

Building Loyalty Based Sharia in Financial Services Companies (Study on BMT Sidogiri Pasuruan)

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Abstract— This study aims to examine and analyze the relationship between adherence to Sharia Principles to customer loyalty, with trust as mediation in the BMT Sidogiri East Java. This type of research is explanatory research, which is research that wants to find explanations in the form of causation. This study aims to analyze and examine the effect of adherence to sharia principles on customer loyalty with trust as mediation in BMT Sidogiri East Java. This research was conducted by distributing questionnaires to 136 loan recipients gardulhasan BMT Sidogiri. This research was conducted by distributing questionnaires to 136 loan recipients of gardulhasan BMT Sidogiri located in Pasuruan, Malang, Surabaya and Mojokerto branches. Sampling is done by purposive sampling. The data analysis method used is the PLS method. The results of this study prove that adherence to Sharia Principles can increase the loyalty of BMT Sidogiri customers through trust as mediation. Trust significantly contributes to increased customer loyalty, compared to if adherence to Sharia Principles is directly related to loyalty.

Keywords— *Obedience to the principles of sharia, trust, and loyalty*

I. INTRODUCTION

In the view of society, adherence to Sharia Principles implies integrity and credibility [1]. The trust must be maintained while maintaining the principles of sharia in accordance with the principles of Islamic law and Sharia banking law. Without compliance with the Sharia Principles, the community will lose trust in Islamic financial institutions such as BMT and will have a negative impact on the image or good name of BMT. Recently, the development of BMT has been very rapid; this is marked by the increasing number of BMTs established in almost all regions. The number of BMTs should be followed by the services of different financial institutions in the style of sharia; BMT must have a strategy that can really increase customer loyalty. The right marketing strategy on the similarity of types of services offered by a company is a strategy that has a sustainable competitive advantage, which is a business that is difficult to imitate and has advantages that its competitors do not have.

Stated that in tight market competition conditions, Islamic banks have no choice but to apply the concept of marketing [2]. More precisely, Islamic banks must become

consumer-oriented institutions. This study will take samples of customers who have or are currently receiving loans at the BMT Sidogiri East Java.

The reason why financing customers are selected is because of the financing customers who have worked with BMT who can provide an assessment of the BMT related to the implementation of Sharia Principles that are being carried out in their operations. Is BMT Sidogiri consistent and committed to implementing sharia principles that are the basis of its operational implementation?

The results of the research from [3] explained that the public's view of bank interest is haram or syubhat has a positive and significant effect on the probability of society to save on Islamic banks. Furthermore [4] explained that there are several principles of Islamic finance that are strictly prohibited by religion, namely: (1) the prohibition of riba (interest), (2) prohibition of gharar (uncertainty), and (3) Prohibition on maisir (gambling). The existence of this prohibition, then to meet the needs of the people who want to carry out this religious order is needed financial institutions that operate in accordance with sharia principles, namely Islamic banking or sharia microfinance institutions such as BMT. This reality is what makes Islamic banking (BMT) must exist because it is the right solution for people who do not want to use banks or conventional financial institutions.

To increase customer trust and loyalty, BMT must really carry out sharia principles properly and correctly in accordance with the Qur'an and Hadith [5]. The implementation of Islamic principles in accordance with the Al-Qur'an and Hadith, of course, will increase the trust of the people who so far have a negative view of Islamic banking and BMT in relation to their adherence to sharia principles properly. Based on the results of research by [6], which shows that the views or perceptions of the people of East Java about the existence of Islamic banks are very low. In connection with the description above, the selection of society against Islamic banks is not only based on religious reasons, such as the research of [7]; conduct research in Jordan and find that religion is not the main motivation for customers who use Islamic banks.

Concluded that important factors for customers who choose Islamic banks are fast and efficient services, bank reputation and image, and confidentiality [8]. According to him, there is no impact from religion on the criteria for bank selection. Conducted a study of 301 Muslims and non-Muslims in Malaysia [9]. The result is religious

motivation is not a major factor for Muslims in choosing Islamic banks. Providing quality services is a very important factor in choosing Islamic banks. Results of research from [10] explained that the main reasons for Islamic bank customers remain loyal are based on economic reasons, such as the speed of service, the secrecy of Islamic banks, friendly staff, location, bank reputation, interest and excellence, and various products. The research conducted by [11] [12] in Jordan found that customers who maintain their relationship or remain loyal to Islamic banks are their adherence to sharia principles.

