Medan

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ABSTRACT

The development of sharia Muslim fashion trends continues to increase from year to year. The number of sharia clothing business that emerged tightened competition in attracting customers. The need to apply the right business strategy for Khadijah Store Medan to be able to grow and compete with its competitors. Khadijah Store Medan offers the best quality products to compete with other competitors. In 2018 until mid-2019 there was a decrease in sales at Khadijah Store Medan. Many factors affect sales at the Khadijah Store Medan including the customer value provided by the Khadijah Store Medan and the customer satisfaction felt by the Khadijah Store Medan customers. This study aims to determine: 1) the effect of customer value on customer loyalty, 2) the effect of customer satisfaction on customer loyalty, 3) the influence of customer value on customer satisfaction, 4) the influence of customer value on customer loyalty through customer satisfaction as an intervening variable on the Khadijah Store Medan. The population in this study amounted to 120. Determination of sample size uses the slovin formula, with error tolerance = 5%, so that a sample of 93 respondents is obtained. The method of data collection is done by the method of documentation, interviews and giving questionnaires to respondents. Data analysis techniques in this study used simple regression analysis at the significance level = 0.05 and path analysis. The results of the first structural equation research show that customer value and satisfaction have a positive and significant effect on customer loyalty and customer value has a positive and significant effect on customer satisfaction. The second structural equation shows that customer value and customer satisfaction have a positive and significant effect on customer loyalty. Based on the direct effect it is known that customer value has a positive and significant effect on customer loyalty, customer satisfaction has a positive and significant effect on customer loyalty and customer value has a positive and significant effect on customer satisfaction. Based on the indirect effect, it is known that customer value has a positive and significant effect on customer loyalty through customer satisfaction as an intervening variable in Khadijah Store Medan.

Keywords: *Customer Value, Customer Loyalty, Customer Satisfaction*

INTRODUCTION

As the development of lifestyles in the world of fashion now the trend of sharia Muslim clothing is very busy becoming a fashion trend in Indonesia. When viewed in recent years, Islamic shari'i clothing is not only a means of worship but also makes

many circles, especially business people to pursue and cultivate the business.

The increasing demand of Muslim communities for muslim and syar'i clothing has changed people's perceptions about those who use syar'i clothing only for women and out of date, because apparently

there are many teenagers who have used khimar and syar'i clothes because of the design made that tends to be simple and use soft pastel colors, the model is also diverse and can be adjusted to the desired age and model. So that now not a few Muslim women in Indonesia, especially in Medan, established to "migrate" using shar'i clothing. With the ever-increasing number of shari'ah Muslim wearers from year to year making business people or Muslim fashion entrepreneurs quite reap huge success and making Indonesia a global barometer of Muslim fashion.

The number of Muslim clothing brands on the market is directly proportional to the wearers of Muslim clothing that are also increasingly increasing. The market provides many choices for consumers ranging from brands that provide quality at top prices and there are also brands that offer quality at reasonable prices. It seems like the boutiques that sell local syar'i clothing in Medan are the House of Huriyyah, Abaya Nafisah, Muammalah Store, Umm Mecca and the Holy Store that sell sharia syar'i at more affordable prices with good quality.

Khadijah Store Medan is one of the syar'i Muslim clothing brands in Medan that sells syar'i Muslim clothing ranging from the robe, khimar, socks and other Muslim fashion equipment in accordance with Islamic law. Khadijah Store Medan is one of the official distributors of Khadijah Indonesia, based in the city of Bandung and has a lot of enthusiasts, especially among women who are dressed in shari'i. Khadijah Store Medan was established in 2016 and its outlets are located in Taman Setiabudi Indah Complex, Block C No. 93. Khadijah Store Medan itself is already quite well known in its market, among women who are familiar with and follow the sunnah study in Medan. Khadijah Indonesia's distributors are around 79 distributors that are spread throughout the provinces in Indonesia and outside Indonesia.

Customer loyalty has a large role for the benefit of the Khadijah Store Medan. In

the long run it is more profitable to maintain old customers than continuously attracting new customers. There are indications of irregularities from customers that can be felt by Khadijah Store Medan lately. Like Khadijah customers who often visit and buy products, but rarely visit the store.

Before moving on customer loyalty, the company must pay attention to customer satisfaction first (Robinette). If the customer is not satisfied with what is offered by the company starting from the product or service itself, the quality of the product, price, service and so on, the customer will certainly not be loyal to the company. It can be said that companies must devise strategies to satisfy consumers and then create loyal consumers. Customer satisfaction will affect further customer actions to be loyal or not loyal to the company.

