

Focus on Two Points Toward Loyalty: Analysis of A Vehicle Workshop Business

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Abstract—In line with the increasing number of motor vehicles, competition is also fierce in the small motor vehicle workshop industry in rural areas. Despite being favored for its straightforward management style and constant innovation to retain customers, field data reveals that motor vehicle customers have no other choice but to accept the services and prices set by the workshop. The purpose of this research is to identify two key factors that dominate customer loyalty in this business: service and/or price, which lead to loyalty. Based on observations in the Gunung Jati Cirebon area, we conducted the research at the busiest workshop. The population consists of all vehicle owners who pass through the workshop, the number of which is unknown because the workshop owner does not have a database of customers, whether local or from outside the city. Therefore, using the Lemeshow formula, we selected a sample of 97 people over approximately 2 months. The data collection methods used were observation, questionnaires, and documentation. We analyzed the data using the JASP version 0.18.3.0 statistical software. The results of this study indicate that there is a positive and significant influence between the independent variables (X1 Service and X2 Price) and the dependent variable (Y Loyalty). In other words, both X1 Service and X2 Price, either partially or simultaneously, have a significant impact on Y Loyalty. The ANOVA results conclude that the regression model as a whole is significant. This means that changes in the independent variables (X1 Service and X2 Price) can explain a lot of the changes in the dependent variable (Y Loyalty). This means that both X1 Service and X2 Price have a big effect on Y Loyalty. Understanding that prices and services are two things that make customers want to come back to the Gunung Jati Motor Cirebon workshop for repairs is important. This serves as a reminder for the workshop

owner to work on improving customer service and employee skills, which will make the supply and demand law in Islamic economics more reliable. The implications of the research provide strategic recommendations for retail workshop business operators to enhance competitiveness and retain customers in the long term.

Keywords— *service; price; consumer loyalty; sustainable vehicle workshop business.*

I. INTRODUCTION

Businesses or enterprises can use various methods to achieve profit [1], but they must conduct all operations in a halal and tayyib manner. It doesn't have to be branded as Islamic, but halal and tayyib practices have become common in business, which can minimize fraud and deception and even prevent corruption. Thus, halal tayyib can be broadly interpreted [2], including aspects of ethics in pursuing profit, which is a normal part of business as long as it does not harm others. Thus, the purpose of doing business has its limits, namely, the need to consider the interests and rights of others [3]. With piety, a person can always run a business because they believe that Allah is always there to help them if they do well and follow the teachings of Islam [4].

The success of any company depends on its relationship with customers who have a loyal customer base. As a result, companies must gain consumer loyalty through several means, such as 1) commitment to quality and value, as research indicates that commitment is a determinant of attitude and behavior loyalty [5], [6]. This is what becomes the company's long-term investment. The impact makes it easier to attract investors; 2) providing products or services with the same quality and competitive prices. In a study, social comparison behavior was found, as psychologically, consumers might compare their products with those of others they encounter in

their community [7]; 3) Communicating clearly with customers and providing reliable information about products and services. Communication is a big part of any organization, and people need to be able to work together to make decisions and improve performance [8]. Another thing that needs to be looked at is all of the different parts of customer service, like how reliable the service is overall, how quickly complaints are handled, and how proactive steps are taken to get and think about customer feedback [9]. However, only professional companies implement the total quality management agenda; family businesses or smaller micro-enterprises have not yet adopted it. In fact, this agenda also aims to build relationships with customers from a long-term perspective and avoid exploiting advantageous bargaining positions to maximize short-term profits.

Workshop business standards: Each company fundamentally possesses unique methods and capacities for business development. The first step involves fostering creativity and innovation in the business. In contrast, the second involves having a strategy in place to manage business activities and determine the company's output and outcome. A successful service strategy begins with forecasting consumer needs and setting company goals. Through a service strategy formulated by answering questions about the target market, service concept, operational strategy, and distribution system, it becomes a strength for a business to win the competition.