Faith factor and belief in the prohibition of usury is a reason to keep in touch with Islamic banks. Furthermore, [13] study of 300 Muslims living in England found that the reason for religion was the main motivation for Muslims in Britain to choose Islamic financial institutions. In accordance with the results of Omer's research [14] study concluded that most Faisal Islamic bank customers in Egypt were Muslims who chose to obey Islamic law. In connection with the persistence of the results of previous studies on the influence of adherence to sharia principles on customer loyalty, the research on the effect of adherence to sharia principles on customer loyalty still needs further research.

Based on the description, as stated above, the problem in this study is to examine and analyze the influence of several confidence-forming variables in the Sidogiri BMT in East Java. The purpose of this study is to test and analyze the influence of the Fidelity of the Shariah Principles and Trust on the loyalty of customers of BMT Sidogiri Pasuruan.

II. LITERATURE REVIEW

Obedience to Sharia Principles

Adherence to Islamic principles is a form of human commitment or obedience to the commands or prohibitions of Allah based on the Qur'an and Hadith. Likewise, with muamalah or the economy, it must also be subject to the principles of sharia which have been arranged based on the Qur'an and Hadith. Compliance with the Sharia principle is an absolute requirement that must be met by financial institutions that run their business based on sharia principles. In the community's view, Adherence to Islamic principles implies integrity and credibility (1). Without Adherence to Islamic principles, people will lose trust in Islamic financial institutions such as BMT and will have a negative impact on the image or good name of BMT. Muamalah activities must avoid three things, namely *riba* (interest), *gharar* (uncertainty), and *maisir* (4).

In addition to the basic restrictions above, there are other practices that are prohibited or recommended: 1) Price manipulation is prohibited. The price of goods and services must be determined by market demand and demand factors without intervention even by regulators; 2). Adequate information is recommended. When two parties are bound to a contract, both must have fair and equal access to information; 3) Mutually beneficial and mutually beneficial cooperation is recommended. This is in accordance with the verses in the Qur'an and the Hadith of the Prophet Muhammad referring to this. Differences from transactions

based on sharia and capitalist principles [15]. The principles of sharia transactions are based on sharia principles that are different from capitalist principles which are essentially only for personal interests, profits or profits, and without being burdened with social responsibility or divine values or ethics. The sharia principles underlying each transaction are:

- *Ukhuwah* or brotherhood, this means that business transactions are carried out based on the harmonization of the interests and benefits of all parties that are carried out in mutual cooperation and help.
- 'Is or justice means having to make every transaction in accordance with the rules and provisions of the Shari'a.
- *Maslahah* or benefit. This is a measure that must be used as a basis for determining whether or not a transaction can be made.
- *Ta'awazun* or balance, this means that transactions or economic activities must be carried out in a balanced manner with material and spiritual measures, between the world and the hereafter, the money sector, and the real sector, and must be balanced between work and results.
- *Syumuliyah* or universal. Islam and the messenger of Allah were sent to all and all nature.

Based on the opinions above, it can be concluded that adherence to Islamic principles is the thing that distinguishes from conventional MFIs. Customers are not interested in offering similar products/services from competitors and will always use the product/service.

Trust

In a relationship, especially in business relationships with partners, trust is needed, because, without trust, there will be no agreement or cooperation. Thus, in a relationship, there must be a name for trust between one party and another. Especially for financial service companies whose bills are full of risk, meaning that cooperation is based on intangible (non-physical) matters, so that prior to an agreement or cooperation, the element of trust must first exist.

According to [16], trust is a key element in the emergence and maintenance of social exchange relationships. Trust as a control mechanism that facilitates exchange relationships characterized by uncertainty, vulnerabilities, and dependencies. Furthermore, the main function of trust is to reduce uncertainty, which refers to the perception of an individual's inability to accurately predict something. These characteristics are reflected in the financial services industry such as BMT, where customers are unable to personally investigate BMT as a seller of financial services, physically checking the products/services offered. Here, customers have limited information, so customers try to reduce the complexity of human behavior in situations where people must overcome uncertainty.

