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The Impact of Spiritual Marketing on Consumer Loyalty

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Abstract

Wardah is a pioneer of a cosmetic brand receiving a halal certificate from the Indonesian Ulema Council. Therefore, these products are compliant with Islamic principles. Indeed, Indonesian consumers, mainly Muslim, are expected to be loyal. Related to this situation, the company manufacturing Wardah products needs to choose the type of suitable marketing. For this reason, this research aims to examine and analyze the impact of spiritual marketing on consumer loyalty. To achieve this intention, the consumers of Wardah products in Jakarta perform as the population and samples. Because the population size is unidentified, the consumers are taken by purposive sampling. Also, the variance-based structural equation model and probability of t-statistic are utilized to analyze the data and test the hypothesis. Based on the response testing, this study concludes that spiritual marketing is needed to create loyal consumers.

Keywords: Consumer Loyalty, Spiritual Marketing, Wardah Products

1. Introduction

Indonesia is one of the sizeable Muslim countries worldwide (Hapsari, 2018). This situation stimulates several institutions to take this chance to market their goods and services based on Islamic principles; for example, banks (Kusumadewi & Lestari, 2017; Rini & Absah, 2017) and foods and restaurants (Khairy & Abidin, 2018). The other instances are hotels (Usman et al., 2020), tourist attractions (Yanuar et al., 2019), and the producers of cosmetic products (Suhartanto et al., 2020).

Similar to a non-religious-orientated company, the loyalty of consumers becomes the primary destination for the religious one. If this situation occurs, revenue from sales will be created. This firm can quickly get new customers at a low expense because of the recommendation to use its products from the existing loyal customers. In the end, this firm will sustain itself and be able to compete with others in the marketplace (Arslan, 2020).

Furthermore, to attain the loyalty of its customers, a firm with a divine perspective needs to focus on spiritual marketing (Kusumadewi & Lestari, 2017). Spiritual marketing is a religious concept associated with the execution of its corresponding values, i.e., openness, honesty, humility, trustworthiness, and morality (Bambang et al., 2021). These values must be implemented in product marketing, the choice of raw substances, and production phases (Hermawati et al., 2022).

Research focusing on the impact of spiritual marketing on consumer loyalty is already conducted. However, the results are not consistent yet. For example, Kusumadewi and Lestari (2017) and Rini and Absah (2017) demonstrate a positive effect. In their study, Suhartanto et al. (2020) find that the more religious people are, the more loyal they are to halal products. Adopting the marketing mix concepts associated with spirituality, Khairy and Abidin (2018) declare that a positive influence happens in spiritual promotion and place. Unfortunately, both product and price do not affect this loyalty. Also, Nurjannah et al. (2023) confirm this insignificant effect of spiritual marketing when studying the loyal consumers of *Bank Syariah Indonesia*.

Based on these varying results, this study wants to prove the effectiveness of spiritual marketing on the loyalty of consumers of Wardah products in Jakarta. Wardah is the brand for beauty products manufactured by Paragon Technology and Innovation Inc. for females (Lesmana & Ayu, 2019). It obtains the halal certificate for its goods for the first time domestically from the Indonesian Ulema Council and globally from the World Halal Council among competitive brands in Indonesia (Revitasari, 2022), like Revlon, L'Oréal, Silky Girls, La Tulipe, Maybelline (Lesmana & Ayu, 2019), Pixy, and Viva (Nyoko et al., 2020). According to its official website: <https://www.wardahbeauty.com/en/product/list/sale>, Wardah offers skincare, make-up, body care, and hair care to its consumers.

2. Research Methods

This study utilizes the independent variable: spiritual marketing, and the dependent variable: customer loyalty. Furthermore, the items to measure spiritual marketing and customer loyalty refer to Hermawati et al. (2022) and Suhartanto et al. (2020) one-to-one.