On the other hand, running a competitive service business can be challenging because it's simple for new companies to start up, core business activities are often very competitive, products can be substituted, and economies of scale are limited [10]. The level of output and outcome of the company subsequently impacts the development and progress of the company. Issues related to the company's development strategy can occur at the level of policies and regulations made, namely the inadequacy of these policies and rules in developing a business organization. However, problems may also emerge during the implementation of the formulated policies or strategies [4]. The three factors of service [10] and human resources are crucial for a business. Companies that fail to improve their service will face complex problems [11]. Service becomes one of the key factors in the service sector business that determines the success of the enterprise. Good service quality creates a sense of comfort for consumers, while poor service makes consumers reluctant to repurchase the product [10]. Good and quality service that can meet consumer desires refers to an ideal service strategy in accordance with general management principles. More specifically, it is described as a derivative of the general management concept adjusted to the company's situation and conditions as well as the goals to be achieved. Therefore, formulating strategies, implementing them, evaluating them, and making improvements to existing weaknesses determines the success of the service. The main idea behind service quality is to show all the different ways that service activities can be carried out to make the people who receive them happy. These ways should include responding quickly, building trust, providing clear evidence that can be seen, showing empathy from service providers, and being reliable in always doing the service tasks

to make the people who receive them happy [12], [13, pp. 32–69].

Competitive pricing is a pricing strategy that integrates two principles inherent in a competitive market. The profit principle dictates that we will select an action only if it yields maximum profit. In contrast, the principle of scarcity indicates that the market creates commodities that limit production possibilities, leading to increased costs. Based on standard assumptions, these principles indicate that profit maximization occurs at a specific price. Market prices decline only when price reductions are advantageous to the company, regardless of whether competitors also implement similar cuts [14]. Low prices do not inherently indicate high quality; similarly, high prices do not guarantee superior quality. The price-setting indicators exhibit significant dynamism. The online selling price is occasionally lower than the offline selling price. This is also a factor for consumers in their purchasing decisions. Various factors influence consumer purchase intentions [15]. A study found that (1) consumers' perceived value and subjective appearance intentions have a positive effect on their purchase intentions, while a decrease in price components has a negative effect on these intentions, and (2) shoppers' intentions go down when shopping risk goes up, and they go up when shopping risk goes down. Customer trust and attitude play a mediating role [15].

The assessment of a nation's economic development is reflected in economic growth, which signifies the increase in the production of goods and services within a specific economic region over a defined timeframe [16]. The export sector of goods and services recorded the most significant growth, reaching 11.68 percent. In Q1-2023, Indonesia's economy experienced a year-on-year growth of 5.03 percent compared to Q1-2022. All sectors of business experienced growth. Transportation and warehousing experienced significant growth at 15.93 percent, followed by accommodation and food services at 11.55 percent, other services at 8.90 percent, information and communication at 7.19 percent, and business services at 6.37 percent. Simultaneously, the manufacturing sector, which plays a pivotal role, experienced a growth of 4.43 percent [16]. The prevalence of the service sector across various domains substantially enhances Indonesia's GDP [10]. The automotive repair industry remains highly preferred among residents, particularly in rural regions.

The demand for workshop businesses remains significant among residents, particularly in rural regions. Visiting a showroom for maintenance or repairs often leads individuals to favor non-branded workshops for several reasons. Local residents favor Bengkel Gunung Jati Motor Cirebon due to its quality workmanship, strategic location, and competitive pricing that corresponds with consumers' purchasing power, all of which are essential for sustaining its loyal customer base. In the initial observation, the researcher identified a deficiency in human resources within the service; nonetheless, the workshop continues to attract significant interest. This contradiction warrants analysis. This aspect distinguishes it from prior research.

II. METHOD

We use the questionnaire approach to gather information for this study. We use service level and pricing surveys as instruments to determine customer loyalty. In the sense that respondents are expected to collaborate by dedicating time and responding to the research questions in writing in accordance with the instructions that are supplied, the questionnaire is considered to be cooperative. The Likert scale serves as the measurement tool. Researchers may use this scale in questionnaire-based research. Researchers utilize this scale to determine the subject's response on a six-point scale with equal spacing [17]. The Gunung Jati Motor Workshop in Cirebon, located in the Gunung Jati District of the Cirebon Regency, conducted this study. This workshop is considered one of the busiest in Gunung Jati. The researcher scheduled the research period to span two months, from August to September 2024. The researcher used questionnaires to solicit replies from the sampled population during this period. The total number of responses received was 97, with 32 males and 65 females participating. The approach that was utilized was random sampling, which is classified as a type of probability sampling in which the selection of the sample is carried out randomly from the population.

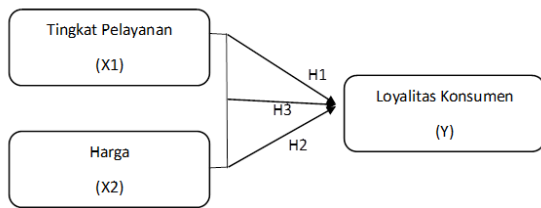


Figure 1. Conceptual Framework

Hypothesis is a temporary answer to the formulation of the research masaaah has been expressed in the form of a question sentence. It is said that while, because the answers given are based on relevant theories, they are not yet based on empirical facts obtained through data collection. So the hypothesis can also be expressed as a theoretical answer to the formulation of the research problem, not an empirical answer.