Conceptualize trust as a multidimensional construct that includes *Ihsan* competence and behavior [17]. Proposed a measure of trust that includes three dimensions: altruism, honesty, and reliability [18]. Measure trust based on credibility (based on partner reliability and expertise) and *ihsan* behavior (focused on the intention to change partners) [19]. A similar approach was carried out by [20].

The consequences of trust have been found to have positive outcomes, such as long-term relationship orientation [21], and loyalty [22]. In the service sector, trust is the reliability and integrity of service providers, which is shown to be important in dealing with the emotional nature of consumer loyalty [23]. In connection with the foregoing, to build trust among partners requires a commitment and hard work. BMT must always try to keep what has been promised to its partners, of course, the effort to hold this commitment requires hard work and very high discipline. Just a little BMT is negligent and does not commit to what has been promised, so do not expect customers to trust BMT services again.

From some of the definitions above, it can be concluded that the dimensions of trust are beliefs that are a reflection of two components [19]:

- **Credibility;** is the extent to which BMT customers believe that BMT has expertise in conducting activities effectively and reliably. Reliability means something that is reliable or reliable. This means relating to the quality of the individual/organization. Reliability must be done with action;
- **Benevolence;** is the company's willingness to provide mutually beneficial satisfaction between itself and consumers. The profit obtained by the company can be maximized, but customer satisfaction is also high. The company is not solely pursuing maximum profit, but also has great attention in realizing customer satisfaction.

Customer loyalty

Loyalty itself makes customers invest and refinance, then recommends the products/services they use to others, and is expected to survive to continue to use these products/services despite the promotion of other BMT products/services. Consumer loyalty can be defined as a repetitive buying behavior that has become a habit, in which there has been a linkage and high involvement in consumer choices towards a particular object, and is characterized by the absence of external information search and alternative evaluation [24].

In Islam, loyalty is closely related to the halal-haram of a product or service offered, so that in the case of the selection of financial institutions, of course, consumers in choosing the institution will also consider it. This is in accordance with the recommendations in QS. Al-Maidah: 91 the following:

"Surely the devil intends to cause hostility and hatred between you because of (drinking) khamar and gambling, and blocking you from remembering Allah and praying; then stop you (from doing the job)."

In relation to the above verse, it can be explained that as Muslims, they cannot gamble and drink because it will keep away from remembering Allah. Likewise, in terms of trade, it should avoid unlawful things such as usury, gharar, and maysir, because it can cause a loss in the world, as explained in the previous chapter. Therefore, to increase the loyalty of Muslim customers, business people need to understand the Islamic Shari'a or the restrictions that are in

the Qur'an. Thus the products or services offered can be accepted by Muslim consumers.

Now, the community demands a company not only to prioritize its economic aspects, but also the social aspects which are a manifestation of its adherence to sharia principles. This is what can make customers loyal to a BMT. Loyalty itself makes customers invest and refinance, then recommends the products/services they use to others, and is expected to survive to continue to use these products/services despite the promotion of other BMT products/services. Consumer loyalty can be defined as a repetitive buying behavior that has become a habit, in which there has been a high degree of involvement and involvement in consumer choices towards certain objects, and is characterized by the absence of external information search and alternative evaluation [24].

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Furthermore, [25] explained that the company's ultimate goal in establishing relationships with customers is to form strong loyalty. Indicators of strong loyalty are:

- Say positive things, is to say positive things about the products that have been consumed.
- Recommend friend, is to recommend products that have been consumed by friends.
- Continue purchasing, is a continuous purchase of products that have been consumed.

Also explains some characteristics of loyal customers [26], including:

- **Make consistent repeat purchases**
Customers buy back the same product offered by the company.
- **Recommend company products to others**
Customers communicate by word of mouth regarding the product to others.
- **Consumers do not easily switch to competing products**

Customers are not interested in offering similar products from competitors and will I always use the product. According to [27], customer loyalty is a behavioral drive to make purchases repeatedly and to build customer loyalty to a product/service produced by the business entity takes a long time through a repetitive purchase process. Building customer loyalty is a strategic policy for the company. The company views customer loyalty as part of the company's strategy in dealing with competitors and connecting companies with the market (consumers). Customer loyalty is needed as an element in a competitive marketing strategy. Specifically, in the face of increasingly competitive market conditions, companies often, rely on

their future for customer loyalty. Therefore, some companies often identify customer loyalty as a guarantee of short-term and long-term benefits for the company.