Table 1: Variable Definition

Variable	Definition	Items	Source of items
Spiritual marketing	The application of spiritual values in the business to distribute the company's products in the marketplace (Bambang et al., 2021)	When marketing Wardah products, the salesperson is: a. Truthful: what the person says about the products is proven (SM1) b. Polite and humble to customers (SM2). c. Well-organized and performing neatly in working (SM3). d. Non-discriminative in serving the customers (SM4).	Hermawati et al. (2022)
Customer loyalty	The dedication of customers to constantly buy the products based on a positive mindset (Kotler & Keller, 2015)	I love these Wardah cosmetic products more than the other products offered by the competitors (CL1) I suggest that my other recognized people utilize these Wardah cosmetic products (CL2). I will keep using these Wardah cosmetic products in the future (CL3).	Suhartanto et al. (2020)

Furthermore, these items are included in the questionnaire and distributed online to the consumers of Wardah products in Jakarta. Because the population size is unknown, the purposive sampling method is used to take the samples. According to Hartono (2012), this method applies some criteria. In this study context, the requirements

are that they have to live in Jakarta, be aged between 15 and 30, and have already purchased Wardah products within one month left.

Additionally, this study utilizes the structural equation based on variance to analyze their response to the items. It can be applied to the model with small samples (between 30 and 100) or large samples: above 200 (Sholihin & Ratmono, 2020). In this study, the model can be seen in the first equation.

$$CL = \beta_1 SM + \zeta \dots\dots\dots (Equation 1)$$

This structural equation model automatically uses a confirmatory analysis factor as the validation testing tool. This validity testing involves loading factors and average variance extraction (AVE) compared with 0.7 and 0.5, respectively. The respondents' answer is accurate if the loading factors and AVE are above these cut-off points (Sholihin & Ratmono, 2020).

Besides, the valid answer of respondents needs to pass the reliability test. Then, to facilitate this test, this study utilizes the Cronbach Alpha and composite reliability coefficients with a cut-off point of 0.7. The valid answer is reliable if these coefficients are higher than this point (Sholihin & Ratmono, 2020). By mentioning Ghozali (2021), this study utilizes R-square and Q-square to assess the model with this rule. The R-square's cut-off points to judge the determinants' strong, middle, and weak contributions are 0.67, 0.33, and 0.19. If Q-square is upper than 0, the model can powerfully predict.

3. Results And Discussion

3.1. The features of respondents

Based on the survey in December 2022, this research obtained 90 responsive customers using Wardah products, covering 65 females (72.22%) and 25 males (27.78%). Their number aged between 26 and 30 was 45 (50%), 20 and 25 was 40 (44.44%), and 16 and 20 was 5 (5.56%). Mostly, they preferred buying skincare (30 persons, 33.33%). The rest liked to purchase make-up products (28 persons, 31.11%), body care goods (15 persons, 16.67%), and hair care goods (17 persons, 18.89%) (see Table 2).

Table 2: The number of respondents based on gender, age, and the type of products preferred to purchase

Feature	Description	Total	Portion
Gender	Female	65	72.22%
	Male	25	27.78%
Age	16-20	5	5.56%
	20-25	40	44.44%
	26-30	45	50.00%
The type of products preferred to purchase	Skincare products	30	33.33%
	Make-up products	28	31.11%
	Body care products	15	16.67%
	Hair care products	17	18.89%

Source: Processed primary data

3.2. Validity and reliability testing results

Table 3 presents the validity and reliability testing results. For spiritual marketing, the loading factor of SM1, SM2, SM3, and SM4 is more significant than 0.7: 0.869, 0.937, 0.873, and 0.826, and AVE is higher than 0.5: 0.769. Because these values are above the required level, an accurate response to the items exists. The Cronbach Alpha and composite reliability coefficients are more significant than 0.7: 0.899 and 0.930; hence, the precise answer is reliable.