Ho1: Service has no effect on consumer loyalty to the business of Gunung Jati Motor Cirebon workshop Islamic Business Perspective.

Ho2: Price has no effect on consumer loyalty at Gunung Jati Motor Cirebon workshop Islamic Business Perspective.

Ho3: Services and prices have no effect on consumer loyalty to the business of Mount Jati Motor Cirebon workshop Islamic Business Perspective.

Ha1: Services affect consumer loyalty at Gunung Jati Motor Cirebon workshop business Islamic business perspective.

Ha2: Price effect on consumer loyalty at Gunung Jati Motor Cirebon workshop business Islamic business perspective.

Ha3: Services and prices affect consumer loyalty at Gunung Jati Motor Cirebon workshop Islamic business perspective.

TABEL 1. INSTRUMENT TABLE

Variable	Indicator	Instrument (Question)
Service (X1)	Service	1. This workshop provides a comfortable and clean place for customers to wait 2. This workshop always tries to provide the best service to customers 3. I am satisfied with the level of service at this workshop 4. I would recommend this workshop to my friends and family 5. This workshop provides excellent/best service to customers 6. I believe that this workshop is a trusted place for motorbike servicing
Price (X2)	Price	1. How satisfied are you with the quality of this product/service 2. The price of spare parts in this workshop is in accordance with the quality? 3. This workshop has good performance 4. This workshop provides prices for products/services according to their quality 5. Does this product/service perform well? 6. This workshop often offers promotions or discounts for service services and spare parts 7. Overall, I am satisfied with the prices offered by this workshop
Consumer/Customer Loyalty (Y)	Consumer/Customer Loyalty	1. I would recommend this workshop to my friends and family. I will return to this workshop for servicing my motorbike in the future. 2. I will return to this workshop to service my motorbike in the future. 3. I am satisfied with my experience at this workshop. 4. I believe that this workshop is a trusted place for motorbike servicing. 5. I feel loyal to this workshop.

II. RESULTS AND DISCUSSION

1. Analysis of Workshop Service on Consumer Loyalty

TABEL 2 UJI MULTIKOLINERITAS

Coefficients							Collinearity Statistics	
Model		Unstandardized	Standard Error	Standardized	t	p	Tolerance	VIF
Ho	(Intercept)	25.557	0.487		52.461	< .001		
H1	(Intercept)	1.542	0.824		1.870	0.065		
	X1 Layanan	0.232	0.091	0.285	2.549	0.012	0.082	12.170
	X2 Harga	0.477	0.079	0.674	6.038	< .001	0.082	12.170

Source: primary data processed 2024, JASP Version 0.18.3.0

The findings from the multicollinearity test indicate that the service at Bengkel Gunung Jati Motor Cirebon affects customer loyalty. Exceptional service quality attracts clients to Bengkel Gunung Jati Motor, thus enhancing revenue for Bengkel Gunung Jati Motor Cirebon. Service quality [12] quantifies the disparity between actual service and client expectations, utilizing expected service and perceived service as metrics. By delivering high-quality, transparent, and customer-centric service, the workshop can cultivate a positive reputation and attain sustainable revenues.

2. Price Analysis in Workshops on Consumer Loyalty

Table 1 indicates that the multicollinearity test findings demonstrate that prices at Bengkel Gunung Jati Motor Cirebon affect consumer loyalty. Excessively high costs may lead to a reduction in client attendance at the workshop, while artificially low prices can also result in financial losses for the

workshop. Consequently, the proprietor of Bengkel Gunung Jati Motor Cirebon establishes regular pricing to retain consumer loyalty. The way people act when they shop is explained in [18], [19], and it shows that their choices are affected by many inside and outside factors. Inside factors include things like motivation, perception, and attitude; outside factors include things like culture and social environment.

The price is how much money you have to pay for a good or service. It's the value that customers are willing to give up in exchange for the right to own and use it. This lets the business make a profit that's fair for the value they give up. [20, p. 345]. As a result, this workshop focuses on pricing indicators such as how affordable the product is, how well the price matches the quality, and how competitive it is compared to similar products. Price is not merely a figure but a critical component of the marketing mix strategy. The price can affect consumer views of the value of a product or service, brand image, and, ultimately, purchasing decisions. Price is a significant factor influencing customer purchasing decisions and brand loyalty. Consequently, Bengkel Gunung Jati Motor Cirebon can refine its price approach and bolster consumer loyalty.