Based on several definitions of loyalty above, then in this study using the dimensions of loyalty based on [26] which explains some characteristics of loyal customers, including:

- Conduct consistent repeat transactions
Customers reuse the same products/services offered by the company.
- Recommend company products to others
Customers communicate by word of mouth regarding the product/service to others.
- Consumers do not easily switch to competitors' products/services
Customers are not interested in offering similar products/services from competitors and will always use the product/service.

III. METHOD

Research Results

From the results of research by [11], it can be concluded that the findings of the study indicate that the decision of bank selection made by consumers is dominated by religious considerations. Compliance with Islamic principles is found to be the most important selection criterion, followed by the rate of return. This is the basis of the present study to examine the effect of obedience variables on sharia principles on the confidence of bank customers. Another study from [12] on 180 BMTs and Islamic financial institutions operating in Asia, Africa, Europe, and the United States with more than 8000 branches and an estimated turnover of 170 billion dollars. The Islamic banking system is expected to get stiff competition not only from Islamic banks themselves but also from established conventional banks offering Islamic banking products and services.

This study measures the variable level of consumer awareness and satisfaction with an Islamic bank in Jordan. A sample of 206 respondents was included in this study. Likewise, research from [13] of 300 Muslims in the UK shows that the reason for religion is the main motivation for Muslims in Britain to choose Islamic financial Institutions. Furthermore, they concluded that most Islamic bank customers are Muslims who choose to obey Islamic law [14]. The findings of this study indicate that the majority of consumers have a relationship with Islamic banks for religious reasons, namely because Islamic banks run the principles of sharia. Even the three main reasons for the majority of respondents can be seen as religious reasons because Islamic banks operate in accordance with Islamic teachings, so Islamic banks have a good reputation and maintain client confidence in the issue of operations and information disclosure. On the other hand, the conventional reason for establishing a relationship with a bank, such as profit, does not get much support from the respondents.

Those who have relations with Islamic banks are ready to accept whatever return is given provided that the bank complies with sharia principles and they trust Islamic banks

to manage their funds and at the same time carry out religious teachings. Likewise, the research explained that between perceptions of religiosity and trust, perception of religiosity and loyalty and trust and loyalty proved to have a positive and significant relationship [28]. From the results of this study can be explained, that to prevent the transfer of customers to other banks (BMT), the BMT must be able to increase customer confidence in BMT by taking actions (business) related to the bank's reputation (BMT) and satisfaction from bank customers (MFIs).

Research from [29] with research variables perception of value, trust, satisfaction, habits, and consumer loyalty. The findings, consumer satisfaction, shows the strongest direct effect on consumer loyalty, while perceived value shows a stronger total effect on consumer loyalty compared to customer satisfaction. This belief directly affects desires (the desire to buyback). Consumer satisfaction is also considered as a mediating variable between trust and consumer loyalty. This shows that cognitive variables (e.g., perception of values and trust) are mediated by affective only (e.g., consumer satisfaction) to provide conative results (e.g., consumer loyalty). This finding shows that satisfaction has an important intervening role in the relationship of perceived value and trust to consumer loyalty. To understand consumer repurchase behavior, multidimensional models, which pay attention to cognitive and affective variables, are needed. Thus, the concept of value perception, trust, and customer satisfaction do not replace each other but complement each other.

Research Method

This study uses the positivist paradigm, which is research that emphasizes the importance of finding facts and causes of social symptoms that exist in society. This research is quantitative research, which aims to develop knowledge through testing hypotheses proposed, taking measurements and observations, and testing a theory of [30]. This type of research is explanatory research and aims to explain the causal relationship between several situations described in variables, then draw a general conclusion [31].

Research sites

The location was chosen by using purposive sampling, and because the limitations of researchers in researching all branches of BMT Sidogiri were located, the location was chosen referring to the existence of Bank Indonesia in East Java and based on branches that could provide high qardulhasan loans reaching Rp. 2,000,000 - and includes the branch with the highest number of customers. The order of the branch of BMT Sidogiri, which has the biggest customers, is the Pasuruan, Malang, Surabaya, and Mojokerto branches (marketing section information).