One of the lack of customer loyalty is allegedly due to the presence of Khadijah Store Medan customers who feel they are still not satisfied with what has been given to them. In terms of Khadijah products, consumers are already very satisfied with the quality of the products provided and do not disappoint. But the thing that makes consumers feel dissatisfied at the moment is the lack of a complaint and suggestion system at the Khadijah Store Medan. Lack of communication between the company and its customers will make it difficult for Khadijah Store Medan to find out what complaints, suggestions and desires of customers can become data for store development to be even better. Stock items are often empty and require a long time to restock. That makes the Khadijah Store Medan customers feel unsatisfied.

Customer value and customer satisfaction will affect customer loyalty (Tanujaya, 2012). Customer satisfaction has a great influence in influencing customer loyalty, in this case the customer wants to get customer value and the benefits they get in the products or services offered by the company before being loyal to the product or service. This will encourage companies

to pay more attention to the value they have given to customers.

Moving on from this phenomenon, if the customer loyalty of a store has decreased, then the cause can be seen that customer satisfaction and customer value has decreased. In this case, customers who are loyal to the store will give top priority to making transactions or repurchases. These activities can take place in the long term and can also end when customer dissatisfaction occurs. As a result, customers will decide not to deal with the store again. There are other things that can be seen, such as the emotional bond between the customer and the product, which is less than expected, the service provided by the store to the customer is not good and the perception of performance a product or service that is expected by the customer is unsatisfactory allegedly the customer moves to another store. This means that if customer value and customer satisfaction are increased, then Khadijah Store Medan customer loyalty will also increase. So it is interesting to study the effect of customer value on customer loyalty through customer satisfaction as an intervening variable in Khadijah Store Medan.

LITERATURE REVIEW

Customer Value

Value outlines the benefits divided by costs so as to produce value, but according to Allan (2013:10) value is a continuous perspective on consumer actions to make a decision in a product or service so as to produce prosperity for consumers.

According to Woodruff in Tjiptono (2014:308) customer value as a perceptual preference and customer evaluation of product attributes performance attributes, and the consequences obtained from the use of products that facilitate

According to Kotler and Keller (2012:125) the definition of customer value is the result of an assessment of consumers' perspectives on the difference of all benefits obtained by consumers with the costs offered compared to the alternative.

Customer value is very important for the company to consider and is an integral part of the company's strategy, especially in product marketing strategies. In this case, the customer's value as a collection of benefits that is expected to be obtained by customers from certain products or services or the difference between what the customer gets from the product and what he must provide to get it.

Customer Loyalty

Oliver (2010) states loyalty is the commitment of customers to stay in depth to re-subscribe or re-buy selected products / services consistently in the future, even though the influence of the situation of marketing efforts has the potential to cause behavior change.

Kotler and Keller (2012) state that customer loyalty is a situation in which customers consistently spend all available budgets to buy a service product / product from the same seller.

Consumer loyalty occurs in several phases. According to Oliver (2010), the phase starts from:

- 1.Cognitive loyalty or loyalty that is based only on brand beliefs.
- 2.Affective loyalty or liking or attitude to the brand is based on opportunities to use satisfaction cumulatively.
- 3.Conative loyalty which shows a condition of loyalty which contains whether the first appearance shows a deep commitment to buy.
- 4.Loyalty of actions where intention is converted to action.

Customer Satisfaction

The definition of customer satisfaction according to Kotler and Armstrong (2014:150) is a feeling of pleasure or disappointment that arises after comparing the expected performance (results). Meanwhile, according to Rangkuti (2011) customer satisfaction is a response or reaction to a discrepancy between the level of prior importance and the actual performance felt after use or usage.

According to Awara and Amechi (2014) customer satisfaction is the basis used by companies to retain existing customers.) Is the feeling of pleasure or disappointment that arises after comparing the expected performance (results). Meanwhile, according to Rangkuti (2011) customer satisfaction is a response or reaction to a discrepancy between the level of prior importance and the actual performance felt after use or usage.

According to Awara and Amechi (2014) customer satisfaction is the basis used by companies to retain existing customers.