3. Analysis of Service Levels and Prices at Workshops on Consumer Loyalty

TABEL II ANOVA

ANOVA						
Model		Sum of Squares	df	Mean Square	F	p
H ₀	Regression	1996.995	2	998.497	440.768	<.001
	Residual	212.943	94	2.265		
	Total	2209.938	96			

Note. Null model includes X1 Layanan, X2 Harga

* Vovk-Sellke Maximum p -Ratio: Based on the p -value, the maximum possible odds in favor of H₁ over H₀ equals 1/(-e p log(p)) for p ≤ .37 (Sellke, Bayarri, & Berger, 2001).

Source: primary data processed 2024, JASP Version 0.18.3.0

Table 1 indicates that the service and prices at Bengkel Gunung Jati Motor Cirebon have a substantial influence on customer loyalty. This conclusion is based on the findings of the multicollinearity test. The VIF value for the X1 Service and X2 Price variables is recorded as 12.170, as can be seen in the table that is located above. This significantly exceeds the criterion of 10. In addition, the value of tolerance for the X1 Service and X2 Price variables is 0.082 on the scale. This is far lower than the target value of 0.1. The fact that this is the case indicates that the regression model has a serious multicollinearity issue. This suggests that the variables X1 Service and X2 Price are highly correlated with one another, which makes it challenging to disentangle the influence that each variable has on the variable that is being studied (the dependent variable). (the loyalty of the consumer). While this is going on, Table 2 displays an extremely low p-value (<0.001), which indicates that there is a significantly different difference between the groups that were compared. In other words, the independent variables (X1 Service and X2 Price) significantly influence the studied variable (the dependent variable). According to, customer loyalty [22, p. 353] is

defined as the process of repeat purchases that are solely associated with the repeated purchase of the same particular brand. Indicators of repeat purchases include consumption habits of that brand, always liking that brand, consistently choosing that brand, believing that that company is the best, and recommending that brand. Because of its advantageous location, this workshop has a long list of devoted customers.

4. Descriptive Statistics

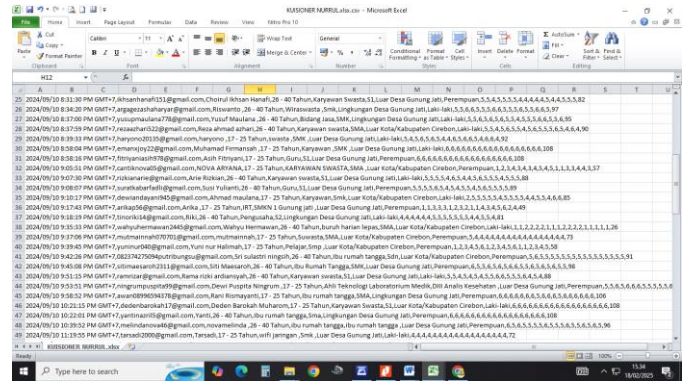
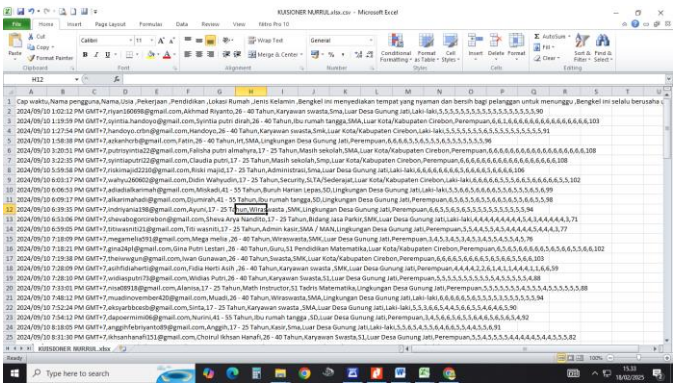
TABEL II DESCRIPTIVE STATISTICS

Based on the results of descriptive statistics, it is known

Descriptive Statistics																		
95% Confidence Interval Mean																		
	Val	Missi	Medi	Mea	Upp	Low	Std.	Coeff		Std.		Std.		P-value		Minim	Maxim	
	id	ng	an	n	er	er	Deviation	icient of variati on	Skewn ess	Error of Skewn ess	Kurto sis	Error of Kurto sis	Shapi ro-Wilk sis	of Shapi ro-Wilk		um	um	
X1	Layan	97	0	32.0	30.6	31.8	29.5	5.883	0.192	-	2.452	0.245	6.81	0.48	0.72	<.00	6.000	36.00
X2	Harg	97	0	37.0	35.4	36.7	34.0	6.787	0.192	-	2.457	0.245	7.09	0.48	0.73	<.00	7.000	42.00
Y	Loyali	97	0	27.0	25.5	26.5	24.6	4.798	0.188	-	2.654	0.245	8.81	0.48	0.72	<.00	5.000	30.00
tas																		

that there are 97 samples of valid service, price and loyalty indicators. Variable Based on the data above, it can be concluded that the Gunung Jati Cirebon Workshop has a good level of service.