Population and Research Sample

The target population in this study were all customers of card hasan financing Baitul Maalwat Tamwil (BMT) Sidogiri located in East Java. The sampling technique in this study is non-probability sampling because the object of this research is that customers who receive benevolent loans (qardulhasan) from BMT Sidogiri and their numbers are not known for sure because they are confidential, and customers do not have savings in other financial institutions.

Based on the consideration of maximum likelihood estimation, the sample size of 80 can already provide valid

results, but the smallest number of samples is not recommended, and the minimum sample size in the study is a minimum of 100 respondents [32]. Based on this opinion, the number of samples in this study was set as many as 200 customers, to anticipate the questionnaire was not returned or not feasible for further testing.

Research Instruments

Scoring measurements for question items on the problem studied using a Likert scale, one to five levels of scale that produces a response to a stimulus that is presented in the form of categories that state an attitude or certain information from the respondent [31]. The criteria for positive statements in the research variables are 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

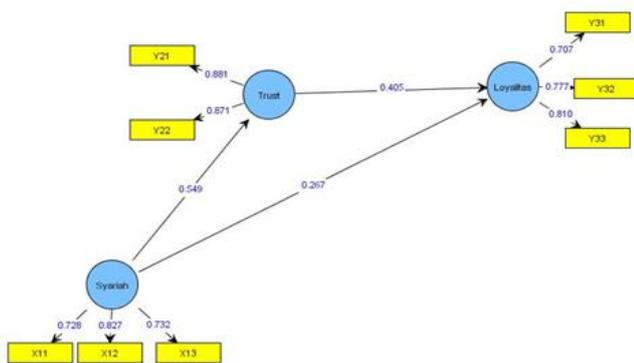
Data Analysis Techniques

Data analysis techniques in this study using Partial Least Square (PLS). PLS is used because in this study using the theory based on the Qur'an that is not universal; the truth is only recognized by Muslims only. Thus, the use of PLS is appropriate.

Research Hypothesis:

Obedience effect on sharia principles on loyalty with trust as mediation.

IV. RESULT AND DISCUSSION



Picture 1: Result Data

Obedience effect on sharia principles on loyalty with trust as mediation.

Trust has an important role in mediating the relationship between Sharia Principles on customer loyalty, according to [33], that trust requires total commitment to God's will and therefore 'involves compliance and mission to follow sharia in all aspects life,' including economic aspects. In connection with that, then every believer will surely carry out all orders and avoid the prohibitions set by God. So with the increasingly strict BMT running sharia principles, the customer's trust in BMT will increase, because customers believe that BMT will treat customers well and honestly and will not be able to deceive customers.

As a Muslim, you should give help to others, because that is an order from Allah SWT. In Islam, a trade which contains elements of fraud or manipulation is strictly prohibited, as is the hadith of the Prophet Muhammad: which prohibits many swearing-in sales, because

manipulation will eliminate blessings (5) HR. Muslim, An-Nasa'i, and IbnMajah). Islam teaches honesty in marketing or promoting its products or services in accordance with the actual conditions; all must be transparent/clear, nothing should be covered, both parties must get clear information about the object being traded. "Therefore, one of the most important trading characters and blessed by God is the truth. Anyone who runs a trade that is in accordance with Islamic law will certainly treat his customers well and honestly. BMT Sidogiri, which has run its operations in accordance with sharia principles, will certainly behave well and show high credibility, all of which will increase customer loyalty.

Sidogiri BMT which has implemented sharia principles properly and correctly has received a reply from Allah in the form of extraordinary trust from its customers, which in turn forms customer loyalty. This fact is also reinforced by the results of interviews with customers who say that BMT Sidogiri is a good and trusted BMT because BMT Sidogiri has a good reputation with a mean (4.32) and high credibility in the eyes of customers with the mean (4.2). This is because BMT has worked hard tirelessly with full dedication to achieve success, so get maximum results. So as a Muslim, he has to do his job full of responsibility, professional, honest, and trustworthy, such as when praying, then pray as if seen by Allah SWT. If you cannot see Allah SWT, then Allah SWT sees. This is an example of how to do everything as well as possible or professionally and not carelessly. Thus, as a Muslim must have the nature of always being the best so that it is not easily satisfied, innovative, and creative. Islam also teaches the concept of Ihsan, which states that tomorrow must be better than today if it will not experience a setback, so that the implementation of sharia principles properly, it will make BMT as a trusted and credible BMT in the eyes of customers and the public.