Shinta (2011) states that customers are parties who maximize value, marketers must determine the amount of value for customers and the amount of costs offered by each competitor to know what their own bidder is. Customer satisfaction is a function of the view of product performance and buyer expectations. The methods used to measure customer satisfaction are:

a. Complaints and Suggestions System. Examples such as providing suggestion and complaint boxes, comment cards and customer hot lines.

b. Customer satisfaction survey. Examples such as making a questionnaire and then the questionnaire is sent to consumers by post or given to customers when the customer is in a place of crime, which is commonly called a direct interview.

c. Lost Customer Analysis. It is a method in which a company contacts customers who have stopped buying from a company or those who turn to competitors.

d. Ghost Shopper. Is a method in which companies use ghost shopper to observe the strengths and weaknesses of the products and services of companies and competitors.

e. Sales Related Method. Representing customer satisfaction is measured by the criteria of sales growth, market share and repurchase ratio.

f. Customer Panel. Is a method in which a company forms a customer panel that will be sampled periodically to find out how they feel from the company and the company's services.

RESEARCH METHODS

Types of Research

This type of research is descriptive and associative research. Descriptive and associative research is carried out because of the variables to be examined in relation to and the purpose of presenting a structured, factual and accurate picture of the facts and the relationships between the variables studied.

Descriptive according to Sugiyono (2014:53), which is a problem statement regarding the question of the existence of an independent variable, whether only on one or more variables (the independent variable is a stand-alone variable, not an independent variable always paired with the dependent variable). In this research, descriptive is used to explain the influence of customer value, customer satisfaction and customer loyalty at Khadijah Store Medan.

While associative according to Sugiyono (2014:55) is associative research is a study of two or more variables. In this research, a theory can be built that can serve to explain, predict and control a phenomenon. In this study, the associative method is used to explain the effect of customer value, customer satisfaction (intervening variables) and customer loyalty at Khadijah Store Medan.

Population and Sample

Population is a whole individual or a certain object or size obtained from all certain individuals or objects to be studied that have certain characteristics, clear and complete. The population in this study were 120 customers or buyers in the Khadijah Store.

The sampling method in this study uses a non probability sampling method with a purposive sampling technique that is, the technique of determining the sample with certain considerations (Sugiyono, 2014). The reason for selecting samples by using purposive sampling technique is because not all samples have criteria in accordance with this research, namely by

setting certain criteria that must be met by the sample used in the study. The criteria for choosing a research sample are respondents who have made repeat purchases at least 2 times in the past 3 years. The population in this study was 120 customers, so the percentage of leeway used was 5% and the results of calculations could be rounded up to achieve compatibility. So to find out the research sample, by calculating the number of samples to 93 respondents.

Data Analysis Method

This study uses descriptive qualitative analysis methods to determine the existence of relationships between dependent variables and independent using inductive statistics correlation with multiple regression analysis. The qualitative descriptive objective in this study is to

provide a systematic, factual and accurate description of certain facts.

The data analysis method used in this study is multiple regression analysis (Sugiyono, 2014). Therefore the research formulation in the path analysis framework only revolves around the independent variable (X_1, X_2, \dots, X_k) influencing the dependent variable Y, or how much direct, indirect, and total influence or simultaneous set of independent variables (X_1, X_2, \dots, X_k) to the dependent variable Y.

RESEARCH RESULT

Partial Hypothesis Testing (t Test)

Partial hypothesis test (t test) is conducted to determine the effect of partially independent variables on the dependent variable. Partial hypothesis testing results (t test) can be seen in Table 1:

Table 1 Partial Hypothesis Test (t Test)

Variabel Independent	Variabel Dependent	B	t	Sig
Customer Value (X)	Customer Loyalty (Y)	0.306	4.099	0.000
Customer Value (X)	Customer Satisfaction (Z)	0.453	5.420	0.000
Customer Satisfaction (Z)	Customer Loyalty (Y)	0.057	2.696	0.048

Source: Primary Data Processing Using SPSS

Based on the results obtained in Table 1, it is known that the coefficient of customer value on customer loyalty is 0.306 with a significance value of 0.000. These results indicate that the hypothesis is accepted, which states that customer value has a positive effect on customer loyalty. Based on the SPSS output above, it is known that the t-value of the customer value variable is 6.079. Because the value of $t_{count} > t_{table}$ 1.986, it can be concluded that customer value has a positive and significant effect on customer loyalty.