5. Research Questionnaire Results



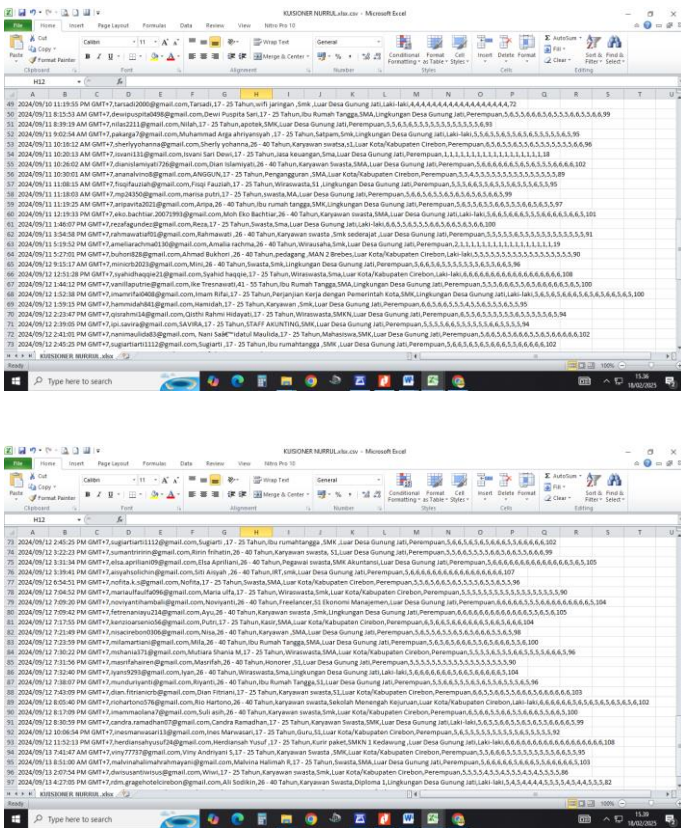


Figure 1-4 Research Questionnaire Results

III. CONCLUSIONS

According to the findings of the research on consumer behavior theory, it is possible to conclude that the quality of service has a very substantial influence on the loyalty of customers. When Bengkel Gunung Jati Motor Cirebon is able to deliver exceptional service that goes above and beyond what the clients anticipate, a solid relationship will be built between the workshop and the consumers. In order for Bengkel Gunung Jati Motor Cirebon to ensure its continued existence and success in an industry that is becoming increasingly competitive, the company must provide exceptional service. The workshop has the potential to achieve long-term success and generate significant customer loyalty if it places a major emphasis on providing excellent service. Bengkel Gunung Jati Motor Cirebon's pricing strategy has a considerable influence on the degree to which customers remain loyal to the company. Prices are not just numbers; they are one of the essential components of the marketing mix that can affect how consumers perceive the value of the products or services they buy, the brand's image, and their purchasing decisions. At Bengkel Gunung Jati Motor Cirebon, one of the keys to increasing customer loyalty is to take the appropriate approach to pricing products and services. By gaining a grasp of Kotler and Keller's pricing theory and properly using it, the workshop will be able to strengthen its relationships with clients and achieve success over the long run. Considering the outcomes of the linearity test, it is possible to conclude that the regression model is significant in general. This means that changes in the independent variables (X1 Service and X2 Price) can help explain changes in the

dependent variable (Y Loyalty) when compared to the independent variables. To put it another way, Y Loyalty is significantly impacted by multiple factors, including X1 Service and X2 Price. At the end of the analysis of variance (ANOVA) test, it is possible to conclude that the regression model is significant in general. This means that changes in the independent variables (X1 Service and X2 Price) can help explain changes in the dependent variable (Y Loyalty) when compared to the independent variables. To put it another way, Y Loyalty is significantly impacted by multiple factors, including X1 Service and X2 Price.

Therefore, although numerous elements influence consumers' purchasing decisions to become loyal customers, service and pricing continue to be the choices that consumers make for repeat purchases based on their overall experiences.

Future research can be conducted by other researchers using qualitative data collection methods to gain a more personal and in-depth understanding of customer preferences, even if the workshop is located in a rural area.

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