This finding is in accordance with the results of research from Fatmah [28] which explained that the perception of religiosity (religious symbols, zakat, halal business and prohibition of usury) affects the customer's trust. The results of the study show that the assessment of the good and bad truth of the application of Islamic values in the operation of BMT Sidogiri will have a major influence on customer confidence.

The existence of adherence to sharia principles that become the standard of BMT operations will certainly increase trust in customers because customers believe that BMT as an Islamic financial institution will behave well (Ihsan) and act honestly with customers. So, the use of sharia principles in BMT financial transaction operations is a guarantee for customers, that BMT is a trustworthy BMT.

The results of this study prove that what is in the Al-Qur'an is proven true, that in doing all activities, including business, it must be interpreted as worship. By interpreting all activities that run as worship, a Muslim certainly will not cheat or lie that can cause harm to others because the lies committed will get a return to hellfire or torment from the grave of Allah SWT. The greater path coefficient on the effect of adherence to sharia principles on trust also explains that customer loyalty is formed after BMT does something that can increase trust, then what is called

customer loyalty, such as: 1) prohibition of usury; BMT here really stay away from what is usury by not withdrawing benevolent loans with additional fees, the benevolent loan is only returned to its principal, and the benevolent loan is only subject to administrative fees of no more than 1%; 2) prohibition of gharar; which is truly safeguarded by always ensuring that merchandise traded by customers does not contain illicit elements; 3) prohibition on maysir; BMT here ensures that the benevolent loans obtained by the customer are not used for businesses that contain gambling or chancy elements such as traders who buy rice using a bonded system. So, with the obedience of BMT in implementing sharia principles as above, it makes the customer believe, from this trust raises what is called customer loyalty.

By good deeds and giving help to others, God will repay the deed, the reward of God in the world in the form of customer loyalty while in the Hereafter in the form of heaven. Furthermore, the results of this hypothesis also explain the effect of trust on loyalty in this study has been proven (significant). This finding is consistent with the results of the study [23], [29], [34], , [35], [36] that trust affects loyalty.

By proving the hypothesis in the current study, this shows that in order to build customer loyalty, a BMT needs to make the customer trust the BMT first, by increasing the ihsan behavior (virtue) and credibility of BMT in the eyes of customers. In the context of service companies such as BMT, where customer loyalty includes false loyalty, the customer cannot simply trust BMT, even when BMT informs that it has implemented sharia principles in the financial transactions it has done. Thus, BMT must try to build trust by doing positive things that can satisfy customers, give attention, treat customers fairly and fairly, and maintain BMT's reputation and integrity by sticking to sharia principles.

Ihsan behavior and credibility of BMT is very important in shaping customer loyalty because these two things can create trust in customers to remain loyal and loyal to BMT. To build trust in long-term relationships takes a long time. This evidence is in line with the results of consumer perceptions of the length of time being a customer. There were 75% of respondents who had established a relationship with BMT Sidogiri for the past three years. These results indicate that to build trust takes a long time; new customer loyalty will be created. Trust does not appear suddenly in a business relationship, but it takes hard effort to make it happen. However, when trust has been achieved, it becomes important to maintain the bond between consumers and

BMT, even when there is no perception of superior performance compared to competitors.

Trust is recognized as having an important role in influencing relationship commitment and consumer loyalty. Thus, when consumers have confidence in the reputation of a BMT, it means that customers are also likely not to move to another BMT. In the service sector, ihsan behavior and credibility are important things that must be owned, because these two things will be the capital in forming long-term relationships and the requirements of loyalty. Customer confidence in the behavior and credibility of

BMT will certainly increase customer loyalty; the more customers trust BMT, the higher the customer loyalty.

Furthermore, to see the magnitude of the role of trust mediating variables, the results of the analysis can be seen directly between the influence of sharia principles on loyalty through trust, proven trust has an important role in mediating the influence of sharia principles on loyalty. These results prove that the role of trust in increasing customer loyalty has an important role. In the future, Sidogiri BMT needs to improve its ihsan behavior and credibility in providing services and continue to foster relationships with customers, so that the goal of the existence of in order to improve community welfare will be achieved.