Then the coefficient of customer value to customer satisfaction is 0.453 with a significance value of 0.000. These results indicate that the hypothesis is accepted, which states that customer value has a positive effect on customer satisfaction. Based on the SPSS output above, it is known that the t-value of the customer value variable is 5.420. Because the value of $t_{count} > t_{table}$ 1.986, it can be concluded

that customer value has a positive and significant effect on customer satisfaction.

Then the coefficient value of customer satisfaction on customer loyalty is 0.057 with a significance value of 0.048. These results indicate that the hypothesis is accepted, which states that customer satisfaction has a positive effect on customer loyalty. Based on the SPSS output above, it is known that the value of the calculated customer satisfaction variable is 2.696. Because the value of $t_{count} > t_{table}$ 1.986, it can be concluded that customer value has a positive and significant effect on customer satisfaction.

MANAGERIAL IMPLICATIONS

Based on the results of the study it can be seen that customer value has a positive and significant effect on customer loyalty through customer satisfaction as an intervening variable in Khadijah Store Medan. So it can be concluded that increasing customer value and customer

satisfaction will improve customer behavior to be loyal at Khadijah Store Medan. Most Khadijah Store Medan customers are aged in the range of 20-25 years where on average they have a monthly income that is not too high and the rest already have a fairly high income. Therefore the managerial implications are as follows:

1. In terms of customer value, if Khadijah Store Medan wants to increase the value of its customers from that group, Khadijah Store Medan must make various attractive discount promotions for customers to continue to make purchases at Khadijah Store Medan. Can also provide after buy service for customers after making a purchase at Khadijah Store Medan, such as providing a warranty on the product so that if there is a problem with the product, the store can immediately remedy it. Continue to maintain the quality of the materials used for the production of Khadijah Store Medan products and continue to reproduce clothing designs that attract customers but do not violate the Shari'a. If the strategy is implemented, it is expected that emotional benefits or benefits felt by customers intangibly about the Khadijah Store Medan product will create an impression, life style and reputation brand.

2. In terms of customer satisfaction, companies are expected to pay more attention to the quality of service and workers who work at Khadijah Store Medan in order to be able to explain in detail to customers what information customers should get from Khadijah products. Such as giving information why the price of the product is expensive and what the quality of the product is like so that the customer feels more satisfied and is also expected to immediately resolve the complaints raised by the Khadijah Store Medan customers.

CONCLUSION AND SUGGESTION

CONCLUSION

Based on the results of research and discussion that has been carried out in this study, the researchers draw conclusions as follows:

1. Customer value has a positive and significant effect on customer loyalty at Khadijah Store Medan.

2. Customer value has a positive and significant effect on customer satisfaction at Khadijah Store Medan.

3. Customer satisfaction has a positive and significant effect on customer loyalty at Khadijah Store Medan.

4. Customer value has a positive and significant effect on customer loyalty through customer satisfaction as an intervening variable in Khadijah Store Medan.

SUGGESTION

Based on the results and discussion, there are several suggestions that can be delivered:

1. For Companies

It is expected to increase customer value and better service to customers. Khadijah Store Medan can increase customer value by:

a. Providing attractive promos for customers such as providing discount vouchers and guarantees after making a purchase.

b. Fostering good relations to customers who routinely buy such as giving souvenirs in the form of Khadijah key chains or providing good service when customers are shopping at Khadijah Store Medan.

c. Create a customer database to find out what customers like and make it easier for Khadijah Store Medan to provide information about promos, discount vouchers and bazaar information to customers.

d. Increase bazaar activities to attract customers both old customers and new customers who are familiar with the Khadijah Store Medan.

e. Educate employees of the Khadijah Store Medan to be more informative in explaining Khadijah Store Medan products and also provide information about the prices offered.

f. Providing payment facilities such as holding payments in installments or installments to facilitate customers who

want to buy Medan's Khadijah Store products.

g. Conduct sponsorship in Sunnah studies in Medan so that more people will get to know the Khadijah Store Medan product.

The strategy is able to create positive perceptions from customers to Khadijah Store Medan, and can even make customers loyal to the company. So that customers will gladly recommend Khadijah Store Medan products to friends and colleagues, when they want to buy Muslim fashion equipment only at Khadijah Store Medan.

2. For Further Researchers

It is expected to be a reference and continue to develop this research. The researcher uses customer value as the independent variable, customer loyalty as the dependent variable and customer satisfaction as an intervening variable. For further researchers can replace the variables in this study with other variables in order to find new variables in the discussion of customer loyalty.

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