For consumer loyalty, the loading factor of CL1, CL2, and CL3 is more significant than 0.7: 0.841, 0.902, and 0.812, and AVE is higher than 0.5: 0.727. Because these values are above the required level, an accurate response

to the items exists. The Cronbach Alpha and composite reliability coefficients are more significant than 0.7: 0.812 and 0.888; hence, the precise answer is reliable.

Table 3: Validity and Reliability Testing Result

Variables	Items	Loading factor	AVE	Cronbach Alpha coefficient	Composite reliability coefficient
Spiritual Marketing	SM1	0.869	0.769	0.899	0.930
	SM2	0.937			
	SM3	0.873			
	SM4	0.826			
Consumer Loyalty	CL1	0.841	0.727	0.812	0.888
	CL2	0.902			
	CL3	0.812			

Source: Modified Output of Smart PLS

3.3. The results for model estimation

Table 4 provides the result for model estimation with an R-square of 0.654, almost reaching 0.67. It means the contribution of spiritual marketing to consumer loyalty is slightly substantial. Also, the Q-square above 0: 0.462 shows that model has predictive relevancy. This study result demonstrates that spiritual marketing positively affects consumer loyalty, proven by the probability of the t-statistic less than 5%: 0.0000.

Table 4: The results for model estimation: The effect of spiritual marketing on consumer loyalty

Causal Association	Original Sample (O)	Standard Deviation (STDEV)	T-Statistic (O/STDEV)	Probability
SM → CL	0.809	0.059	13.645	0.000
R-square	0.654	Q-square	0.462	

Source: Modified Output of Smart PLS

4. Discussion

This research result shows that spiritual marketing positively influences consumers' loyalty to Wardah products. As products with the halal certificate, the firm producing Wardah can effectively market them to Indonesians, dominated by Muslims. Indeed, this circumstance encourages female Muslims to consume products to obey what the Al-Quran teaches. Hence, this result is in line with Kusumadewi and Lestari (2017), after investigating one-hundred depositors of the Shariah Mandiri Bank in Cirebon as the samples. Also, it supports Rini and Absah (2017), using two-hundred consumers from sixty-four Shariah banks in Medan branches. Besides, this study confirms Suhartanto et al. (2020), employing 457 adult females becoming halal cosmetics users in Bandung.

In this research context, to realize the loyalty of its customers, the firm producing Wardah products needs to keep spiritual values based on Islamic perspectives to market them. Therefore, the salespersons or employees serving consumers are expected to explain the halal aspect by denoting the ingredients in the products. Also, politeness and humbleness need to be owned by the employees to make the customers impressed. Furthermore, the employees have to serve the customers fairly, without seeing the difference based on gender, race, religion, and group. It is in line with the motto of the Republic of Indonesia: diversity in unity or *Bhinneka Tunggal Ika*.

5. Conclusion

The halal label is mandatory for the products marketed in Indonesia, the most prominent people with Islamic religion worldwide. As the producer of cosmetic products, Wardah uses this situation to be the pioneer in getting the label. As a result, spiritual marketing based on an Islamic perspective is needed. This study appears to examine the effectiveness of spiritual marketing in affecting the loyalty of consumers. After obtaining the responses from

the survey in December 2022, this study analyzed them statistically and concluded that spiritual marketing could enhance loyalty.

This study is limited in some aspects. Firstly, it only utilizes one determinant of customer loyalty: spiritual marketing. Secondly, ninety respondents are used as the sample size. For the first limitation, the subsequent scholars can use other factors, such as emotional marketing and religiosity. Also, they can add satisfaction to mediate the influence of spiritual marketing and religiosity on loyalty. To overcome the second one, the following scholars can enhance the number of utilized samples to 200 or above as the requirement for theory verification. If this number is fulfilled, the structural equation model based on covariance can be employed. The way to achieve this condition is by taking the consumers as samples in other giant cities in Indonesia, like Surabaya, Medan, Bandung, and Semarang.

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