Based on the description of the research results stated above, informing the loyalty of BMT Sidogiri customers, the things that must be done are: first; increasing trust in customers by maintaining good behavior and maintaining the credibility of BMT, and secondly; BMT not only focuses on avoidance of usury practices but must always implement all sharia principles in its business activities, such as the prohibition of gharar and maysir.

Researcher's Findings

Based on the results of data analysis and discussion, theoretical studies, and empirical studies, the findings of this study can be explained as follows:

- These findings prove that adherence to Sharia Principles affects loyalty with trust as mediation. Customer loyalty will be formed if the customer already has trust in the company.
- The results of this study prove that adherence to Sharia Principles can increase customer loyalty and trust, so BMT must increase trust in the form of ihsan behavior and credibility.

Research Implications

The results obtained from this study are expected to be able to provide development for marketing management science, especially the theory of consumer behavior. The implications of this study include theoretical and practical implications.

Theoretical Implications

- The results of this study have scientific implications for marketing management, especially in customer loyalty behavior through conceptual and theoretical development regarding the implementation of adherence to sharia principles in increasing customer loyalty both directly and through the mediating role of trust.
- The empirical findings of this study provide empirical evidence that the adherence to sharia principles have an indirect effect on customer loyalty, meaning that in order to prove that the Sharia Principles Influence affect customer loyalty, the Compliance of Sharia Principles needs to be translated more concretely in the form of trust.
- The results of this study provide a research concept regarding the influence of Sharia Principles on customer loyalty with trust as a mediating variable, where the findings prove that trust acts as a mediating variable.

These results explain that trust has a very important role in bridging the relationship between Compliance of Sharia Principles with customer loyalty.

Practical Implications

The results of this study can provide practical benefits in the application of adherence to sharia principles in a sharia microfinance institution (BMT), which will increase customer confidence. The description of the practical implications of this study are as follows:

- Providing the concept of marketing strategy to the BMT in maintaining customer loyalty. In the future, BMT must maintain and increase the trust of its customers in the form of (ihsan behavior and credibility), so that customers are more confident and loyal to Sidogiri BMT.
- For the long term, BMT must run sharia principles in a manner that is especially effective at the gharar and maysir levels, so that customers are more confident and loyal to the Sidogiri BMT.

Limitations of Future Research and Research Direction

Limitations in this study are:

- This study uses only two independent variables, namely Compliance of Sharia Principles and trust in researching loyalty.
- In the future, future research can include other variables such as image, satisfaction, perception, and commitment in examining the loyalty of BMT customers or other sharia financial institutions.
- Further research can use respondents living in urban areas.

V. CONCLUSION

Based on the results of testing the hypothesis, the results of the discussion and research findings, some conclusions can be put forward as follows:

- The findings of this study prove that adherence to sharia principles can increase the loyalty of BMT Sidogiri customers through trust as mediation. This is a proof of whoever carries out religious orders properly and correctly, then Allah SWT fulfills his promise with blessings, in the case of BMT Sidogiri get high loyalty from its customers.
- That trust has a very important role in shaping customer loyalty, so that BMT which is managed with sharia principles must strive to increase public trust in all decisions and strategies for developing its business. BMT must avoid usury, gharar and maysir, always be honest and maintain transparency in every financial transaction so that the level of public trust continues to increase.
- The findings of this study prove that trust is very important for customer loyalty, because by carrying out the Sharing Principles is a symbol of obedience and trust as a symbol of honesty and trustworthiness, then BMT gets high trust and loyalty from its customers.
- The results of this study provide empirical evidence, that customer loyalty is not only formed from religious or

economic aspects, but also formed from three aspects, namely religion, economy and social.

Suggestions

Based on the results and conclusions of the study, some suggestions that can be recommended in this study are:

- To increase trust, BMT Sidogiri is advised to maintain and improve its behavior and credibility in the eyes of customers, so that the loyalty of BMT Sidogiri customers can be maintained and improved. In the future, Sidogiri BMT needs to improve the quality of service, integrity and performance, so that BMT Sidogiri is more developed.
- These findings provide input for BMT leaders, that in order to increase customer loyalty in addition to implementing sharia principles properly and correctly, BMT is also required to carry out sharia principles properly and properly, so that customer confidence is well maintained, which in turn can improve customer loyalty.

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